

Item 1 – Cover Page

Blackstone Infrastructure Advisors L.L.C.

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as of August 28, 2018

Form ADV, Part 2; the “Disclosure Brochure” or “Brochure” provides information about the qualifications and business practices of Blackstone Infrastructure Advisors L.L.C. (the “Advisor”).

If you have any questions about the contents of this Brochure, please contact us at (212-583-5000). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The Advisor’s registration as an investment advisor does not imply any level of skill or training.

Additional information about the Advisor is also available at the SEC’s website www.adviserinfo.sec.gov (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in “Blackstone Infrastructure Advisors”). The search results will provide you with both Parts 1 and 2A of our Form ADV.

Item 2 – Material Changes

There has not been a material change to this Brochure since its last annual update filing on March 29, 2018, other than the closing of BIP and certain Other Infrastructure Vehicles (each as defined below).

However, please carefully read Items 5, 8 and 10, which describe certain fees and expenses, potential risk of loss and potential conflicts of interest (including, for example, in respect of portfolio company relationships), respectively.

The Advisor, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (e-mail) or in hard copy form).

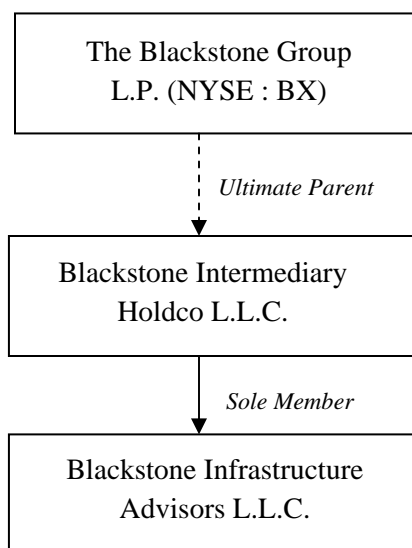
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Item 4 – Advisory Business

Blackstone Infrastructure Advisors L.L.C. (the “Advisor”) is a Delaware limited liability company. The Advisor provides investment advisory services to an open-ended private investment fund that has as its primary investment objective the making of control and control-oriented infrastructure investments, as well as in public-private partnership infrastructure projects, in each case within the “Core+” and “Core” space and its parallel funds (“BIP”), its related parallel account (“BIP-P” or the “Parallel Account”) and other managed accounts (the “Other Parallel Accounts”) and certain closed-ended private funds and other single investor and pooled vehicles that have or may make separate investments in the infrastructure space or co-invest alongside BIP (the “Other Infrastructure Vehicles” and, together with BIP and BIP-P, the “Funds”). Affiliates of the Advisor serve as the general partner (the “General Partner,” and, collectively, the “General Partners”) of each of the Funds.

The Advisor was established in 2017. The ultimate parent of the Advisor is The Blackstone Group L.P., which is a publicly held limited partnership listed on the New York Stock Exchange that trades under the ticker symbol “BX”. Please see the structure chart below. The Blackstone Group L.P. (together with its affiliates, “Blackstone”) is a leading global alternative investment manager with investment vehicles focused on private equity, real estate, hedge fund solutions, non-investment grade credit, secondary private equity funds of funds and multi-asset class strategies. Please see **Item 10 – Other Financial Industry Activities & Affiliations** for more information.



As of the date hereof, the Advisor has regulatory assets under management of \$22,622,466,667.

Description of Advisory Services:

The Advisor serves as investment advisor to the Funds pursuant to the terms of the investment advisory agreements (the “Advisory Agreements”) between the Advisor and each of the Funds, and makes investment decisions for the Funds including by evaluating the Funds’ investments.

The individual needs of the investors in the Funds are not the basis of investment decisions by the Advisor. Investment advice is provided directly to the Funds by the Advisor and not individually to the Funds’ investors.

Through a series of delegation agreements, the Advisor also provides specific portfolio management services to certain private investment funds, which are managed by an affiliated alternative investment fund manager for the purposes of the European Union Alternative Investment Fund Managers Directive (“AIFMD”).

Item 5 – Fees and Compensation

Management Fees and Performance Fees

Pursuant to the Advisory Agreements with each of the Funds, the Advisor is entitled to compensation from each Fund for its services in the form of an annual management fee (the “Management Fee”), payable quarterly in arrears consisting of the sum of (i) up to 1.00% per annum (which varies among the Funds) of the applicable Fund’s (i) total invested capital, in the case of certain Funds that are structured as “closed-ended funds”, or (ii) net asset value, in the case of a Fund that is structured as a “open-ended fund” (and certain Funds that are structured as “closed-ended funds”) plus (ii) up to 0.50% per annum (which varies among the Funds) of undrawn capital commitments with respect to certain limited partners of certain Funds.

The Management Fee is prorated for any partial periods. In certain cases, the Management Fee payable by an investor in a Fund may be waived or reduced for certain investors that have certain characteristics, such as if a Fund investor participates in an early closing of a Fund or makes a commitment to a Fund above a certain threshold.

As set forth in Item 6 below, each of the General Partners receives performance-based compensation in respect of either realized or unrealized (dependent upon the Fund) appreciation, subject to certain conditions, and, in addition, certain Funds distribute current income from investments.

The offering materials (including the private placement memorandum as amended, restated or supplemented from time to time) (the “Offering Materials”), the organizational documents (including any applicable limited partnership agreements, limited liability company agreements and other formation documents, as amended or restated from time to time) (the “Organizational Documents”) and Advisory Agreement of each Fund include further details on fees, compensation and related matters.

Management Fees and performance-based compensation are either called from investors in the form of cash or units of the relevant Fund, if applicable, or drawn down from the relevant Fund’s subscription credit facility.

Certain investors in the Funds, which are generally related persons, current or former senior advisors, employees and retired partners of Blackstone, chief executive officers of Blackstone portfolio companies, investment funds advised by Blackstone Multi-Asset Advisors L.L.C. (“BMAA”), employees of PJT Partners Inc. and certain Other Blackstone Accounts and/or charitable programs, endowment funds and related entities established by or associated with any of the foregoing (“Blackstone Investors”), will not pay Management Fees and/or performance based allocations in connection with their investment in the Funds or Blackstone sponsored funds that make investments in or alongside one or more of the Funds. Notwithstanding the foregoing, such investors will either directly pay for their pro rata share of certain Fund expenses (as described below), or the pro rata amount of such expenses will be

allocated to the applicable General Partner or its affiliates. For more information with respect to the allocation of Fund expenses, please see “Expenses” in **Item 5** below.

Blackstone Strategic Relationships

In addition, Blackstone has entered, and it can be expected that Blackstone in the future will enter, into strategic relationships (“Strategic Relationships”) with investors that incorporate one or more investment strategies in addition to that of any particular Blackstone fund. A Strategic Relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, one or more of which may include a Fund. Investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts on and/or reimbursement of management fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone funds (including, without limitation, preferential allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone vehicles (including any carried interest and/or management fees to be charged with respect thereto)). The co-investment that is part of a Strategic Relationship may include co-investment in investments made by a Fund. Strategic Relationships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to investors in the Funds. In addition, from time to time, Blackstone may enter into economic and/or fee sharing arrangements with respect to one or more Funds and/or certain limited partners thereof, which rights will not generally be made available to other limited partners.

Other Fees Payable to the Advisor and its Affiliates

In addition, pursuant to the Advisory Agreements with certain Funds, the Advisor may charge investors with capital commitments below a certain threshold a servicing fee (the “Servicing Fee”), subject to the right of the applicable General Partner, in its sole discretion, to reduce or waive such fee. The Servicing Fee is generally equal to a percentage based on the investor’s share of net asset value (“NAV”) and payable quarterly in arrears.

In addition to the Advisor’s Management Fee, any Servicing Fee and performance-based allocations (see **Item 6** below), the Advisor and its affiliates may also receive financial advisory fees, monitoring fees, organization and financing fees and similar fees for arranging acquisitions and other major financial restructurings, commitment, transaction, break-up and topping fees, operational fees, divestment fees and directors’ fees, fees for services related to group purchasing, healthcare consulting/brokerage, investment banking, capital markets, credit origination, loan servicing and/or other types of insurance, management consulting and other similar operational and finance matters, and/or other fees and annual retainers from (or, with

respect to) the Funds' portfolio companies. The Management Fee paid by Fund investors generally will not be offset by break-up, topping, commitment (including fees received in respect of guarantees as contemplated by the applicable partnership agreement), monitoring, transaction, directors' and organizational fees or any other fees received by the Advisor and its affiliates. Certain of the Funds bear the cost of fund administration services provided by Blackstone employees (including the allocation of their compensation), and except in certain limited circumstances or with respect to certain Funds, such amounts will not offset management fees. Fund investors should carefully consult the applicable Fund's offering documents and Organizational Documents to determine the offsettable fees, if any, and the management fee offset percentage, if any, applicable to the Funds in which they are invested (See "Other Fees Received by the Advisor and its Affiliates" in **Item 10** below). In addition, the Advisor will also engage and retain on behalf of the Funds and/or their portfolio companies senior advisors, industry experts, executive advisors, consultants, and other similar professionals who are not employees or affiliates of the Advisor and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies or the Funds, and such amounts will not offset the Management Fee paid by the Funds (See "Advisors" in **Item 10** below).

The precise amount of, and the manner and calculation of, the fees and compensation described above, including the Management Fee, any Servicing Fee and performance-based compensation, are established by the Advisor through negotiations with investors in each Fund, and the offering documents, the Organizational Documents and the Advisory Agreement of each Fund include further details on such fees, compensation and related matters.

Expenses

The following is a list of expenses that are typically borne by the Funds (and indirectly by the Fund investors). This list is not intended to be exhaustive; prospective and existing investors in the Funds are advised to review the applicable Fund offering materials and Organizational Documents for a more extensive description of the expenses associated with an investment in the Funds. Subject to the limitation set forth in the Organizational Documents, costs, expenses and charges specifically attributed or allocated by the Advisor and its affiliates to the Funds may exceed what would be paid to an unaffiliated third party for substantially similar services.

- Legal fees.
- Placement fees.
- Regulatory filing fees of the Funds, including but not limited to compliance with U.S. federal and state laws and international laws, such as the AIFMD (including any costs associated with the AIFMD marketing passport).
- Expenses related to the Advisor's compliance matters and reporting obligations to the extent they relate to the Funds' activities, (e.g., Form PF, U.S. Commodity Futures Trading Commission ("CFTC") filings, AIFMD filings and any related regulations, including costs and expenses of collecting and calculating data and preparation of regular reports to be filled with EEA member states.

- Administrative fees, expenses and/or charges (See “Other Fees Received by the Advisor and its Affiliates” in **Item 10** below).
- Organizational expenses and expenses of offering units in the Funds, including external legal and accounting expenses and out-of-pocket expenses (including travel and related expenses of the Advisor or the General Partners).
- Operating expenses.
- Consultant and senior advisor expenses (See “Advisors” in **Item 10** below).
- Technology expenses (which may include internally allocated charges for certain Funds).
- Accounting fees.
- Taxes, tax-related interest and expenses related to the preparation and delivery of any entity-level taxes.
- Tax advisor fees.
- Audit fees.
- Brokerage commissions.
- Transaction fees.
- Fees and expenses associated with borrowing, guarantees and other financing, including interest charges.
- Expenses of loan servicers and other service providers.
- Expenses associated with the development, negotiation, acquisition, holding, monitoring and disposition of investments.
- Fees, costs and expenses related to the organization or maintenance (including any AIFMD and other marketing and/or compliance related expenses related thereto) of any intermediate entity used to acquire, hold or dispose of any one of more investments or otherwise facilitating a Fund’s investment activities.
- Custodial fees.
- Investment banker fees.
- Depository fees.
- Research-related expenses, including news and quotation equipment and services and data collection and including costs allocated by Blackstone’s internal research and third party groups (which are generally based on time spent), internal printing (including a flat service fee) and publishing (including time spent performing such internal printing and publishing services).
- Broken-deal expenses (See “Other Fees Received by the Advisor and its Affiliates” in **Item 10** below).

- Expenses associated with the preparation, printing and delivery of the Funds' periodic reports and related financial and other statements and investor notices and communications.
- Expenses of the L.P. Advisory Committees.
- Expenses of investor meetings.
- Expenses associated with a Fund's compliance with applicable laws and regulations.
- Expenses of litigation involving the Funds or entities in which the Funds have investments and the amount of any judgments, fines, remediation or settlements paid in connection therewith; taxes, fees and other governmental charges; all expenses in connection with any tax audit, examination or investigation.
- Expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nations" provisions.
- In-house fund administration costs and related overhead (See "Other Fees Received by the Advisor and its Affiliates" in **Item 10** below).
- Travel and entertainment expenses in connection with the Funds' fundraising and investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos, cars and meals (outside normal business hours), social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers)).
- Expenses related to hedging arrangements.
- Insurance.
- Indemnification expenses (including advancement of any fees, costs or expenses to persons entitled to such indemnification).
- Expenses of liquidating the Funds.
- Marketing, advertising, printing, wholesaling and other capital raising expenses associated with investor admission/subscription and investor-related services and other similar costs.
- Arbitration expenses.
- Valuation costs.
- Expenses of third-party advisory committees of the Funds as well as of other goods and services provided by third parties and other third party professionals.

Certain Blackstone personnel may be seconded to one or more portfolio companies and provide finance-related, accounting, and other similar services to such portfolio companies and

the compensation for such personnel during the secondment will be borne by the portfolio companies. To the extent Blackstone receives any fees or expense reimbursement from the portfolio companies with respect to such personnel, they will not result in any offset to the Management Fee payable by the relevant Funds.

Investors in a Fund are allocated their pro rata share of such additional fees and expenses. Pursuant to the Organizational Documents of certain Funds, all expenses (including organizational, legal, reporting and compliance-related expenses and other expenses described in **Item 5** above) are generally allocated between such Funds (including any parallel funds formed in the future in Luxembourg and the related AIFMD and other marketing and compliance-related expenses that are not directly connected to such Funds and their activities) on a pro rata basis; *provided*, that the General Partners may in good faith allocate any expenses of the applicable Funds and their respective alternative investment vehicles between or among the Funds and their respective alternative investment vehicles on another basis if they determine such allocation is more equitable or appropriate under the circumstances.

From time to time, each General Partner will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or the relevant General Partner and the Advisor, on the other, and/or whether certain costs and expenses should be allocated between or among the Funds, on the one hand, and other funds, investment vehicles, separate managed account arrangements and special purpose vehicles managed by affiliates of Blackstone ("Other Blackstone Accounts"), on the other. Certain expenses may be suitable for only a particular Fund and borne only by such Fund, or, as is more often the case, expenses may be allocated pro rata among the Funds (or in such other allocation as the applicable General Partners decide in good faith is more equitable or appropriate) even if the expenses relate only to particular vehicle(s) and/or investor(s) therein. With respect to broken deal expenses, the Funds and Blackstone's side-by-side co-investment vehicles (as applicable) will generally be required to bear their pro rata portion of broken deal expenses in accordance with the amount they were expected to invest in the unconsummated deal. Certain co-investment vehicles however, or certain potential co-investors who might have invested in a transaction had it been consummated will not be allocated any share of such break-up or topping fees or broken deal expenses, such as potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment are not executed until the time of the deal closing, unless the applicable General Partner determines otherwise in its discretion or as may be set forth in the relevant operative agreements. Each General Partner will make such judgments in a manner that it determines to be fair and reasonable in good faith, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. However, such determination is inherently subjective and may give rise to conflicts of interest in light of the inherent biases in the process. There can be no assurance that a different manner of allocation would not result in a Fund bearing less (or more) expenses. Travel and entertainment expenses in connection with a trip taken by employees of the Advisor and/or the General Partners for purposes of multiple matters will generally be allocated to each such matter based on the time

spent for each matter and then the resulting expenses will be allocated to the Funds, Other Blackstone Accounts and/or the Advisor as otherwise set forth herein.

Item 6 – Performance-Based Fees and Side-By-Side Management

In addition to the Management Fees and other fees described in **Item 5** that are received by the Advisor, the General Partners of BIP and BIP-P each receive performance-based compensation equal to 12.5% and 10%, respectively, of any appreciation (including unrealized appreciation) of the Fund's investment portfolio, taking into account any distributions made to investors over the applicable period, following BIP or BIP-P, as applicable, achieving a certain hurdle amount during such period (as set forth in the applicable Fund's organizational documents). The General Partners of Other Infrastructure Vehicles generally receive a percentage of the profits of current disposition proceeds from each such Other Infrastructure Vehicle with respect to each investor (other than those that are affiliates of the Advisor).

BIP distributes cash available for distribution, as determined by the applicable General Partner in its sole discretion, on a periodic basis. Investors in BIP will have all of such distributions reinvested by the applicable General Partner of BIP unless they elect otherwise. In addition, BIP generally expects to reinvest proceeds received by it in connection with a disposition or use such proceeds for any other purpose permitted under the Organizational Documents (including satisfying redemption requests).

The fact that the Advisor's affiliates are in part compensated based on the performance of the Funds may create an incentive for the Advisor to make investments on behalf of investors that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement, or time the sale of investments in a manner motivated by the personal interests of Blackstone personnel. However, the commitment by Blackstone to invest in the Funds, loss carryforward provisions or clawback provisions (which are provisions in certain of the Organizational Documents that require a General Partner to make up any depreciation over a certain period of time prior to taking incentive compensation or return excess amounts of performance based allocations that have been received, respectively), and the fact that the preferred return is calculated on an aggregate basis, in each case, where applicable, should tend to reduce the incentive to make more speculative investments or otherwise time the sale of investments in a manner motivated by personal interests of Blackstone personnel. In connection therewith, the General Partner's clawback obligation in certain Funds may create an incentive for such General Partner to defer the disposition of one or more investments in such Funds if such disposition would result in a realized loss, a return on investment that was less than the preferred return and/or the finalization of dissolution and liquidation of such a Fund where a clawback obligation would be owed.

As described in **Item 5**, Blackstone Investors are not subject to Management Fees or performance-based compensation allocations.

Item 7 – Types of Clients

The Advisor manages the Funds. The Funds' investors may consist of some or all of the following:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- Public and private profit sharing plans
- Trusts and estates
- Charitable organizations and foundations, including endowment funds thereof
- State and municipal government agencies
- Sovereign wealth funds
- Private investment funds
- Corporations
- Business entities other than those listed above
- High net worth individuals
- Family offices

Investors may also include other funds, vehicles and/or accounts managed by affiliates of Blackstone. All investors are subject to applicable suitability requirements. The Advisor and the General Partners require that each investor in the Funds be (i) an "accredited investor" as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and (ii) a "qualified purchaser" as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, and meet other suitability requirements (including, in some circumstances, a person that is not a U.S. Person as defined in Regulation S under the Securities Act). Generally, investors must invest a minimum dollar amount as determined in each General Partner's discretion. Each General Partner reserves the right, in its sole discretion, to waive the minimum dollar amount.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies:

The Advisor offers advice to the Funds generally to invest in control and control oriented infrastructure investments, as well as in public-private partnership infrastructure projects, in each case within the “Core+” and “Core” space (including (i) preferred stock, debt and other securities relating to common equity investments and (ii) preferred stock, debt and other securities that are expected to produce equity-like returns) in conjunction with privately negotiated transactions. These investments are generally made in connection with acquisitions, dispositions, restructurings, workouts, management acquisitions and other similar situations and utilize some degree of leverage.

The Advisor’s investment analysis methods include fundamental, technical and cyclical research. The Advisor’s investment team is responsible for evaluating securities (and other products) for investment. The Advisor’s investment professionals also review all portfolios for adherence to the investment objectives of each portfolio and the Fund’s stated investment strategies.

The Advisor personnel generally meet each Monday to discuss potential and pending transactions. At that meeting such transactions are discussed (unless there are no new developments or activities to report). If the Advisor’s consideration of a transaction has advanced beyond the preliminary evaluation stage, a brief memorandum to a review committee (the “Review Committee”) is prepared and the transaction is discussed at the regular weekly meetings of the Review Committee. If at such meeting the Review Committee authorizes the transaction team to continue to pursue the transaction, the transaction team will conduct further work. If the transaction reaches the stage where the transaction team proposes to make a definitive bid to acquire or invest in the target company or business (usually this is the “second round” of bidding, following an initial round in which preliminary, non-binding indications of interest are submitted by interested bidders), it will prepare a detailed memorandum on the transaction for the investment committee (“Investment Committee”) and convene a meeting of the Investment Committee to discuss the transaction in depth with the transaction team and decide whether to authorize such a definitive bid and what the bid should be. In addition to an in-depth discussion of the target company or business and the investment thesis, deal tactics and potential exit strategies will usually be discussed by the Investment Committee and the transaction team. The Investment Committee will often conduct multiple meetings on a particular deal. Both the Review Committee and Investment Committee processes involve a consensus approach to decision making. The sole limited partner of BIP-P will be entitled to a non-voting observer seat on the Investment Committee.

Risk of Loss:

An investment in the Funds entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks such investments represent. Set forth below is a non-exhaustive list of such risks:

1. Highly competitive market for investment opportunities
2. No established market for potential investments exists
3. Dependence on the Advisor, the Advisor's key personnel and portfolio company management
4. Restrictions on transfers of investor units under the Organizational Documents and/or the Securities Act and lack of public market
5. Enhanced scrutiny and potential regulation of the private investment fund industry and the financial services industry (including Dodd-Frank)
6. CFTC registration requirements and maintenance of exemptions therefrom
7. Compliance with the AIFMD
8. Compliance with pay-to-play laws, regulations and policies
9. Compliance with tax law (including FATCA and partnership audit rules)
10. Risks arising from ERISA including potential control group liability
11. Litigation risk
12. Changes in legal, fiscal, and regulatory regimes
13. Market volatility risks, including interest rate fluctuations
14. Non-U.S. investments, including currency fluctuation, exchange controls and political factors
15. United Kingdom Exit from the European Union and related volatility
16. Currency fluctuations
17. Illiquidity of investments by the Funds
18. Nature of equity or equity-related investments
19. Investment environment and market risk
20. Risk of loss of entire investment
21. Policy risks in emerging markets

22. Due diligence may not reveal all factors affecting an investment
23. Ability to deploy capital in conjunction with finding suitable investments
24. Leverage risk
25. Hedging risks
26. Industry-specific risks (e.g., real estate industry risk, energy industry risk, etc.)
27. Cyber Security breaches and identity theft
28. Technological innovations
29. Unspecified Investments
30. Ability to implement a Fund's investment strategy
31. Sharing and use of "big data" and other information
32. Contingent liabilities incurred on dispositions or financings of investments
33. Limited ability to protect the Fund's interest when making non-controlling investments
34. Lack of diversification in investments
35. Limited availability of investment opportunities
36. Operating and financial risks of portfolio companies
37. Cross incurrence of indebtedness or guarantees on a several, joint and several or cross-collateralized basis among the Funds and with Other Blackstone Accounts
38. Risks of fraud
39. Delayed construction arising in investments in new development
40. Acquisition of sub-performing infrastructure loans and participations
41. Risks of distressed securities being subject to workouts, restructurings or bankruptcy
42. Risks of investing in publicly-traded securities
43. Risks associated with distributions in-kind
44. General Nature of the Fund's Investments
45. General Infrastructure Investment Characteristic Risks
46. General Governmental & Regulatory Risks

- 47. Regulatory Approvals/Consents
- 48. Demand/Usage Risk
- 49. Rate Regulation
- 50. Operations and Maintenance Risk
- 51. Construction Risk
- 52. Inflation Risk
- 53. Development Risk
- 54. Political and Societal Challenges
- 55. Investment in the Energy Sector
- 56. Energy and Natural Resources Regulatory Risk
- 57. Effects of Ongoing Changes in the Utility Industry
- 58. Power Purchase Agreement Risk

Investors are advised to review the applicable Fund offering materials for a more extensive description of the risks of investing in the Funds.

Stock markets and bond markets fluctuate substantially over time and performance of any investment is not guaranteed. As a result, there is a risk of loss of value in the assets which the Advisor manages that is out of the Advisor's control. The Advisor cannot guarantee any level of performance or that investors in the Funds will not experience a substantial or complete investment loss. There is no assurance that the Funds will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategies. The marketability and value of any such investment will depend upon many factors beyond the control of the Funds. The expenses of the Funds may exceed their income, and an investor in a Fund could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a Fund if the investor can withstand a total loss of its investment. The past investment performance of the Funds cannot be taken to guarantee future results of the Funds or any investment in the Funds.

Item 9 – Disciplinary Information

The Advisor does not have any legal, financial or other “disciplinary” event to report. As a registered investment adviser, the Advisor is obligated to disclose any legal disciplinary event that would be material to a client when evaluating the adviser’s advisory business or integrity of its management.

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, the Advisor does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect the Advisor and/or the Funds’ results of operations, financial position or cash flows. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone’s public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the web site of the SEC (www.sec.gov) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>), and (ii) materials made available through Blackstone’s BXAccess online portal, which is accessible to each Fund’s limited partners with respect to such Fund.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

From time to time, various potential and actual conflicts of interest arise from the overall investment activities of the Advisor and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exclusive list of all such conflicts. Fund investors should consult the applicable Fund's offering documents for a more complete listing of applicable conflicts. Any references to Blackstone and the Advisor in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees.

If any matter arises that the Advisor determines in its good faith judgment constitutes an actual conflict of interest, the Advisor will take such actions as it determines in good faith may be necessary or appropriate to ameliorate the conflict (and upon taking such actions the Advisor will be relieved of any liability for such conflict to the fullest extent permitted by law and will be deemed to have satisfied applicable fiduciary duties related thereto to the fullest extent permitted by law). These actions include, by way of example and without limitation, (i) presenting a conflict of interest to the respective L.P. Advisory Committee as expressly provided for in the Organizational Documents, (ii) disposing of the investment or security giving rise to the conflict of interest; (iii) appointing an independent fiduciary to act or provide consent with respect to the matter giving rise to the conflict of interest; (iv) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the respective L.P. Advisory Committee regarding the conflict of interest and either obtaining a waiver or consent from the respective L.P. Advisory Committee of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the respective L.P. Advisory Committee with respect to such conflict of interest, (v) disclosing the conflict to the investors (including, without limitation, in drawdown notices, quarterly letters or other communications), (vi) implementing certain policies and procedures designed to ameliorate such conflict of interest or (vii) taking any other actions the Advisor deems necessary to ameliorate such conflict of interest. There can be no assurance that the Advisor will identify or resolve all conflicts of interest in a manner that is favorable to the Funds. By acquiring an interest in a Fund, each Fund investor will be deemed to have acknowledged and consented to the existence or resolution of any such actual, apparent or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Blackstone Policies and Procedures. Specified policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will from time to time reduce the synergies across Blackstone's various businesses that the Funds expect to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different businesses, including the Blackstone Capital Markets Group, which Blackstone investment teams and portfolio companies may engage to advise on and to execute debt and equity financings, it is

subject to a number of actual and potential conflicts of interest, greater regulatory oversight and subject to more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures (e.g., information walls) that reduce the positive firm-wide synergies the Funds could otherwise expect to utilize for purposes of identifying and managing attractive investments. For example, Blackstone will from time to time come into possession of material non-public information with respect to companies in which the Funds may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to the Funds, might become restricted to those other respective businesses and otherwise be unavailable to the Funds. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone fund has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of the Funds and/or their portfolio companies and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for the Funds, may require the Funds to share such opportunities or otherwise limit the amount of an opportunity the Funds can otherwise take. Members of the investment team or investment committee may also be excluded from participating in certain investment decisions or otherwise replaced because of potential conflicts with other businesses at Blackstone or other reasons, in which case the Funds will not benefit from their expertise and advice.

Performance-Based Compensation. The existence of the General Partners' performance-based compensation may create an incentive for each General Partner to make more speculative investments on behalf of the applicable Funds than it would otherwise make in the absence of such performance-based compensation. Under the terms of certain of the Funds' Organizational Documents, the General Partners are entitled to elect to receive their performance-based compensation with respect to an investment that is otherwise being sold in the form of an in-kind distribution of marketable securities, including if the purpose is to permit one or more Blackstone personnel to donate such securities to charity (which may include private foundations, funds or other charities associated with any such personnel). The tax efficiencies to such Blackstone personnel associated with this form of charitable giving may have the effect of reinforcing and/or enhancing the General Partners' incentives otherwise resulting from the existence of the their performance-based compensation and therefore conflicts of interest may arise in making decisions on behalf of the Funds (including the timing of the disposition of investments). However, the significant commitment by Blackstone to invest in investments of the Funds, the clawback of the General Partners, and the fact that the hurdle rate is calculated on an aggregate basis, in each case, where applicable, should tend to reduce the incentive to make more speculative investments or otherwise time the sale of investments in a manner motivated by the personal interests of Blackstone personnel. In connection therewith, the clawback obligations of the General Partners may create an incentive for each General Partner to make more speculative investments and/or defer disposition of one

or more investments if such disposition would result in a realized loss and/or the finalization of dissolution and liquidation of a Fund where a clawback obligation would be owed and/or seek to deploy the capital commitments in investments at an accelerated pace. In addition, with respect to Funds in which the Management Fee is calculated based on invested capital rather than capital commitments there may be an incentive for the General Partner to (i) defer realization of investments, (ii) make more speculative investments than it otherwise would have made if Management Fees were based on capital commitments if a realization of a different investment would result in a realized loss and/or the finalization of dissolution and liquidation of the Funds would otherwise result in a clawback obligation being owed, (iii) seek to deploy the capital commitments in investments at an accelerated pace, and/or (iv) hold investments longer than it otherwise would have if Management Fees were based on capital commitments. In addition, upon a withdrawal by an investor from a Fund (in limited circumstances) and upon the liquidation of a Fund, the applicable General Partner may receive performance-based compensation distributions with respect to a distribution in-kind of non-marketable securities. The valuation of such securities for such purposes will be determined by the applicable General Partner, as set forth in the applicable Fund's Organizational Documents and also in accordance with Blackstone's internal valuation policy.

In addition, the manner in which each General Partner's entitlement to performance-based compensation is determined may result in a conflict between its interests and the interests of limited partners with respect to the sequence and timing of disposals of investments. For example, the ultimate beneficial owners of the General Partners are generally subject to U.S. federal and local income tax (unlike certain of the Limited Partners). The General Partners may be incentivized to operate the Funds, including to hold and/or sell investments, in a manner that takes into account the tax treatment of its performance-based compensation. While the General Partners generally intend to seek to maximize pre-tax returns for each Fund as a whole, the General Partners may nonetheless be incentivized, for example, to hold investments longer to ensure long-term capital gains treatment and/or realize investments prior to any change in law that results in a higher effective income tax rate on its performance-based compensation.

Line of Credit Disclosure. Calculations of net and gross IRRs in respect of investment and performance data included and/or referred to in the private placement memorandum of each Fund, and with respect to the Funds, as reported to Fund investors from time to time, are based on the payment date of capital contributions received from Fund investors. This treatment also applies in instances where a Fund utilizes borrowings under a its subscription-based credit facility in advance of receiving capital contributions from limited partners to repay any such borrowings and related interest expense. As a result, use of a subscription-based credit facility magnify reported IRR as compared to if the facility had not been utilized and instead such Fund investors' capital had been contributed at the inception of an investment.

The Funds may utilize their subscription credit facilities and/or enter into other similar arrangements and extensions of credit for the benefit of co-investors and/or Other Blackstone Accounts, which may invest alongside the Funds in one or more investments. In such circumstances, the General Partners generally intend to disclose such arrangements as part of

the periodic reporting or other appropriate communications relating to the Funds and enter into arrangements to cause any such co-investors and/or Other Blackstone Accounts to bear (or reimburse the Funds for) their pro rata share of any costs and expenses (including interest payments) allocable to such extensions of credit.

Allocation of Personnel. The Advisor and its affiliates will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. However, Blackstone personnel, including certain members of the Investment Committee, will work on other projects, and/or Other Blackstone Accounts, will serve on other committees and have other responsibilities throughout Blackstone and/or its portfolio companies, and, therefore, conflicts are expected to arise in the allocation of personnel and personnel's time. In this regard, however, a core group of Blackstone private equity professionals will devote such time as is reasonably necessary to the business related to the Funds, their respective co-investment vehicles (and their respective investments), the infrastructure business and related entities (as more fully described in the Funds' Organizational Documents).

Other Fees Received by the Advisor and its Affiliates. The Advisor and its affiliates may receive fees relating to the Funds' investments or from unconsummated transactions, for example, without limitation, financial advisory fees, transaction fees, monitoring fees, directors' fees, investment banking fees, property/asset management fees, mortgage servicing fees, consulting fees (including management consulting), syndication fees, capital markets syndication and advisory fees (including underwriting fees), origination fees, servicing fees, healthcare consulting/brokerage fees, group purchasing fees, insurance fees (including title insurance), loan servicing fees, break-up fees, topping fees, commitment fees, divestment fees, organizational fees, financing fees, and other similar fees for arranging acquisitions and other fees and annual retainers (whether in cash or in kind) from or with respect to portfolio companies, co-investors and/or joint venture partners. Fund investors will generally not receive the benefit of such fees. In addition, although Blackstone does not presently intend to generally charge transaction and/or monitoring fees to portfolio companies, such fees, to the extent that they are charged to portfolio companies, would not offset the Management Fee paid by Fund investors. To the extent Blackstone charges transaction and/or monitoring fees, in the case of monitoring fees, these may be payable as fixed dollar amounts or may be calculated as a percentage of EBITDA (or other similar metric). Additionally, the Advisor and its affiliates may receive fees, including incentive fees or similar compensation, from or with respect to portfolio companies and/or other persons (including co-investors and joint venture parties) as part of the investment activities of the Funds, including fees relating to compensation for capital markets transactions and advice, real estate advisory, operational and other services. Moreover, Blackstone and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds which will not be subject to management fee offset or otherwise shared with the Funds, limited partners and/or portfolio companies. For example, airline travel or hotel stays incurred as partnership expenses may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Blackstone and/or such personnel (and not the Funds, limited partners and/or

portfolio companies) even though the cost of the underlying service is borne by the Funds and/or portfolio companies.

Certain Funds will bear the cost of fund administration and other related services provided by Blackstone employees and/or affiliates (including the allocation of their compensation otherwise payable by Blackstone), and such amounts will not offset the Management Fee. Any such expenses, charges, or related costs shall generally not be greater than market rates that would be paid to an unaffiliated third party for substantially similar services. Such allocations require judgments as to methodology that Blackstone will make in good faith. Such methodologies can include, but are not limited to (i) requiring personnel to periodically record or allocate their historical time with respect to the Funds, (ii) Blackstone approximating the proportion of certain personnel's time spent on particular funds, (iii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that Blackstone believes represents a fair recoupment of expenses and a market rate for such services or (iv) any other similar methodology determined by Blackstone to be appropriate under the circumstances (i.e., rates that fall within a range that the applicable General Partner has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms). While Blackstone generally intends to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential and/or bespoke nature of such services. Therefore, such market comparisons may not result in precise market terms for comparable services. In addition, benchmarking data is based on general market and broad industry overviews rather than determined on an asset by asset basis. As a result, benchmarking data does not take in account specific characteristics of individual assets then owned or to be acquired by a Fund (such as location or size). For these reasons, any such methodology (including the choice thereof) involves inherent conflicts and may not result in perfect attribution and allocation of expenses. These expenses will be borne by the Funds as partnership expenses and will not result in any offset to the Management Fee.

The Funds will bear the costs and expenses related to the organization or maintenance of any entity used to directly or indirectly acquire, hold or dispose of any investment or otherwise facilitating the Funds' investment activities (including, without limitation, travel and related expenses related to such entity and the salary and benefits of any personnel (including personnel of the Advisor (or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity), including overhead expenses in connection therewith, expenses of liquidating the Funds, capital raising and investor-related services and other similar costs, expenses of administering side letters entered into with the limited partners (including legal and other expenses in connection with the process of distributing and implementing applicable elections pursuant to any "most-favored-nations" clauses in side letters) and to the extent not reimbursed by a third-party, all third-party expenses incurred in connection with a proposed Investment that is not ultimately made or a proposed disposition that is not actually consummated, (including legal, tax, administrative, accounting, travel and

entertainment, advisory and, consulting and printing expenses, reverse termination fees and any liquidated damages, forfeited deposits, reverse termination fees or similar payments).

The Funds may be required to make contingent funding commitments or guarantees to its portfolio companies or other vehicles or entities in or alongside which the Funds invest and to provide other credit support arrangements in connection therewith. Such credit support may take the form of a guarantee, a letter of credit or other forms of promise to provide funding. Such credit support may result in fees, expenses and interest costs to the Funds, which could adversely impact the results of the Funds, subject to certain limitations set forth in the Organizational Documents.

Blackstone (or its portfolio companies) may from time to time provide asset and/or property management services for a fee (including potentially incentive fees) with respect to assets sold by a Fund to a third party buyer, including after the disposition of such investments. Such involvement of Blackstone as a provider of asset management services with respect to such assets will give rise to potential or actual conflicts of interest. While it is generally not expected that Blackstone will have an economic interest in such assets post-disposition, it is possible that a buyer may require Blackstone as provider of such services to retain or acquire a stake in the asset as part of the overall service relationship therewith.

From time to time, certain Blackstone personnel (including secondees and temporary personnel or consultants that may be engaged on short- or long-term arrangements) may be seconded to one or more portfolio companies of the Funds and/or Other Blackstone Accounts to provide finance-related, accounting and other similar services with respect to such portfolio companies. The compensation (including salaries, benefits, overhead and other similar expenses) for such personnel during the secondment will be borne (in whole or in part) by such portfolio companies. To the extent Blackstone receives any fees or expense reimbursement from such portfolio companies with respect to such personnel and secondees, they will be indirectly borne by the Fund investors and will not result in any offset to the Management Fee payable by the relevant Funds and the Fund investors may not receive the benefit of such fees or compensation.

In addition, portfolio companies of the Funds and Other Blackstone Accounts are or will be counterparties or participants in agreements, transactions or other arrangements with the Funds, Other Blackstone Accounts and portfolio companies of the Funds and Other Blackstone Accounts that, although Blackstone determines to be consistent with the requirements of such funds' governing agreements, would not have otherwise been entered into but for the affiliation with Blackstone. In addition to a management promote and/or incentive fees with respect to certain investments (as determined by the applicable General Partners), such affiliated service providers are generally expected to receive fees for such services at competitive market rates, as determined by the General Partners, which will be borne by the Funds and will not result in any offset to the Management Fee. Each General Partner will make determinations of market rates based on its consideration of a number of factors, which are generally expected to include such General Partner's experience with non-affiliated service

providers as well as benchmarking data and other methodologies determined by the General Partner to be appropriate under the circumstances.

Advisors. Blackstone engages and retains strategic advisors, senior advisors, industry experts, executive advisors, consultants and/or other professionals who are not employees or affiliates of Blackstone (which may include former Blackstone employees as well as current and former executive officers of Blackstone portfolio companies) as well as other similar professionals who are not employees or affiliates of Blackstone (collectively “Consultants”) and who are expected, from time to time, to receive payments from, or allocations or performance-based compensation with respect to, portfolio companies (as well as from Blackstone or the Funds). In such circumstances, such payments from, or allocations or performance-based compensation (e.g., promote) with respect to, portfolio companies and/or the Funds may be treated as partnership expenses and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Blackstone, be deemed paid to or received by Blackstone and such amounts will not be subject to the offset of any Management Fee otherwise due. These Consultants often have the right or may be offered the ability to co-invest alongside the Funds, including in those investments in which they are involved (and for which they may be entitled to receive performance-related incentive fees, which will reduce the Funds’ returns and will not necessarily be subordinated to the return of Fund investors’ capital contributions), or otherwise participate in equity plans for management of any such portfolio company or invest directly in the Funds or in a vehicle controlled by the Funds subject to reduced or waived management fees and/or performance-based compensation, including after the termination of their engagement by or other status with Blackstone, and such co-investment and/or participation (which generally will result in the Funds being allocated a smaller share of an investment) will not be considered as part of Blackstone’s side-by-side co-investment rights. Additionally, and notwithstanding the foregoing, these Consultants are expected to be (or have the preferred right to be) investors in Blackstone portfolio companies (which, in some cases, may involve agreements to pay performance fees to such persons in connection with the Funds’ investments therein, which will reduce the Funds’ returns and will not necessarily be subordinated to the return of Fund investors’ capital contributions) and/or Other Blackstone Accounts, and may be permitted to participate in Blackstone’s side-by-side co-investment rights, which generally do not provide for a management fee or performance-based compensation payable by participants therein and generally result in the Funds being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side co-investment rights. The nature of the relationship with each of the Consultants and the amount of time devoted or required to be devoted by them varies considerably. In some cases, they provide the General Partners and/or the Advisor with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles (and may be exclusive service providers to Blackstone) and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. In certain instances, Blackstone has formal arrangements with these Consultants (which may or may not be terminable upon notice by any party), and in other cases the relationships are more informal. They are either compensated

(including pursuant to retainers and expense reimbursement, and, in any event, pursuant to negotiated arrangements that will not be confirmed as being comparable to the market rates for such services) from Blackstone, one or more Funds, Other Blackstone Accounts and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. In certain cases, they have certain attributes of Blackstone “employees” (e.g., they may have dedicated offices at Blackstone, participate in general meetings and events for Blackstone personnel, work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses and participate in certain benefit arrangements typically reserved for Blackstone employees) even though they are not considered Blackstone employees, affiliates or personnel for purposes of the applicable partnership agreement, investment advisory agreement and any related management fee offset provisions. Blackstone expects, where applicable, to allocate the costs of such personnel to the Funds and/or applicable portfolio companies, and to the extent allocated to the Funds would be treated as Fund expenses. Payments or allocations to Blackstone will not result in any offset to the Management Fee payable by the Funds and investors and can be expected to increase the overall costs and expenses borne indirectly by investors in the Funds. There can be no assurance that any of the Consultants will continue to serve in such roles and/or continue their arrangements with Blackstone, the Funds and/or any portfolio companies throughout the term of the Funds.

Portfolio Company Relationships. Certain of the Funds’ portfolio companies are or will be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by the Advisor or other Blackstone affiliates, or certain third-party service providers that would not have otherwise been entered into but for the affiliation or relationship with Blackstone, and which involve fees, commissions, servicing payments, discounts, rebates and/or other benefits to the Advisor, Blackstone, a Blackstone affiliate and/or a portfolio company, which are not subject to any offset of the management fee offset provisions described herein. For example, certain portfolio companies of one or more Blackstone funds enter into agreements regarding group procurement (such as a group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or a Blackstone affiliate, and other similar operational initiatives that result in fees, commissions or similar payments and/or discounts being paid to the Advisor or its affiliates (including personnel), or a portfolio company, including related to a portion of the savings achieved by the portfolio company. To the extent that a portfolio company of an Other Blackstone Account is providing such a service, such portfolio company and such Other Blackstone Account will benefit. Further, the benefits received by the particular portfolio company providing the service may be greater than those received by the Fund(s) and their portfolio companies receiving the service. As a part of such benefits management, certain portfolio companies of the Funds may enter into an employer health program arrangement or similar arrangements with Equity Healthcare LLC (“Equity Healthcare”), a Blackstone affiliate which negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services for cost discounts, quality of service monitoring,

data services and clinical consulting. Because of the combined purchasing power of its client participants, Equity Healthcare is able to negotiate pricing terms from providers that are believed to be more favorable than the companies could obtain for themselves on an individual basis. The payments made to Blackstone in connection with Equity Healthcare, group purchasing, insurance and benefits management will not offset any management fee offset provisions. As further described herein, Blackstone, the Funds and/or Other Blackstone Accounts will hold equity or other investments in companies or businesses (with respect to Blackstone, even if they are not “affiliates” of Blackstone) in the information technology and other industries that provide products or services to or otherwise contract with portfolio companies of the Funds and Other Blackstone Accounts and/or portfolio companies of Other Blackstone Accounts. In connection with any such relationships, Blackstone, the Funds or Other Blackstone Accounts (or their respective portfolio companies or entities) may also make referrals and/or introductions to the Fund’s portfolio companies and/or portfolio companies of Other Blackstone Accounts in an effort, in part, to increase the customer base of such companies or businesses, and therefore the value of the investment, or because such referrals or introductions may result in financial incentives (including additional equity ownership) and/or milestones benefitting the referring or introducing party that are tied or related to participation by the Fund’s portfolio companies and/or portfolio companies of Other Blackstone Accounts. Blackstone has also entered into an investment management arrangement whereby it provides investment management services to Fidelity & Guaranty Life Insurance Company (a portfolio entity of certain Other Blackstone Accounts) which will involve investments across a variety of asset classes (including investments that may otherwise be appropriate for a Fund), and in the future Blackstone may enter into similar arrangements with other portfolio entities of a Fund or Other Blackstone Accounts. Such arrangements may reduce the allocations of investments to a Fund, and Blackstone may be incentivized to allocate investments away from a Fund to the counterparties to such investment management arrangements or other vehicles/accounts to the extent the economic arrangements related thereto are more favorable to Blackstone relative to the terms of a Fund. Except as described in the following sentence, where Blackstone or any Other Blackstone Account (or its portfolio company) is the referring or introducing party, the applicable Fund and Fund investors will not share in any fees, economics or equity accruing to Blackstone or such Other Blackstone Account (or its portfolio company) as a result of these relationships and/or participation by the Fund’s portfolio companies. There may, however, be instances where the applicable arrangements provide that a Fund or its portfolio companies may share in some or all of any resulting financial incentives (including, in some cases, equity ownership) based on structures and allocation methodologies as determined in the sole discretion of Blackstone or its affiliates. Conversely, where a Fund or one of its portfolio companies is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, additional equity ownership) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, equity ownership) may be similarly shared with the participating Other Blackstone Accounts or their respective portfolio companies.

Blackstone receives various kinds of portfolio company data and information (including from portfolio companies of the Funds), such as data and information relating to business

operations, trends, budgets, customers and other metrics (this data is sometimes referred to as “big data”). As a result, Blackstone may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of information learned from a portfolio company. In furtherance of the foregoing, Blackstone may enter into information sharing and use arrangements with portfolio companies. Blackstone believes that access to this information furthers the interests of the Fund investors by providing opportunities for operational improvements across portfolio companies and in connection with the Funds’ investment management activities. Subject to appropriate contractual arrangements, Blackstone may also utilize such information outside of the Funds’ activities in a manner that provides a material benefit to Blackstone and/or its affiliates, but not the Funds. The sharing and use of such information presents potential conflicts of interest and investors acknowledge and agree that any corresponding/resulting benefits received by Blackstone and/or its affiliates will not be shared with investors. As a result, the General Partners may have an incentive for the Funds to pursue investments in companies based on their data and information and/or to utilize such information in a manner that benefits Blackstone and/or its affiliates.

In addition, it is possible that certain portfolio companies of the Other Blackstone Accounts or companies in which the Other Blackstone Accounts have an interest will compete with the Funds for one or more investment opportunities. It is also possible that certain portfolio companies of the Other Blackstone Accounts or companies in which the Other Blackstone Accounts have an interest will engage in activities that may have adverse consequences to the Funds and/or its portfolio companies (including, by way of example only, as a result of laws and regulations of certain jurisdictions (e.g., bankruptcy, environmental, consumer protection and/or labor laws) that may not recognize the segregation of assets and liabilities as between separate entities and may permit recourse against the assets of not just the entity that has incurred the liabilities, but also the other entities that are under common control with, or part of the same economic group as, such entity, which may result in the assets of the Funds and/or its portfolio companies being used to satisfy the obligations or liabilities of one or more Other Blackstone Accounts, their portfolio companies and/or affiliates).

In addition, portfolio companies of the Other Blackstone Accounts and affiliates of Blackstone may also establish other investment products, vehicles and platforms focusing on specific asset classes or industry sectors, which may compete with the Funds for investment opportunities (it being understood that such arrangements may give rise to conflicts of interest that may not necessarily be resolved in favor of the Funds).

In addition, a portfolio company of a Fund may enter into agreements, transactions or other arrangements with another portfolio company of such Fund or one or more portfolio companies of another Fund and/or an Other Blackstone Account, which may give rise to actual or potential conflicts of interest for the applicable General Partner, the Funds and/or their respective affiliates. Such agreements, transactions or other arrangements may be entered into without the consent or direct involvement of such Funds and/or such Other Blackstone Account or the consent of the relevant L.P. Advisory Committee and/or the limited partners of such Funds or Other Blackstone Account (including, without limitation, in the case of minority

investments by a Fund in such portfolio companies or the sale of assets or businesses from one portfolio company to another). This is because, among other things, portfolio companies of the Funds and portfolio companies and Other Blackstone Accounts are not considered affiliates of the General Partner or the Funds under the relevant Organizational Documents. In any such case, a Fund may not be involved in the negotiation process and the terms of any such agreement, transaction or other arrangement may not be as favorable to such Fund as otherwise may be the case if such Fund was involved.

Certain portfolio companies that provide services to a Fund, Other Blackstone Accounts and/or portfolio companies or assets of such Fund and/or Other Blackstone Accounts may be transferred between and among such Fund and/or Other Blackstone Accounts (where such Fund may be a seller or a buyer in any such transfer) for minimal or no consideration (based on a third party valuation confirming the same) and without the approval of the relevant L.P. Advisory Committee. Such transfers may give rise to actual or potential conflicts of interest for the applicable General Partner and its affiliates.

Relatedly, Blackstone and/or Other Blackstone Accounts, including Blackstone Strategic Capital Holdings and its related vehicles/entities and successor funds ("BSCH"), regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone. Typically, such an investment would involve receiving a share of the carried interest/performance based compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third party asset management firm that are included in the transaction. In addition, while such minority investments are generally structured so that Blackstone does not "control" such third party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of "protective" rights or anti-dilution arrangements). While such third party asset managers will not be deemed "affiliates" of Blackstone for any purpose, Blackstone may, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic/revenue sharing interest therein may give rise to conflicts of interest. A Fund, its affiliates and its respective portfolio entities may from time to time engage in transactions with, and buy and sell investments from, any such third party asset managers and their sponsored funds and portfolio entities. There can be no assurance that the terms thereof will be at arm's length or that Blackstone will not receive a benefit from such transactions, which may make it more likely that such transactions would be entered into. There can be no assurance that any such conflicts will be resolved in favor of a Fund or its Limited Partners. By acquiring an interest in a Fund, its limited partners will be deemed to have acknowledged such arrangements, agree that they will not be entitled to receive notice or disclosure of the terms or occurrence of either the investments in unaffiliated alternative asset management firms or transactions related thereto, and otherwise understand that they will not receive any benefit from such transactions.

With respect to transactions or agreements with portfolio companies (including, for the avoidance of doubt, long-term incentive plans), at times if unrelated officers of a portfolio

company have not yet been appointed, Blackstone may negotiate and execute agreements between the Advisor and/or a Fund on the one hand, and the portfolio company or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. While fees received in connection with any such transactions or agreements may be subject to an L.P. Advisory Committee objection right as provided in the Organizational Documents, in the absence of any such objection the amounts determined by the Funds are conclusive. Among the measures Blackstone may use to mitigate such conflicts involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms. It is also possible that the Funds or the Funds' portfolio companies will be counterparties (such counterparties dealt with on an arm's length basis) or participants in agreements, transactions or other arrangements with a Fund investor or an affiliate of a Fund investor. Such transactions may include agreements to pay performance fees to operating partners and other related persons in connection with the Funds' investment therein, which will reduce the Funds' returns and will not necessarily be subordinated to the return of the limited partners' capital contributions.

Moreover, in connection with seeking financing or refinancing of portfolio companies and their assets, it may be the case that better financing terms are available when more than one portfolio company provides collateral, particularly in circumstances where the assets of each portfolio company are similar in nature. As such, rather than seeking such financing or refinancing on its own, a portfolio company of the Funds may enter into cross collateralization arrangements with each other, other portfolio companies of the Funds or portfolio companies of one or more Other Blackstone Accounts. While Blackstone would expect any such financing arrangements to generally be non-recourse to the Funds and the Other Blackstone Accounts, as a result of any cross-collateralization, the Funds could also lose their interests in otherwise performing investments due to poorly performing or non-performing investments of the other Funds or the Other Blackstone Accounts.

It is also possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires facing only one fund entity or group of entities, which may result in (i) any of the Funds and/or Other Blackstone Accounts being solely liable with respect to its own and, as applicable, such Other Blackstone Account's or other Funds' share of the applicable obligation and therefore, being required to contribute amounts in excess of their pro rata share, including additional capital to make up for any shortfall if such vehicles are unable to repay their pro rata share of such indebtedness and/or (ii) with respect to any of the Funds' portfolio companies and such Other Blackstone Accounts, jointly and severally liable for the full amount of such applicable obligation or liable on a cross-collateralized basis on an investment-by-investment or portfolio wide basis or liable for an equity cushion (which cushion amount may vary depending upon the type of financing or refinancing (e.g. cushions for refinancings may be smaller)), in each case which may result in the Funds' portfolio companies and such Other Blackstone Account's portfolio company entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that the Funds or such Other Blackstone Accounts would be compensated (or provide compensation to the other) from being primarily liable vis-à-vis such third party counterparty.

In the case of investments involving a “platform company,” the Funds will from time to time enter into an arrangement with one or more individuals (who may have experience or capability in sourcing and/or managing investments) to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The counterpart individuals may be compensated with a salary and/or equity incentive plan. Such compensation may take the form of a management fee and/or profits allocation (whether paid directly to such individuals and/or to an affiliated entity controlled by such individuals), which may be calculated as a percentage of assets under management and/or a waterfall similar to a carried interest, respectively, and which will not be subject to Management Fee offset. The professionals at such platform company, which in certain circumstances may include former employees or current or former senior advisors or consultants to the General Partners and their affiliates and/or management of portfolio entities of Other Blackstone Accounts), can be expected to undertake analysis and evaluation of potential investment and acquisition opportunities for such platform company. In such circumstances, the Funds would initially invest capital to fund all or a portion of the overhead (including rent, benefits, salary or retainers for the counterpart individuals and/or their affiliated entity) and sourcing costs for initial investments by the platform. Although the General Partners and their affiliates are generally responsible under the Organizational Documents for certain overhead expenses and investment analysis associated with sourcing and managing investments, as well as compensation costs of investment professionals, the Funds (and indirectly their limited partners, and not solely the General Partners and their affiliates) will bear the cost of overhead and the sourcing and analysis of investments, as well as compensation for the related counterparties, for any such platform companies.

Other Blackstone Businesses and Activities. As part of its regular business, Blackstone provides a broad range of services which generate fees to Blackstone and its affiliates. In addition, from time to time, Blackstone and its affiliates will provide services in the future beyond those currently provided. Fund investors will not receive a benefit from such fees.

In connection with its capital markets, investment banking, real estate advisory and other businesses, Blackstone may determine that there are conflicts of interest or come into possession of information that limits its and its affiliates’ ability to engage in potential transactions. The Funds’ activities may be constrained as a result of these conflicts of interest and Blackstone personnel’s inability to use such information. Additionally, there may be circumstances in which one or more individuals associated with Blackstone will be precluded from providing services to the General Partners or the Advisor because of certain confidential information available to those individuals or to other parts of Blackstone. Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to the Funds. The Funds may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make or have made. Blackstone has long-term relationships with a significant number of corporations and their senior management. The Advisor will consider those relationships when evaluating an investment opportunity, which may result in the Advisor choosing not to make such an

investment due to such relationships (e.g., investments in a competitor of any such corporation). The Funds may also co-invest with Other Blackstone Accounts in particular investment opportunities, and the relationship with such Other Blackstone Accounts could influence the decisions made by the applicable General Partners with respect to such Investments. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to the Funds.

Blackstone will from time to time participate in underwriting or lending syndicates with respect to portfolio companies of a Fund, or otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, a Fund's portfolio companies, or otherwise in arranging financing (including loans) for portfolio companies or advising on such transactions. Such underwritings will be on either a firm commitment basis or may be on an uncommitted "best efforts" basis. In certain cases, a Blackstone broker-dealer will from time to time act as the managing underwriter or a member of the underwriting syndicate and purchase securities from the Funds or such portfolio companies or advise on such transactions. Blackstone will also from time to time, on behalf of a Fund or other parties to a transaction involving a Fund, effect transactions, including transactions in the secondary markets where it will from time to time nonetheless have a potential conflict of interest regarding a Fund and the other parties to those transactions to the extent it receives commissions or other compensation from a Fund and such other parties. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, advisory fees, lending arrangement and consulting, monitoring, commitment, syndication, origination, organizational, operational, loan servicing, financing and divestment fees (or, in each case, rebates of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or an Other Blackstone Account or account is purchasing debt) or other compensation with respect to the foregoing activities, which are, along with certain other fees set forth in "Other Fees Received by the Advisor and its Affiliates", not required to be shared with the Funds or the Advisor and the Management Fee with respect to a Fund investor generally will not be reduced by such amounts. Blackstone will from time to time nonetheless have a potential conflict of interest regarding Funds and the other parties to those transactions to the extent it receives commissions, discounts, fees or such other compensation from such other parties. The Advisor will approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for a Fund, or as dealer, broker or advisor, on the other side of a transaction with a Fund only where the Advisor believes in good faith that such transactions are appropriate for a Fund and, by executing a subscription agreement for units in such Fund, a Fund investor consents to all such transactions, along with the other transactions involving conflicts of interest described herein, to the fullest extent permitted by law. From time to time, sales of securities for the account of the Funds (particularly marketable securities) will be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Accounts. It is frequently not possible to receive the same price or execution on the entire volume of securities sold, and the various prices may be averaged which may be disadvantageous to the Funds. Where Blackstone serves as underwriter with respect to a portfolio company's securities, Funds will from time to time be

subject to a “lock-up” period following the offering under applicable regulations during which time their ability to sell any securities that they continue to hold is restricted. This may prejudice the Funds’ ability to dispose of such securities at an opportune time. (See also “— Other Trading and Investing Activities” below.)

Blackstone employees, including employees of the Advisor, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other Funds, including potential competitors of the Funds. Investors will not receive any benefit from any such investments.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, nevertheless conflicts may arise in connection with transactions between or involving the Funds and their portfolio companies on the one hand and PJT on the other. Specifically, given that PJT is no longer an affiliate of Blackstone, there may be fewer or no restrictions or limitations placed on transactions or relationships engaged in by PJT’s new advisory business as compared to the limitations or restrictions that might apply to transactions engaged in by an affiliate of Blackstone. It is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest in doing transactions involving PJT will still arise. The pre-existing relationship between Blackstone and its former personnel involved in such financial and strategic advisory services, the overlapping ownership, co-investment and other continuing arrangements, may influence Blackstone and/or the Advisor in deciding to select or recommend PJT to perform such services for the Advisor or for the Funds (or a portfolio company) (the cost of which will generally be borne directly or indirectly by the Funds or such entities, as applicable). Nonetheless, each General Partner and its affiliates will be free to cause the Funds and portfolio companies to transact with PJT generally without restrictions under the applicable Organizational Documents notwithstanding such overlapping interests in, and relationships with, PJT. In addition, one or more Funds controlled by Blackstone may be established to facilitate participation in Blackstone’s side-by-side investment program by employees and/or partners of PJT. (See also “Service Providers” below).

Blackstone receives various kinds of portfolio entity data and information (including from portfolio entities of the Funds), including without limitation data and information relating to business operations, trends, budgets, customers and other metrics (this includes data that is sometimes referred to as “big data”). As a result, Blackstone may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of information learned from a portfolio entity. In furtherance of the foregoing, Blackstone has entered and may further enter into information sharing and use arrangements with portfolio entities.

Blackstone believes that access to this information furthers the interests of the Fund investors by providing opportunities for operational improvements across portfolio entities and in connection with the Funds’ investment management activities. Blackstone, however, has and

expects to utilize such information outside of the Funds' activities in a manner that may provide a material benefit to Blackstone without compensating or otherwise benefiting the Funds.

Furthermore, while trading securities of the portfolio entity to which the information specifically relates may be legally restricted, due to, among other reasons, Blackstone's contractual restrictions under a confidentiality agreement, Blackstone shall otherwise be under no duty to refrain from trading for the benefit of Blackstone and/or an Other Blackstone Vehicle in the securities of unaffiliated issuers while using or otherwise being in possession of such information. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio entity in the same or related industry. Such trading may provide a material benefit to Blackstone without compensating or otherwise benefiting the Funds.

The sharing and use of "big data" and other information presents potential conflicts of interest and the investors acknowledge and agree that any corresponding/resulting benefits received by Blackstone will not be subject to any Management Fee offset provisions or otherwise shared with Fund investors. As a result, the General Partners have an incentive to pursue investments in portfolio entities based on their data and information and/or to utilize such information in a manner that benefits Blackstone.

In addition, other present and future activities of Blackstone and its affiliates (including the Advisor and Blackstone) will from time to time give rise to additional conflicts of interest relating to the Funds and their investment activities. In the event that any such conflict of interest arises, Blackstone will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of the Funds' interests. In addition, the investments in or alongside the Funds by such current and/or former senior advisors and employees, chief executive officers, investment funds and/or charitable programs, endowment funds and related entities may account (in whole or in part) for a General Partner's required commitment to the Funds.

Other Blackstone Accounts; Allocation of Investment Opportunities. Through its Other Blackstone Accounts, Blackstone currently invests and plans to continue to invest third-party capital in a wide variety of investment opportunities globally. This may include one or more existing Other Blackstone Accounts that have an investment strategy or objective that overlaps with the investment strategy or objectives of the Funds to some extent. Although the BIP and BIP-P will generally serve as Blackstone's primary commingled, diversified private "blind pool" investment vehicles for institutional investors having as their primary investment objective the making of control and control-oriented infrastructure investments, as well as in public-private partnership infrastructure projects, in each case within the "Core+" or "Core" space and in the United States, in certain circumstances, control-oriented infrastructure investments will be required or permitted to be made by (to the potential exclusion of the Funds), or shared with, one or more Other Blackstone Accounts, including but not limited to funds and vehicles described above, other investment vehicles primarily designed to facilitate the investment of high net worth individuals and/or that have investment objectives similar to and/or overlapping with the Funds' investment objectives. For example, certain investments may be allocated to

Blackstone Energy Partners (“BEP”) and the Blackstone Capital Partners (“BCP”) funds that could be considered to fit within the investment objective of the Funds.

Investment opportunities that are within the objectives or guidelines of the Funds and Other Blackstone Accounts, such as BEP and/or BCP, will be allocated between the Funds and such other vehicle by the General Partners on a basis that they believe in good faith to be fair and reasonable (which may result in the Funds not participating and/or not participating to the same extent in such investment opportunity). In making a good faith determination as to what is “fair and reasonable” under the circumstances, the General Partners and their affiliates will be permitted to consider a number of factors including, without limitation, the specific nature of the investment, size and type of the investment, relative investment strategies and primary investment mandates of each Fund, portfolio diversification concerns of each Fund, contractual obligations, applicable investment limitations, relative amounts of available capital for each investment fund, source of the investment opportunity, the investment focus of each investment fund, anticipated holding period and remaining investment periods, co-investment arrangements, extent of involvement of the respective teams of investment professionals dedicated to the Funds when compared to the Other Blackstone Accounts, legal, tax, regulatory, accounting and other similar considerations, and other considerations deemed relevant in good faith. The foregoing arrangements may result in investments that fit within the primary investment mandate of the Funds being wholly or partially allocated to one or more other Blackstone-sponsored funds. In addition, as a general matter, it is expected that Blackstone’s Real Estate and GSO credit business will receive priority over most real estate opportunities and certain types of credit opportunities, respectively. With respect to the General Partners’ ability to allocate investment opportunities, including where such opportunities are within the common objectives and guidelines of the Funds and an Other Blackstone Account (which allocations are to be made on a basis that the General Partners believe in good faith to be fair and reasonable), Blackstone has established general guidelines for determining how such allocations are to be made, which, among other things, set forth priorities and presumptions regarding what constitutes “debt” investments, ranges of rates of returns for defining “opportunistic” investments, presumptions regarding allocation for certain types of investments (e.g., distressed investments) and other matters. The application of those guidelines may result in a Fund not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines and/or based only on the circumstances of those particular investments.

Moreover, the Parallel Account will participate in investments alongside the Fund, typically in an amount equal to the aggregate amount to be invested therein by the limited partners of the Fund and limited partners of any parallel fund (the “Parallel Account Investment Percentage”), subject to (i) legal, tax, regulatory, accounting, contractual and other similar considerations, (ii) any investment limitations of the Parallel Account or the Fund, (iii) the Parallel Account or the Partnership having available capital with respect thereto or (iv) the General Partner otherwise changing the Parallel Account Investment Percentage for a particular investment or prospective investments generally, each of which, in the case of (i) through (iv) above, could cause an

increase or decrease in the size of the Parallel Account and/or the amount required to be invested by the Fund. In addition, if an investment would otherwise exceed 20% of the sum of the Fund's NAV plus undrawn capital commitments at the time of acquisition, Blackstone may allocate such excess as it determines, including to Other Blackstone Accounts or other co-investors.

A Fund may lend an amount to Blackstone and its affiliates with respect to its pro rata share of such investments in those circumstances where such Fund is borrowing with respect thereto on a short-term basis; *provided*, that any such amounts so borrowed shall be (x) on a short-term basis (based on the applicable General Partner's reasonable belief at the time of the investment); and (y) on no more favorable terms than those applicable to such Fund's borrowing of the related proceeds. Certain of the Funds' Organizational Documents specify that Blackstone (which includes participation by Blackstone professionals and employees and Other Blackstone Accounts or entities and other key advisors/relationships of Blackstone and endowment funds, charitable programs and/or other similar or related entities associated with Blackstone or its affiliates) will be permitted to make investments alongside such Funds, including as part of their participation in Blackstone's side-by-side co-investment program, up to a maximum specified percentage of the total investment amount. In addition, subject to the terms of such Organizational Documents, the General Partners may permit certain Blackstone personnel and other professionals responsible for portfolio operations and other similar operational initiatives with respect to one or more portfolio companies of such Funds to participate in these side-by-side rights on an investment by investment basis. The General Partners intend to limit participation by any such professionals to investments involving portfolio companies of such Funds with respect to which the General Partners expect in good faith that such professionals will be materially involved following the consummation of such investment. Such side-by-side investments do not bear fees and generally result in such Funds being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side investment rights, although Blackstone may receive additional income in fees and performance compensation from Other Blackstone Funds in connection with such investments. Additionally, Other Blackstone Accounts will be permitted (or have the preferred right) to participate in Blackstone's side-by-side co-investment rights. In particular, BMAA advises investment funds that participate in investments with respect to multiple Blackstone funds and such investment funds are expected to participate in investments alongside some of the Funds pursuant to Blackstone's side-by-side investment rights or other co-investment arrangements. In such cases, BMAA-advised investment funds would be eligible to receive fees and performance-based compensation on its portion of any such investment.

There may be circumstances, including in the case where there is a seller who is seeking to dispose a pool or combination of assets, properties, securities or instruments, where the Funds and Other Blackstone Accounts participate in a single or related transactions with a particular seller where certain of such assets, properties, securities or instruments are specifically allocated (in whole or in part) to any of the Funds and such Other Blackstone Accounts. The allocation of such specific items generally would be based on the Advisor's determination of, among other things, the expected returns for such items (e.g., specific items with higher

expected returns may be allocated to the Funds whereas those with lower relative expected returns may be allocated to Other Blackstone Accounts), and in any such case the combined purchase price paid to a seller would be allocated among the multiple assets, properties, securities or instruments based on a determination by the seller, by a third party valuation firm and/or by the Advisor and its affiliates.

The amount of performance-based compensation charged and/or management fees paid by a Fund may be less than or exceed the amount of performance-based compensation charged and/or management fees paid by other Funds or Other Blackstone Accounts. Such variation may create an incentive for Blackstone to allocate a greater percentage of an investment opportunity to the Funds or such Other Blackstone Accounts, as the case may be.

In connection with the Funds, certain Funds may from time to time participate in investments in or relating to portfolio entities of other Funds. Additionally, such related portfolio entities may be managed together (including, for example, the use of the same third party manager(s) or service provider(s)) or otherwise operated as part of the same “platform”, combined and/or otherwise sold together as a part of a single transaction or series of related transactions. Such arrangements may give rise to additional conflicts of interest in relation to the Funds, and their participation in any such investments may give rise to material conflicts of interest with, between or among the Funds and such other funds and vehicles. There can be no assurance that any such conflicts of interest will be resolved in favor of the Funds.

There will be circumstances in which an amount that would have otherwise been invested by a Fund is instead allocated to co-investors (who may or may not be Fund investors, including, for greater certainty, limited partners of Other Blackstone Accounts, Blackstone affiliates and/or third parties), and there is no guarantee for any Funds investor that it will be offered any co-investment opportunities. As a general matter, the allocation of co-investment opportunities is entirely discretionary on the part of the General Partners and it is expected that many investors who may have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested. The General Partners will take into account various facts and circumstances deemed relevant by the General Partners in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the General Partners’ assessment of a potential co-investor’s ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the number of investors that can realistically participate in the transaction) and the General Partners’ assessment of a potential co-investor’s ability to commit to a co-investment opportunity within the required timeframe of the particular transaction. Additional considerations may also include, among others and without limitation, the size of investor commitments to the Funds and Other Blackstone Accounts and strategic third party investors, whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone, the size of the potential co-investor’s interest to be held in the underlying portfolio company as a result of the Funds’ investment (which is likely to be based on the size of the potential co-investor’s

capital commitment and/or investment in the Funds), whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone (including whether a potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to the Funds or Other Blackstone Accounts and their respective underlying portfolio companies), whether the co-investor is considered “strategic” to the investment because it is able to offer the Funds certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the portfolio company or the possession of certain expertise, the transparency, speed and predictability of the potential co-investor’s investment process, whether Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential co-investor, whether a potential co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity, the familiarity Blackstone has with the personnel and professionals of the investor in working together in investment contexts (which may include such potential co-investor’s history of investment in the Funds or Other Blackstone Accounts and/or other Blackstone co-investment opportunities), the extent to which a potential co-investor has been provided a greater amount of co-investment opportunities relative to others, the ability of a potential co-investor to invest in potential add-on acquisitions for the portfolio company or participate in defensive investments, the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the investor would be willing to defer to Blackstone and assume a more passive role in governing the portfolio company), any interests a potential co-investor may have in any competitors of the underlying portfolio company, the tax profile of the potential co-investor and the tax characteristics of the investment (including whether or not the potential co-investor would require particular structuring implementation or covenants that would not otherwise be required but for its participation or whether such co-investor’s participation is beneficial to the overall structure of the investment), whether a potential co-investor’s participation in the transaction would subject the Funds and/or portfolio company to additional regulatory requirements, review and/or scrutiny, including any necessary governmental approvals required to consummate the investment, the potential co-investor’s chemistry with the potential management team of the portfolio company, whether the potential co-investor has any existing positions in the portfolio company (whether in the same security in which the Funds is investing or otherwise), whether there is any evidence to suggest that there is a heightened risk with respect to the potential co-investor maintaining confidentiality, whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Funds, other affiliated funds and/or other co-investments, including the size of such commitment, whether the potential co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for distributions, whether the expected holding period and risk-return profile of the investment is consistent with the stated goals of the investor, and such other factors that Blackstone deems relevant under the circumstances. In addition, Blackstone may agree with investors in the Funds or Other Blackstone Accounts or as a part of an overall strategic relationship with Blackstone to more favorable rights with respect to co-investment opportunities, (including, without limitation, preferential allocation thereof and the terms and

conditions related to such participation (including, without limitation, preferential allocation thereof and the terms and conditions related to such participation (including any incentive allocation and/or Management Fees to be charged with respect thereto)) and to the extent any such arrangements are entered into, they may result in fewer co-investment opportunities (or reduced allocations) being made available to Fund investors. Furthermore, in connection with any such co-investment by third-party co-investors, Blackstone may establish one or more investment vehicles managed or advised by Blackstone to facilitate one or more co-investors' investment alongside the Funds in a particular investment or in multiple investments as part of a standing co-investment arrangement with such co-investor(s).

In addition, the General Partners and/or their affiliates may be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship with Blackstone) opportunities to co-invest in priority and/or on more favorable terms as compared to other co-investors because the extent to which any such co-investor participates in (or is offered) co-investment opportunities may impact the amount of performance-based compensation and/or Management Fees (as well as any discounts or rebates thereof that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved) to which the General Partners and/or their affiliates are entitled under the arrangements with such co-investors, including with respect to such co-investor's participation in one or more Funds (and/or any Other Blackstone Accounts), investments and/or otherwise in connection with such co-investor's relationship with Blackstone. The amount of performance-based compensation or expenses charged and/or Management Fees or other fees paid (or offset) by the Funds may be less than or exceed such amounts charged or paid by co-investment vehicles pursuant to the terms of such vehicles partnership agreements and/or other agreements with co-investors, and such variation in the amount of fees and expenses may create an economic incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to the Funds or such co-investment vehicles or co-investors, as the case may be. In addition, other terms of existing and future co-investment vehicles may differ materially, and in some instances may be more favorable to Blackstone, than the terms of the Funds, and such different terms may create an incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to the Funds or such co-investment vehicles, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that such conflicts of interests will be resolved in favor of the Funds. Accordingly, any investment opportunities that would have otherwise been offered or allocated, in whole or in part, to the Funds may be reduced and made available to co-investment vehicles. Co-investments may be offered by the General Partners on such terms and conditions (including with respect to management fees, performance-based compensation and related arrangements) as each General Partner determines in its discretion on a case-by-case basis. Certain co-investment vehicles will generally not bear broken deal expenses unless the General Partners determine otherwise in their discretion or as may be set forth in the relevant operative agreements. Such determinations will be made on a case by case basis by the applicable General Partner and may result in differing treatment of co-investment vehicles under certain circumstances. The

foregoing will under certain circumstances result in the Funds bearing more than their pro rata share of such expenses.

Additionally, it can be expected that Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral, sourcing or sharing of investment opportunities. Blackstone, the Funds or Other Blackstone Accounts may pay management fees and performance-based compensation in connection with such arrangements. Blackstone may also provide for reimbursement of certain expenses incurred by such third parties in connection with these arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. While it is possible that the Funds will, along with Blackstone itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Funds would instead be referred (in whole or in part) to such third party or, as indicated above, to other third parties. It is also possible that one or more Blackstone affiliates (e.g. Blackstone Innovations) will participate in certain investment opportunities sourced by such third parties. For example, a firm with which Blackstone has entered into a strategic relationship may be afforded with “first-call” rights on a particular category of investment opportunities or co-investment opportunities. This means that co-investment opportunities that are sourced by the Funds will be allocated to investors that are not limited partners.

Certain Funds are permitted to initially acquire all or a portion of an investment intended as a co-investment as described herein and syndicate such co-investment to certain persons (in accordance with the Organizational Documents within a designated period set forth in the Organizational Documents of consummating such co-investment at a price equal to the sum of (i) the relevant Fund’s acquisition cost for the transferred portion of such co-investment, including any allocable expenses relating thereto (based on the amount syndicated relative to the amount retained by the relevant Fund) and (ii) interest on such amount from the closing date of such co-investment by the relevant Fund through the transfer date to such certain participating persons at a rate at least equal to the relevant Fund’s cost of funds, for the period of time during which such transferred portion was funded by borrowing by the relevant Fund). By executing a subscription agreement for interests in a relevant Fund, an investor consents to all such transactions to the fullest extent permitted by law.

Service Providers and Other Counterparties. Certain advisors and other service providers, or their affiliates (including accountants, administrators, paying agents, depositaries, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) to the Funds and/or certain entities in which the Funds have an investment also provide goods or services to, or have business, personal, financial or other relationships with, Blackstone, its affiliates and portfolio companies. For example, certain portfolio companies enter into agreements regarding group procurement (such as the group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio companies and discounted due to scale) from a third party or a

Blackstone affiliate, and other similar operational, administrative or management related initiatives that result in commissions, discounts or similar payments to Blackstone or its affiliates (including personnel), including related to a portion of the savings achieved by the portfolio company, and such commissions or payments will not offset Management Fees. Such advisors and service providers referred to above may be investors in the Funds, affiliates of the General Partners, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or Other Blackstone Accounts have an investment, and payments by the Funds and/or such entities may indirectly benefit Blackstone and/or such Other Blackstone Accounts.

Additionally, certain employees and other professionals of the Advisor may have family members or relatives employed by such advisors and service providers or otherwise actively involved in (or have business, financial or other relationships with) relevant industries. For example, such family members or relatives might be employees, officers, directors or owners of companies or assets which are actual or potential investments of the Advisor or other counterparties of the Advisor and its portfolio companies and/or assets. Moreover, in certain instances, the Advisor or its portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. The Advisor and/or its affiliates may also provide administrative services to the Funds for a fee. These relationships may influence Blackstone, the General Partners and/or the Advisor in deciding whether to select, recommend or create such service providers to perform services for the Funds or a portfolio company (the cost of which will generally be borne directly or indirectly by the Funds or such entities, as applicable) and may incentivize Blackstone to engage such service provider over a third party. The fees for services provided by such service providers may or may not be at the same rate charged by other third parties and the General Partners undertake no obligations to select service providers who may have lower rates. Because Blackstone has many different businesses, including the Blackstone Capital Markets Group, which Blackstone investment teams and portfolio companies may engage to provide underwriting and capital market advisory services, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and subject to more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In most such circumstances, a partnership agreement will not preclude a Fund from undertaking any particular investment activity and/or transaction. To the extent Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the applicable General Partner. Blackstone-affiliated service providers, which are generally expected to receive competitive market rate fees (as determined by each General Partner) with respect to certain Investments, include, without limitation:

COE. The Blackstone Center of Excellence, located in Gurgaon, India (the “COE”) is a captive center of resources administered by Blackstone and ThoughtFocus Technologies LLC (“ThoughtFocus”), an independent firm in which Blackstone holds a minority position and participates as a member of the board. The COE is expected to perform

services for certain Funds which may have historically been performed by Blackstone personnel, such as Funds administrative services, data collection and management services, and technology implementation and support services, which may be paid for by the Funds that receive such services on the same basis as a third party providing such services. Blackstone, through its interest in ThoughtFocus, receives an indirect benefit resulting from the Funds' payments for such services and such benefit does not offset Management Fees payable by the Fund investors.

Entic. Entic Inc. ("Entic") provides a cloud-based software that uses proprietary wireless sensors and advanced analytics to reduce energy consumption. Entic is anticipated to provide such services to certain of the assets of the Funds' portfolio companies in exchange for fees at competitive market rates. Blackstone, which holds a minority position in and participates as a member of the board of Entic, receives an indirect benefit resulting from payments for such services. These fees do not offset the management fees payable by the limited partners of the Funds. Part of Blackstone's investment includes performance-based warrants giving Blackstone managed funds, including the Funds, the ability to earn shares of stock based on usage of Entic.

LNLS. Blackstone has established an 80/20 joint venture with a leading national title agency to create a new title company, Lexington National Land Services ("LNLS"). This new title company will act as an agent for one or more underwriters in issuing title policies for investments by the Funds and Other Blackstone Accounts as well as non-Blackstone investments. LNLS will focus on transactions in rate regulated states where the cost of title insurance is non-negotiable. LNLS will not perform services in non-regulated states for the Funds and Other Blackstone Accounts, unless in the context of a portfolio transaction, including properties in rate regulated states or when a third party is paying all or a material portion of the premium on behalf of a third party. LNLS will earn fees, which would have otherwise been paid to third parties, by providing title services and placing title insurance for property owned by the Funds (as well as Other Blackstone Accounts and non-Blackstone investments) and, as a result, Blackstone will, through its interest in LNLS, receive fees and compensation resulting from its investments and there will be no related offset to the Funds. As a result, while Blackstone believes the venture will provide services at or better than those provided by third parties (even in jurisdictions where insurance rates are regulated), there is an inherent conflict of interest that would incentivize Blackstone to engage LNLS over a third party.

Equity Healthcare. Equity Healthcare LLC ("Equity Healthcare") is a Blackstone affiliate that negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, which include unaffiliated third parties. Equity Healthcare is able to negotiate pricing terms from providers that are believed to be more favorable than those that the portfolio companies could obtain on an individual

basis. The fees received by Equity Healthcare in connection with services provided to investments will not offset the Management Fee payable by the investors.

Intertrust Group. In 2013, certain Blackstone private equity funds acquired Intertrust Group. From time to time, Intertrust Group is expected to perform corporate and trust services on an arms-length basis for the Funds, intermediate entities or portfolio companies.

BTIG. In December 2016 certain Funds made a strategic minority investment in BTIG. BTIG is a global financial services firm which provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for the Funds, Other Blackstone Accounts or the portfolio companies and the Blackstone Tactical Opportunities Program.

Optiv. Optiv is a portfolio company held by certain Blackstone private equity funds that provides a full slate of information security services and solutions and may provide goods and services for the Funds and their portfolio companies.

BPM. Blackstone Property Management (“BPM”) is a Blackstone affiliate that may provide property management, environmental, leasing oversight and development management services to certain of the Funds’ investment properties primarily located in the United Kingdom and continental Europe.

One or more such service providers may become available for acquisition by the Funds as an investment (as a single asset or as part of an operating platform). In such transactions, Blackstone, one or more portfolio companies and / or Other Blackstone Accounts may be a seller to the Funds and / or participate alongside the Funds as a buyer. The General Partners and the Advisor are expected to establish a valuation methodology in relation to the acquisition of any such service provider. In addition, before entering into any such transaction with respect to any such service provider, it is anticipated that the Advisor and the General Partners will obtain such consents that may be required under the Advisers Act or other applicable laws or regulations and, by executing a subscription agreement for units in the Funds, a limited partner consents to all such transactions to the fullest extent permitted by law.

In addition, investment banks or other financial institutions, as well as Blackstone employees, may also be investors in the Advisor. These institutions and employees are a potential source of information and ideas that could benefit the Advisor. The Advisor has procedures in place reasonably designed to prevent the inappropriate use of such information by the Advisor.

Advisors and service providers, or their affiliates, often charge different rates, including below-market or no fee or have different arrangements for specific types of services. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the Funds and/or portfolio companies are different from those used by Blackstone and its affiliates (including personnel),

the Advisor or its affiliates (including personnel) may pay different amounts or rates than those paid by the Funds and/or portfolio companies.

In addition, Blackstone and its affiliates, including without limitation, the Funds, the Other Blackstone Accounts and/or their portfolio companies, may enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty may charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including without limitation, volume of transactions entered into with such counterparty by Blackstone, its affiliates, the Funds, the Other Blackstone Accounts and their portfolio companies in the aggregate. For example, certain portfolio companies enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio companies and discounted due to scale) from a third party or a Blackstone affiliate, and other similar operational, administrative or management related initiatives that result in commissions, discounts, rebates or similar payments to Blackstone or its affiliates (including personnel), including related to a portion of the savings achieved by the portfolio company. However, the Advisor and its affiliates have a longstanding practice of not entering into any arrangements with advisors or service providers that could provide for lower rates or discounts than those available to the Funds or portfolio companies for the same services.

In addition, certain advisors and service providers (including law firms) may temporarily provide their personnel to Blackstone, the Funds, Other Blackstone Accounts or their portfolio companies pursuant to various arrangements including at cost or at no cost. While often the Funds, Other Blackstone Accounts and their portfolio companies are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the Funds in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates and/or portfolio companies and any costs of such personnel may be allocated accordingly.

Investments in Which Other Blackstone Accounts Have a Different Principal Investment. From time to time, the Funds will also co-invest with Other Blackstone Accounts in investments that are suitable for both the Funds and such Other Blackstone Accounts. To the extent a Fund holds securities in investments that are different (including with respect to their relative seniority) than those held by Other Blackstone Accounts in the same investment, the General Partner of such Fund and its affiliates may be presented with decisions when the interests of the two funds are in conflict. For example, if such a Fund makes or has an investment in a company in which an Other Blackstone Account has a mezzanine, senior debt or distressed debt investment, Blackstone will generally have conflicting loyalties between its duties to such Fund and to Other Blackstone Accounts. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to such Fund. In addition, it is possible that in a bankruptcy proceeding a Fund's interests may be subordinated or otherwise adversely affected

by virtue of such Other Blackstone Accounts' involvement and actions relating to its investment. For example, in a bankruptcy proceeding, in circumstances where a Fund holds an equity investment in a portfolio company, the holders of such portfolio company's debt instruments (which may include one or more Other Blackstone Accounts) may take actions for their benefit (particularly in circumstances where such portfolio company faces financial difficulties or distress) that subordinate or adversely impact the value of the Fund's investment in such portfolio company. In connection with negotiating senior loans and bank financings in respect of Blackstone-sponsored transactions, from time to time Blackstone will obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the senior term financings with respect to such Blackstone-sponsored transactions on an agreed upon set of terms. Blackstone does not believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such senior loans. The limited partners will in no way receive any benefit from fees paid to any affiliate of the Advisor from a Fund portfolio company in which any Other Blackstone Account also has an interest (including, for greater certainty, any fees received as a result of the provision of services by such affiliates).

In addition, Other Blackstone Accounts may invest in equity, debt and/or other securities or instruments relating to a Fund's investments, including portfolio companies in which a Fund makes or has an investment. Conflicts of interest will likely arise between such Fund and such Other Blackstone Accounts in connection with such investments. For example, if a Fund makes or has an equity investment in a portfolio company in which an Other Blackstone Account has an investment, or if an Other Blackstone Account, through the purchase of debt obligations or otherwise, becomes a lender to a portfolio company in which a Fund has a debt or equity investment, or if a Fund and an Other Blackstone Account, participates in separate tranches of a fundraising with respect to a portfolio company, Blackstone will generally have conflicting loyalties between its duties to such Fund and to such Other Blackstone Account. In that regard, actions in addition to those described in the preceding paragraph may be taken for the benefit of the Other Blackstone Account that are adverse to a Fund and, vice versa, actions may be taken for the benefit of a Fund that are adverse to the Other Blackstone Account. In addition, in connection with such shared investments, Blackstone will generally seek to implement certain procedures to mitigate conflicts of interest which typically involve (i) a forbearance of rights, including certain non-economic rights, relating to an Other Blackstone Account, such as where Blackstone causes an Other Blackstone Account to decline to exercise certain control- and/or foreclosure-related rights with respect to a portfolio company (including following the vote of other third party lenders generally (or otherwise recusing itself with respect to decisions), and/or (ii) causing a Fund to recuse itself from participating in any decisions related to equity or debt securities and/or other obligations held by such Other Blackstone Account, including in each case with respect to actions and/or decisions with respect to defaults, foreclosures, workouts, restructurings and/or exit opportunities), subject to certain limitations. There can be no assurance that any such conflict will be resolved in favor of a Fund and Blackstone may be required to take action where it will have conflicting loyalties between its duties to a Fund and to Other Blackstone Accounts, which may adversely impact the Fund.

Investments in Portfolio Companies Alongside Other Blackstone Accounts. The Funds will from time to time co-invest with Other Blackstone Accounts (including co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such Other Blackstone Accounts) or accounts in investments that are suitable for both one or more of the Funds and such Other Blackstone Accounts or accounts. Even if the Funds and any such Other Blackstone Accounts and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Funds and/or such other funds and vehicles may not be the same. Additionally, the Funds and/or such Other Blackstone Accounts and/or vehicles will generally have different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, the Funds and/or such Other Blackstone Accounts may dispose of any such shared investment at different times on different terms. Moreover, while Blackstone generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, it is possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires facing only one fund entity or group of entities, which may result in (i) any of the Funds and such Other Blackstone Accounts and/or other vehicles being solely liable with respect to its own and such third party for such other funds' or vehicles' share of the applicable obligation and/or (ii) any of the Funds and such Other Blackstone Accounts and/or other vehicles being jointly and severally liable for the full amount of such applicable obligation, in each case which may result in the Funds and such Other Blackstone Accounts and/or vehicles entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Funds and such Other Blackstone Accounts and/or vehicles would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty.

Insurance. The General Partners have caused and will cause in the future one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds and General Partners, the Advisor, Blackstone and/or their respective directors, officers, employees, agents, representatives, members of the L.P. Advisory Committees and other indemnified parties, against liability in connection with the activities of the Funds. This includes a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by Blackstone that cover one or more Funds, Other Blackstone Accounts, the Advisor and/or Blackstone (including their respective directors, officers, employees, agents, representatives, members of the L.P. Advisory Committees and other indemnified parties). The General Partners will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella" or other insurance policies among one or more Funds, Other Blackstone Accounts, the Advisor and/or Blackstone on a fair and reasonable basis, in their sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation

would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Valuation Matters. The fair value of all investments or of property received in exchange for any investments will ultimately be determined by the relevant General Partner or the Advisor, as applicable, in accordance with the Organizational Documents of each Fund and the Funds' valuation policy. It may be the case that the carrying value of an investment may not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation methodologies used to value any property will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone's control. There will be no retroactive adjustment in the valuation of any investment, the offering price at which units in a Fund were purchased by investors or repurchased by a Fund, as applicable or the Management Fees and/or performance-based compensation paid to the Advisor or the applicable General Partner to the extent any valuation proves to not accurately reflect the realizable value of an asset in a Fund. The price an investor pays for units in a Fund, and the price at which an investor's units in a Fund may be redeemed, are generally based on an estimated NAV of such Fund, and as a result an investor may pay more than realizable value or receive less than realizable value for its investments.

The valuation of investments will affect the amount and timing of each General Partner's performance-based compensation and, under certain circumstances, the amount of Management Fees payable to the Advisor. As a result, there may be circumstances where a General Partner or the Advisor, as applicable, are incentivized to determine valuations that are higher than the actual fair value of investments.

Contributions In-Kind. Each General Partner may accept, on behalf of a Fund, at any time and from time to time contributions in-kind (without regard to any commitments remaining to be drawn down) on terms and conditions that the General Partner deems appropriate in good faith. In connection therewith, each General Partner may accept a contribution in-kind of any asset (or portion thereof) held by Other Blackstone Accounts without the consent of any other Fund investor so long as (i) such Fund has an existing investment in such asset and (ii) the number of units issued in exchange therefor will be at a price representing a valuation no higher than the valuation of such Fund's investment in such asset at the time of such exchange. Blackstone will have capital and potentially carried interest and/or incentive allocation in any Other Blackstone Accounts that may be part of the contributed interests. The conditions on which any contribution in-kind is made may result in the Fund investor(s) that contributed such assets receiving more favorable terms with respect to the units it acquires in exchange for such contribution, such as a waiver of the lock-up period or more favorable economic terms. In addition, Blackstone will be able to request to redeem any performance-based compensation received in-kind in connection with any such Other Blackstone Account that is subsequently contributed to a Fund in exchange for units without regard to any lock-up period. As a result, conflicts of interest may arise from time to time in connection with any allocation of an

investment opportunity to any such Other Blackstone Accounts and the Funds, and in connection with the transactions described above.

Other Trading and Investing Activities. Certain Other Blackstone Accounts may invest in securities of publicly traded companies which are actual or potential investments of the Funds. The trading activities of such Other Blackstone Accounts may differ from or be inconsistent with activities which are undertaken for the account of the Funds in such securities or related securities. In addition, the Funds may not pursue an Investment in a portfolio company as a result of such trading activities by Other Blackstone Accounts.

Infrastructure Fund—Account LP. For the avoidance of doubt, the Account LP (as defined in the private placement memorandum) will not have an ownership interest in any Blackstone entity. The net amount of management fees and incentive allocation that the Account LP is required to ultimately bear with respect to the Parallel Account will be reduced, however, by a portion of the amount of management fees and incentive allocation received by Blackstone from the Fund and other infrastructure investment vehicles (subject, in each case, to certain limitations). Such right could result in payments to the Account LP by Blackstone. The existence of this economic benefit, combined with the fact that certain representatives of the Account LP serve as a member of the L.P. Advisory Committee, members of the Infrastructure Advisory Board and as a non-voting observer on BIP's Investment Committee could influence actions taken by such representatives of the Account LP in such capacities and the Account LP (or its representative on the L.P. Advisory Committee) may be motivated in a manner different than the Limited Partners (or their representatives on the L.P. Advisory Committee, as applicable).

Diverse Investor Group. The Fund investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds and with respect to the interests of investors in Other Blackstone Accounts that may participate in the same Investments as the Funds. The conflicting interests of individual Fund investors with respect to other Fund investors and investors in Other Blackstone Accounts would generally relate to or arise from, among other things, the nature of Investments made by the Funds and such Other Blackstone Accounts, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partners or the Advisor, including with respect to the nature or structuring of investments, which may be more beneficial for one or more (but not all) Fund investors than for another Fund investor, especially with respect to Fund investors' individual tax situations. In addition, the Funds may make investments that may have a negative impact on related investments made by the Fund investors in separate transactions. In selecting and structuring investments appropriate for the Funds, the General Partners and the Advisor will consider the investment and tax objectives of the Funds and their investors as a whole (and those of investors in such Other Blackstone Accounts that participate in the same investments as the Funds), not the investment, tax, or other objectives of any Fund investor individually. Additionally, the General Partners may elect to exclude certain Fund investors from particular investments for legal or regulatory reasons applicable to any such investment, in which case non-excluded Fund investors shall be allocated a greater proportionate interest in such investment. In addition, certain Fund investors may also be limited partners in other

investment funds sponsored or managed by Blackstone, including co-investment vehicles that may invest alongside the Funds in one or more investments. Fund investors may also include affiliates of Blackstone, such as Other Blackstone Accounts, affiliates of portfolio companies of the Funds or Other Blackstone Funds, charities or foundations associated with Blackstone personnel and/or current or former Blackstone employees, Blackstone's senior advisors and any such affiliates, funds or persons may also invest through the vehicles established in connection with Blackstone's side-by-side co-investment rights. Such Fund investors described in the previous sentences may therefore have different information about Blackstone and the Funds than Fund investors not similarly positioned. In addition, conflicts of interest may arise in dealing with any such Fund investors, and the General Partners and their affiliates may not be motivated to act solely in accordance with their interests relating to the Funds. Similarly, not all Fund investors monitor their investments in vehicles such as the Funds in the same manner. For example, certain Fund investors may periodically request from a General Partner information regarding the Funds and investments and/or portfolio companies that is not otherwise set forth in (or has yet to be set forth) in the reporting and other information required to be delivered to all Fund investors. In such circumstances, such General Partner may provide such information to such Fund investor, but because it has provided such information upon request by one or more Fund investors it does not mean such General Partner will be obligated to affirmatively provide such information to all Fund investors (although the General Partners will generally provide the same information upon request and treat Fund investors equally in that regard). As a result, certain Fund investors may have more information about the Funds, or may receive information about the Funds at an earlier time, than other Fund investors, and the General Partners will have no duty to ensure all Fund investors seek, obtain or process the same information regarding the Funds and their investments and/or portfolio companies.

The Advisor will enter into "side letters" with certain investors in the Funds, which allow for certain additional rights in the event of tax, regulatory or legal circumstances applicable to such investors. Side letters generally do not provide for reduction in Management Fees or performance allocations.

Trading by Blackstone Personnel. The officers, directors, members, managers and employees of the General Partners and the Advisor may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies or otherwise determined from time to time by the General Partners or the Advisor, as applicable.

Affiliated Limited Partners. Certain Fund investors, including current and/or former senior advisors and employees of Blackstone, chief executive officers of Blackstone portfolio companies, investment funds advised by the Advisor, employees of PJT and/or charitable programs, endowment funds and related entities established by or associated with any of the foregoing, will not pay Management Fees and/or performance-based compensation in connection with their investment in the Funds. Notwithstanding the foregoing, such limited partners will either directly pay for their pro rata share of certain, or the pro rata amount of such expenses will be allocated to the applicable General Partner or its affiliates. Such pro rata allocation of expenses may be calculated based on capital commitments, invested capital,

available capital or other metrics as determined by the applicable General Partner in good faith. Any such methodology (including the choice thereof) involves inherent conflicts and may not result in perfect attribution and allocation of expenses.

Representing Creditors and Debtors. From time to time, Blackstone may represent creditors or debtors in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings or serve as advisor to creditor or equity committees. This involvement, for which Blackstone may from time to time be compensated, may from time to time limit or preclude the flexibility that the Funds would otherwise have to buy or sell certain infrastructure related assets, and may require that the Funds dispose of an investment at an inopportune time.

Blackstone's Relationship with Pátria. Blackstone owns a minority of the equity interest in Pátria Investimentos Ltd. ("Pátria"), a leading Brazilian alternative asset manager and advisory firm. Pátria's alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds (e.g., a multi-strategy fund and a long/short equity fund). Each of Blackstone's and Pátria's respective investment funds continues to pursue investment opportunities in accordance with their existing mandates. While it is not expected that there will be material overlap between the Funds' investment program and Pátria's investment activities, there may be instances where appropriate investment opportunities will be shared with (or allocated to) Pátria. Therefore, there may be opportunities available to Pátria that are not shared with the Funds, and there may be opportunities available to the Funds that are shared with one or more Pátria funds. Blackstone generally expects, with respect to certain types of investments in Brazil otherwise suitable for the Funds, to permit such investments to be shared with and/or pursued by Pátria, which may be on a priority basis and may result in the Funds not participating in any such investments or participating therein to a lesser extent. In addition, the Funds may invest in companies or other entities in which Pátria sponsored investment funds have or are concurrently making a different investment (e.g., an equity investment vs. a debt investment) at the time of such Fund's investment, and investment funds that have been or may be formed by Pátria may invest in different securities of companies or other entities in which a Fund has made an investment. In such situations, the Fund and such other Pátria sponsored investment funds (and therefore Blackstone through its indirect minority interest in Pátria) may have conflicting interests (e.g., over the terms of their respective investments).

Other Financial Industry Affiliations

The Advisor is an affiliate of the following entities:

Broker-Dealer Entities	
Alight Financial Solutions L.L.C.	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Blackstone Advisory Partners L.P. (“BAP”)	Provides a variety of limited investment banking services
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Incenter Securities Group LLC***	Provides a variety of limited investment banking services
Investment Advisor Entities	
Alight Financial Advisors, L.L.C.*	Provides advisory services to participants of plan sponsored 401(k) retirement plans
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds

Blackstone Debt Advisors L.P.	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds

Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds and separately managed accounts
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone’s private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt-focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other co-investment vehicles
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third party insurance company

CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt-focused separately managed accounts
GSO Capital Partners International LLP	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
GSO Capital Partners LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
GSO/Blackstone Debt Funds Management LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
Harvest Fund Advisors LLC	Provides investment advisory services to various categories of institutions and high net worth individuals via private pooled investment vehicles and separate accounts investing principally in publicly-traded energy infrastructure Master Limited Partnerships and the North American energy market
Incenter Capital Management LLC***	Provides investment advisory services to mortgage related asset private funds
NewStar Capital LLC*	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in liquid credit
NewStar Commercial Loan Originator II LLC*	Provides investment advisory services to CLO's specializing in middle market credit
NewStar Financial, Inc.*	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in middle market credit

Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Europe Fund Management S.à.r.l.	Provides services to various European alternative investment funds
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone (Shanghai) Equity Investment Management Co. Ltd.	Chinese investment advisory firm, which serves as sub-advisor to the Registrant
Blackstone (Shanghai) Equity Investments Management Co. Ltd. – Beijing Branch Office	Chinese investment advisory firm, which serves as sub-advisor to the Registrant
The Blackstone Group Spain SLU	Spain investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Assessoria em Investimentos Ltda.	Brazilian investment advisory firm, which serves as a sub-advisor to the registrant
BX Private Equity Canada ULC	Canadian investment advisory firm, which serves as a sub-advisor to the registrant
BX Real Estate Mexico, S.C.	Mexican investment advisory firm, which serves as a sub-advisor to the registrant

Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities	
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C. (CTA/CPO)	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
First Eagle Investment Management, LLC* (CTA/CPO)	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
Blackstone Alternative Asset Management Associates L.L.C. (CPO)	Serves as general partner of BAAM Funds which are structured as limited partnerships
Blackstone Treasury Solutions Advisors L.L.C. (CPO)	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Insurance Entities	
Agents National Title Holding Company***	A wholly owned subsidiary of Incenter and is a title insurance broker serving consumers and lenders through a network of independent title agents
Boston National Holdings LLC***	A wholly owned subsidiary of Incenter and is a title insurance agency
HealthMarkets Insurance Agency, Inc.*	An independent health insurance agency that distributes healthcare and Medicare advantage insurance products from more than 200 insurance companies, as well as its own underwritten supplemental insurance products
Lexington National Land Services**	Places title insurance and provide title services for real property owned by various funds and/or their portfolio companies

Rothsay Life PLC***	Life insurer specializing in bulk annuities and other de-risking solutions for defined benefit pension schemes and insurance companies
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*Portfolio company of affiliated private equity fund

**Joint venture between Blackstone and an existing title agent

***Portfolio company of affiliated Tactical Opportunities funds

BHK is registered in Hong Kong, BAIPL is registered in India, BSPL is registered in Singapore, BGIP is registered in the United Kingdom and BGAPL is registered in Australia. They provide certain advisory services to the Advisor and certain of its affiliates in Hong Kong, India, Singapore, the United Kingdom, Shanghai, and Australia, respectively.

Various management and marketing personnel are registered with our broker-dealer, BAP, which serves as placement agent to the Funds in the U.S. but is not compensated for such services. We do not believe these registrations, in and of themselves, create conflicts for the Funds' investors.

A more detailed description of applicable conflicts of interest is set forth in the private placement memorandum of each Fund.

Item 11 – Code of Ethics

The Advisor recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of investors come first; and (iii) it has a fiduciary duty to its investors to act in the best interests of the Funds. All Advisor personnel are required to act in accordance with the implied contractual covenants of good faith and fair dealing in respect of their dealings with investors and are required to comply with all applicable laws.

The Advisor is governed by the Blackstone Code of Ethics (the “Code”). The Code governs a number of potential conflicts of interest which exist in connection with the Funds it manages. The Code is designed to ensure that the Advisor meets its fiduciary obligation to the Advisor’s investors (or prospective investors) and to instill a culture of compliance within the Advisor. An additional benefit of the Code is to detect and prevent violations of securities laws.

The Code is distributed to each employee at the time of hire and annually thereafter, and it is available on Blackstone’s intranet website. The Advisor also supplements the Code with ongoing monitoring of employee activity.

The Code includes, among other items, the following:

- Requirements related to confidentiality;
- Limitations on, and reporting of, gifts and entertainment;
- Pre-clearance of political contributions;
- Pre-clearance and reporting of employee personal securities transactions;
- Pre-clearance of outside business activities; and
- Protection of persons who engage in “whistle blowing” activities from retaliation.

On an annual basis, Blackstone requires all employees to certify that they are in compliance with the Code.

Blackstone offers many different products and services across its many businesses and there are several potential conflicts of interest which will from time to time arise. Please see **Item 10 – Other Financial Industry Activities & Affiliations** for a list of investment related potential conflicts, including, in particular, “Other Blackstone Accounts; Allocation of Investment Opportunities” describing conflicts related to allocation of investment opportunities among investment funds sponsored by Blackstone and co-investors. The Advisor has adopted policies and procedures to address such potential conflicts of interest.

The Advisor’s related persons from time to time have bought or sold, or may in the future buy or sell, for their personal accounts, securities which are also purchased or sold for the account

of our clients. The Advisor and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that such trading be conducted for investment rather than speculative purposes (including by having minimum holding periods) and that all such personal securities transactions receive pre-clearance from the Blackstone Legal and Compliance Department. These guidelines are designed to comply with SEC requirements that registered investment advisors have a Code. In addition, Blackstone has implemented certain policies and procedures (e.g., information walls) to restrict access to material non-public information. The Code is available for review upon request.

You may request a copy of the Code by contacting Vikrant Sawhney - Senior Managing Director; 212-583-5487; sawhney@blackstone.com.

Item 12 – Brokerage Practices

The Advisor does not generally trade in public securities; however, in the event the Advisor executes a brokerage transaction for the Funds (e.g. trades in public securities or enters into hedging transactions), the Advisor will generally consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, and the broker's reputation and responsiveness to requests for trade data and other financial information.

Item 13 – Review of Accounts

REVIEW OF ACCOUNTS

Currently, the only accounts under the supervision of the Advisor are the Funds' accounts. The Funds' accounts and investment positions are monitored by the its personnel on a regular and current basis. The Advisor's Investment Committee meets as necessary to review general portfolio composition, investment opportunities, market conditions, potential conflicts, and recent trading activities. The Investment Committee consists of a minimum of 4 persons and additional members depending on the particular investment, all of whom are Senior Managing Directors. The Advisor might periodically review on an expedited basis the assets of a Fund following a unique occurrence in the financial industry or market generally. The Investment Committee may also draw on regional and/or sector experts within Blackstone as appropriate given the specific profile of each investment opportunity. The sole limited partner of BIP-P will be entitled to a non-voting observer seat on the Investment Committee.

REPORTS TO INVESTORS

Investors in the Funds generally will receive written quarterly reports which will include capital balance and Fund performance statistics. Investors also will receive written annual audited financial statements for the Fund in which they are invested. The Advisor makes use of a website, BX Access, available at www.bxaccess.com for the distribution of reports and other information to investors in the Funds.

Certain investors in the Funds may request additional information relating to the Funds and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, the Advisor generally will provide such investors with the information requested. In addition, the sole limited partner of BIP-P will be entitled to a non-voting observer seat on the Investment Committee and therefore can be expected to receive additional information about the Funds not received by other Fund investors. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Funds that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

Item 14 – Client Referrals and Other Compensation

The Advisor has distribution and/or placement agent arrangements with a number of unaffiliated third parties. In a typical distribution or placement agent arrangement, the Advisor agrees to pay a third party solicitor for referring investors into an Advisor fund. Typically, third-party solicitors will receive a portion of the Management Fee and/or performance fee paid to the Advisor (although other payment arrangements could exist). If third-party solicitors are engaged, a prospective investor solicited by a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be ultimately paid/borne by a corresponding reduction in the Management Fee by the Advisor and none of the investors in the Funds will be subject to any increased or additional fees or charges. Third-party solicitors in the U.S. will be registered as broker-dealers with the SEC. Third-party solicitors outside the U.S. will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

BAP, an affiliate of the Advisor, serves as a placement agent to the Funds in the U.S. but is not compensated for such services.

Item 15 – Custody

Rule 206(4)-2, as amended (the “Custody Rule”), of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) defines custody as holding client securities or funds or having any authority to obtain possession of them. The Funds generally have an Advisor affiliate acting as general partner and, as such, the Advisor is deemed to have custody of the Funds’ funds. The Advisor complies with the Advisers Act custody rule by, among other things, providing all investors in the Funds with audited financial statements.

Item 16 – Investment Discretion

The Advisor maintains the authority to manage the Funds on a discretionary basis, subject to the overall supervision of the applicable General Partner, in accordance with the investment guidelines, objectives, limitations, other provisions and terms set forth in the Funds' Organizational Documents.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

Proxy Policy

Rule 206(4)-6 under the Advisers Act (the “Proxy Rule”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because the Advisor will generally be deemed to have authority to vote proxies relating to the companies in which its clients invest the Advisor has adopted a set of policies and procedures (together, the “Policy”) in compliance with the Proxy Rule. To the extent that the Advisor exercises or is deemed to be exercising voting authority over its clients’ securities, the Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, “proxies”) is exercised in a manner that serves the best interest of the Funds, as determined by the Advisor in its discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, the Advisor may not always vote proxies in accordance with the Policy. In addition, many possible proxy matters are not covered in the Policy. Generally, the Advisor will vote proxies (i) in favor of management’s recommendation for the election of the board of directors and (ii) to approve the financial statements as presented by management.

From time to time, conflicts may arise between the interests of the investor, on the one hand, and the interests of the Advisor or its affiliates, on the other hand. If the Advisor determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Advisor will address matters involving such conflicts of interest on a case-by-case basis by consulting with the Chief Compliance Officer to determine how to vote in the best interests of the investors, subject to legal, regulatory, contractual or other applicable considerations. The analysis will be documented. The Advisor, in its sole discretion, may elect not to vote certain routine proxies if unduly burdensome.

Investors may request a copy of the Policy and the voting records relating to proxies as provided by the Rule by contacting Vikrant Sawhney – Senior Managing Director; 212-583-5487; sawhney@blackstone.com.

Item 18 – Financial Information

The Advisor has never been the subject of a bankruptcy petition and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

Item 19 – Requirements for State Registered Advisers

This item is not applicable as the Advisor is not registered in any state.