

Item 1 – Cover Page

Blackstone Life Sciences Advisors L.L.C.

101 Main Street

Suite 1210

Cambridge, MA 02142

(617) 949-2200

www.blackstone.com

as of June 6, 2019

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

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. BXLS Advisors is registered with the SEC as an investment adviser. BXLS Advisors’ registration as an investment adviser does not imply any level of skill or training.

Additional information about BXLS Advisors 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 Life Sciences Advisors”). The search results will provide you with both Parts 1 and 2A of our Form ADV.

Item 2 – Material Changes

This is BXLS Advisors' first brochure filing. In the future, this section will discuss any material changes to this Brochure since its last annual update.

Please carefully read Items 5, 8 and 10, which describe certain fees and expenses, potential risk of loss and potential conflicts of interest, respectively.

BXLS Advisors, 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

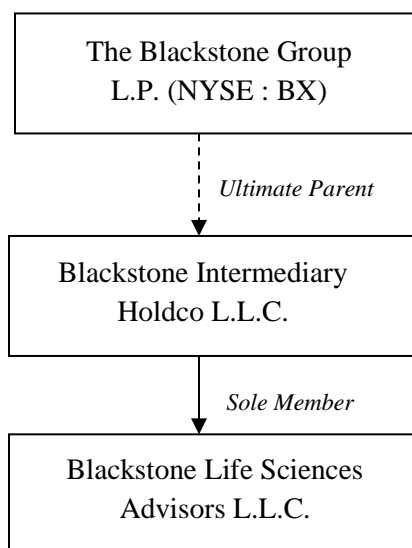
BXLS Advisors is a Delaware limited liability company. BXLS Advisors will provide investment advisory services to Blackstone Life Sciences V, L.P. and any parallel or alternative investment vehicles relating to it (collectively, “BXLS V” or the “Fund”) and certain other pooled investment vehicles that may be formed from time to time. The Fund is an investment fund which specializes in investments in the life sciences industry, including the healthcare, pharmaceutical and biotechnology sectors. Affiliates of BXLS Advisors serve as the general partner (the “General Partner”) of the Fund.

References throughout this Brochure to the term “Sponsor” describe, as the context or applicable law requires, individually and collectively, the General Partner and BXLS Advisors, and all references herein to the Sponsor or to any rights, powers, responsibilities, or activities of the Sponsor are qualified in all respects by the Organizational Documents (as defined herein) of the Fund, all of which should be carefully reviewed by each potential investor in a Fund for, among other things, a more detailed description of the relative rights, powers, responsibilities and activities of each of the General Partner and BXLS Advisors.

BXLS Advisors was established in 2017. The ultimate parent of BXLS Advisors is The Blackstone Group L.P. (together with its affiliates, “Blackstone”) which is a publicly traded limited partnership listed on the New York Stock Exchange and which trades under the ticker symbol “BX”. Please see the structure chart below. Blackstone is a leading global alternative investment manager with investment vehicles focused on the 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 and Affiliations** for more information.

References throughout this Brochure to “Other Blackstone Clients” describes, as the context requires, individually and collectively, any of the following in existence on the date hereof and those that may be formed in the future: (i) the Legacy Clarus Funds, (ii) the BCP Funds, the BCEP Funds, the BREP Funds, the BPP Funds, the BREDS Funds, the BTAS Funds, the TacOpps Funds, the BAAM Funds, the BIS Funds and the GSO Funds (each as defined herein), (iii) any successor funds to any of the funds described in (i) or (ii), (iv) vehicles formed in connection with Blackstone’s side-by-side or additional general partner investments relating thereto, and (v) any other funds, vehicles or accounts, including separately managed accounts, managed or advised by Blackstone, other than the Fund and its parallel funds and alternative investment vehicles.

In March 2019, Blackstone announced that The Blackstone Group L.P. would be converting from a Delaware limited partnership to a Delaware corporation named The Blackstone Group Inc., effective July 1, 2019.



BXLS Advisors currently has no clients or regulatory assets under management. This Brochure generally describes BXLS Advisors' expectations as to its business practices once its clients are operational and unless otherwise noted or the context otherwise requires, all information in this Brochure is prospective and as if BXLS Advisors has been engaged for investment advisory services as of the date of this Brochure. In addition, BXLS Advisors' investment strategy or the business may change from time to time.

Description of Advisory Services:

BXLS Advisors serves as investment advisor to the Fund pursuant to the terms of investment advisory agreement (the "Advisory Agreements") between BXLS Advisors and the Fund, and makes investment decisions for the Fund including by evaluating the Fund's investments.

The individual needs of the investors in the Fund are not the basis of investment decisions by BXLS Advisors. Investment advice is provided directly to the Fund by BXLS Advisors and not individually to the Fund's investors.

Through a series of delegation agreements, BXLS Advisors is also expected to provide specific portfolio management services to certain private investment funds 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

As per the Advisory Agreement with the Fund, BXLS Advisors is entitled to compensation for its services in the form of a management fee (the “Management Fee”), generally payable quarterly either in advance or in arrears. The Management Fee is based on either committed capital or invested capital, depending on whether the Fund’s investment period is currently active. Prorated refunds would be provided for partial quarters, if any, to the extent applicable. BXLS Advisors may agree to waive management fees for a specified period of time following the Fund’s effective date with respect to Fund investors that have certain characteristics, such as if a Fund investor participates in an initial closing of the Fund or makes a commitment to the Fund above a certain threshold. As set forth in Item 6 below, the General Partner of the Fund is eligible to receive performance-based or “carried interest” allocations. The Confidential Private Placement Memorandum (as supplemented from time to time) and the Partnership Agreement and Advisory Agreement (collectively, the “Organizational Documents”) of the Fund include further details on fees and compensation and related matters.

Management Fees and performance-based allocations are either withheld from distributions or, in the case of Management Fees, invoiced at an appropriate time pursuant to a capital call notice.

Certain investors in the Fund, including current and/or former senior advisors, officers, directors and personnel of Blackstone, Portfolio Entities (as defined herein) of the Fund and of Other Blackstone Clients, including the BTAS Funds, personnel of PJT (each as defined herein) and charitable programs, endowment funds and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendant, trusts and other related persons or entities), and other persons related to Blackstone, will not pay Management Fees and/or performance-based allocations in connection with their investment in the Fund or Blackstone-sponsored funds that make investments in or alongside the Fund. 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 “Sponsor” or its affiliates. In addition, to the extent current and/or former partners, employees, advisors and other persons referred to above, including their charitable programs, endowment funds, (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants, trusts and other related persons and entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Fund, any such amounts may, in the General Partner’s sole discretion, be treated as satisfying the applicable portion of any required capital commitment of the General Partner and/or its affiliates to the Fund (even in circumstances where any such commitments or investments are made following a separation from Blackstone). For more information with respect to the allocation of Fund expenses, please see “Expenses” in this Item 5 below. In addition, from time to time, Blackstone may enter into economic and/or fee sharing

arrangements with respect to the Fund and/or certain limited partners thereof, which rights will not generally be made available to other limited partners.

Other Fees Payable to BXLS Advisors and its Affiliates

In addition, pursuant to the Advisory Agreement, BXLS Advisors may charge investors with capital commitments below a certain threshold a servicing fee (the “Servicing Fee”), subject to the right of the General Partner, in its sole discretion, to reduce or waive such fee. The Servicing Fee is generally equal to a percentage based on capital commitments (and based on invested capital after the end of the investment period) and payable quarterly in arrears.

In addition to the Management Fee, Servicing Fee and performance-based allocations (see Item 6 below), BXLS Advisors and its affiliates may also receive a variety of other fees as part of the investment activities of the Fund, including, without limitation, syndication and financial advisory fees (including underwriting 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, organization fees, financing fees, divestment fees, directors’ fees, and other similar fees, fees for services related to group purchasing, healthcare consulting/brokerage, investment banking, title insurance, 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 Fund’s Portfolio Entities.

Generally 100% of the Fund’s *pro rata* share of certain specified fees set forth in the Organizational Documents (net of reasonable out of pocket expenses incurred by BXLS Advisors and its affiliates) will be applied to reduce Management Fees (not below zero). Any other fees received by BXLS Advisors would not offset the Management Fee or performance-based allocations except as specifically provided in the Fund’s Organizational Documents. In addition, as further described in the Organizational Documents, compensation to Development Companies (as defined herein) and its personnel will not offset or reduce the Management Fee payable by the Fund investors, and are not otherwise shared with the Fund. Any such fees that result in an offset to the Management Fee only apply to the extent it is made as part of the Fund’s investments in such Portfolio Entities. As a result, in the case of directors’ fees, the Management Fee will not be reduced or offset to the extent any Blackstone employees or professionals receive directors’ fees relating to continued director service after the Fund has exited the Portfolio Entities and/or following the termination of such employee’s employment with Blackstone.

The Fund bears the cost of fund administration, in house legal, tax planning and other related services provided by Blackstone employees and related parties (including the allocation of their compensation and related overhead otherwise payable by Blackstone), as determined by BXLS Advisors and as permitted by the Organizational Documents, and/or internal costs attributable to Blackstone’s Portfolio Operations Group (which works with Portfolio Entity management to help Portfolio Entities become more productive, efficient and valuable), and except in certain

limited circumstances, such amounts will not offset management fees. Fund investors should carefully consult the Fund's offering documents and Organizational Documents to determine the fees, if any, that can be offset and the management fee offset percentage, if any, applicable to the Fund (See "Other Blackstone Business Activities" in Item 10 below). In addition, BXLS Advisors may also engage and retain on behalf of the Fund and/or their Portfolio Entities strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals any of whom might be current or former executives or other personnel of BXLS Advisors, its affiliates, Development Companies or Portfolio Entities of the Fund or Other Blackstone Clients and who may, from time to time, receive payments from, or allocations with respect to, Portfolio Entities or the Fund, and such amounts will not offset the Management Fee paid by the Fund (See "Advisors, Consultants and Partners" in Item 10 below).

The precise amount of, and the manner and calculation of, the fees and compensation described above, including the Management Fee, Servicing Fee and performance-based compensation, are established by BXLS Advisors through negotiations with investors in the Fund, and the offering documents, the Organizational Documents and the Advisory Agreement of the 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 Fund (and indirectly by the limited partners of the Fund). This list is not intended to be exhaustive; prospective and existing investors in the Fund are advised to review the Fund offering materials and Organizational Documents for a more extensive description of the expenses associated with an investment in the Fund. Subject to the limitations set forth in the Organizational Documents, costs, expenses and charges specifically attributed or allocated by BXLS Advisors and its affiliates to the Fund may exceed what would be paid to an unaffiliated third party for substantially similar services.

- Legal fees (including costs for in-house transactional legal advice and/or services allocated by the BXLS Advisors to the Fund or its portfolio entities on matters related to potential or actual investments or transactions and other legal matters of the Fund).
- Placement fees.
- Regulatory filing fees of the Fund, including but not limited to compliance with U.S. federal and state securities laws and international laws, such as the AIFMD.
- Expenses related to BXLS Advisors' compliance matters and regulatory filings to the extent they relate to the Fund's activities (e.g., Form PF, U.S. Commodity Futures Trading Commission filings, AIFMD filings (including any costs associated with the AIFMD marketing passport)) and any related regulations, including costs and expenses of collecting and calculating data and preparation of regular reports to be filed with EEA member states.
- Administrative fees, expenses and/or charges (See "Other Blackstone Business Activities" in Item 10 below).

- Organizational expenses associated with operating the Fund.
- Operating expenses.
- Consultant and senior advisor expenses (See “Advisors, Consultants and Partners” in Item 10 below).
- Technology expenses (which may include internally allocated charges for the Fund).
- Accounting fees.
- Taxes, tax-related interest and expenses related to the preparation and delivery of any entity-level taxes.
- Tax advisor fees including all expenses in connection with any tax audit, examination or investigation.
- Governmental charges.
- Audit fees.
- Brokerage commissions.
- Transaction fees.
- Fees and expenses associated with borrowing, guarantees and other financing, including interest charges and related legal expenses.
- Expenses of loan servicers and other service providers (including, for the avoidance of doubt, the costs and charges allocable with respect to the provision of fund administration or other services and professionals related thereto (including secondees and temporary personnel or consultants) as deemed appropriate by the General Partner).
- Expenses associated with the development, negotiation, acquisition, holding, monitoring and disposition of investments.
- Fees, costs and expenses related to the organization or maintenance of any intermediate entity used to develop, source, acquire, hold or dispose of any one or more investments or otherwise facilitating the Fund’s investment activities.
- Custodial 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 and third-party printing

(including a flat service fee) and publishing (including time spent performing such internal printing and publishing services).

- Broken-deal expenses (See “Broken Deal Expenses” in Item 10 below).
- Expenses associated with the preparation, printing and delivery of the Fund’s periodic reports and related financial and other statements and investor notices and communications (including preparation and delivery of tax returns, K-1s and other communications or notices relating to the Fund).
- Expenses of the L.P. Advisory Committee or any Independent Client Representative (if any) (each as defined herein).
- Expenses of investor meetings.
- Expenses associated with the Fund’s compliance with applicable laws and regulations including regulatory filings.
- Expenses of litigation involving the Fund or entities in which the Fund has investments and the amount of any judgments, fines, remediation or settlements paid in connection therewith.
- 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 Blackstone Business Activities” in Item 10 below).
- Travel and entertainment expenses in connection with the Fund’s 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 Entity management, customers, clients, borrowers, brokers and service providers)). Travel and entertainment expenses in connection with a trip taken by employees of BXLS Advisors and/or the General Partner 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 among the Fund, Other Blackstone Clients and/or BXLS Advisors as otherwise set forth herein.
- Expenses associated with the acquisition, settling, holding, monitoring, and disposition of investments (including without limitation, any brokerage, custody, or hedging costs and travel and related expenses in connection with the Fund’s investment activities).
- Insurance (including cost of title insurance).

- Indemnification expenses (including advancement of any fees, costs or expenses to persons entitled to such indemnification).
- Expenses of liquidating the Fund, feeder vehicles and parallel 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 relating to FOIA requests.
- Costs, fees and expenses of directors and officers.
- Expenses of third party advisory committees of the Fund as well as of other goods and services provided by third parties and other third party professionals.

Certain personnel of Blackstone and its affiliates, including Consultants (as defined herein), may be seconded to one or more Portfolio Entities, Development Companies, vendors, service providers and vendors or Fund investors of the Fund and Other Blackstone Clients to provide services, including the sourcing of investments for the Fund or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne (in whole or in part) by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors, service providers (including Development Companies, law firms and accounting firms) and limited partners of the Fund and Other Blackstone Clients may be seconded, or serve internships at, Blackstone, Development Companies and Portfolio Entities of the Fund. While often the Fund, Other Blackstone Clients and their Portfolio Entities 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 personnel, vendor or service provider or otherwise also provides services to the Fund in the ordinary course. Blackstone, the receiving Development Company or the Portfolio Entity may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Entity or the providing Development Company pays the cost it may be borne directly or indirectly by the Fund. The Management Fee will not be offset or reduced as a result of these secondments or internships or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates and related parties, and any costs of such personnel may be allocated accordingly.

Investors in the Fund are generally allocated their *pro rata* share of such additional fees and expenses and the Fund generally bears its share of fees and expenses as part of its participation in investments. Pursuant to the Organizational Documents of the Fund, all expenses (including

organizational, legal, reporting and compliance-related expenses and other expenses described in Item 5 above) are generally allocated between or among the Fund, feeder entities and its parallel funds and their respective alternative investment vehicles, as applicable, (including any parallel funds formed in Luxembourg and any related AIFMD and other marketing and compliance-related expenses) on a pro rata basis. This will result in the Fund bearing a portion of certain expenses attributable to the parallel funds (including, but not limited to, those expenses for AIFMD) that are not directly connected to the Fund and its activities, and the parallel funds bearing certain of the Fund's expenses that are not directly connected to such parallel funds and their activities on a pro rata basis.

From time to time, the Sponsor will be required to decide whether costs and expenses are to be borne by the Fund, on the one hand, or the Sponsor or Other Blackstone Clients, on the other, and/or whether certain costs and expenses should be allocated between or among the Fund, on the one hand, and Other Blackstone Clients, on the other. Certain expenses may be suitable for only the Fund (or where applicable, a feeder entity or a parallel fund) or a participating Other Blackstone Client and may be allocated to and borne only by such vehicle, or, as is more often the case, expenses may be allocated *pro rata* among each participating Other Blackstone Client and the Fund and all parallel funds even if the expenses relate only to particular vehicle(s) and/or investor(s) therein. With respect to broken deal expenses, the Fund 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 deal closing, unless the Sponsor determines otherwise in its discretion or as may be set forth in the relevant operative agreements. The Sponsor will make such judgments in its fair and reasonable discretion, 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 the Fund or an Other Blackstone Client bearing less (or more) expenses.

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 BXLS Advisors or its affiliates, the General Partner of the Fund receives a portion of the profits of disposition proceeds from the Fund with respect to each limited partner (other than those that are affiliates of BXLS Advisors), which is equal to twenty percent of the amounts otherwise distributable to such limited partner with respect to any particular investment (as set forth in the Fund's Organizational Documents). Such allocation of profits is only allocated to the General Partner when specific conditions are met, including, in the case of distributions of disposition proceeds, the return to each of the limited partners of an aggregate amount equal to all capital contributed to the Fund by such limited partner for realized investments and any writedowns on unrealized investments, fees and expenses allocable to such investments and the receipt of a preferred return on such amounts.

The Fund generally distributes current income from an investment in the manner described above relating to distributions of disposition proceeds except that distributions of current income are made on an investment by investment basis and do not take account of a return of capital and any writedowns, but will take into account actual unrecouped losses from prior dispositions and, in certain circumstances, certain allocated fees and expenses.

The fact that BXLS Advisors' affiliates are in part compensated based on the performance of the Fund may create a greater incentive for the General Partner to make more speculative investments on behalf of the Fund or time the purchase or sale of investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist. However, the significant commitment by Blackstone to invest in the Fund and the General Partner clawback and related guarantee, where applicable, should reduce the incentives to make more speculative investments or otherwise time the sale of investments based on considerations related to carried interest. The General Partner clawback, where applicable, potentially creates other misalignments of interests between the General Partner and limited partners, such as an incentive for the General Partner to defer disposition of an investment that would result in a realized loss and trigger the clawback, or delay the dissolution and liquidation of the Fund if doing so would trigger a clawback obligation.

As described in Item 5, Blackstone Investors are not subject to Management Fees or carried interest allocations.

Item 7 – Types of Clients

BXLS Advisors manages the Fund. The Fund's 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 (including investors in funds established for the Blackstone Total Alternatives Solution Program, Blackstone Harrington Partners L.P, Fidelity & Guaranty Life and Strategic Partners funds). All investors are subject to applicable suitability requirements. BXLS Advisors and the General Partner require that each investor in the Fund 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 the General Partner's sole discretion. The 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:

BXLS Advisors offers advice to the Fund generally to focus on structured investments in late clinical stage life sciences products, including pharmaceutical corporate partnerships, pre-approval royalties and other opportunistic life sciences investments, including pre-approval royalty monetizations and investments in early stage businesses. These investments may be made in connection with privately negotiated partnerships and transactions including spinouts and may utilize some degree of leverage.

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

BXLS Advisors' personnel generally meet weekly to discuss ongoing diligence as well as updates on existing investments. The members of the broader Blackstone organization investing in healthcare also meet in person and in groups on a regular basis to discuss portfolio investments and industry trends in greater detail, and BXLS Advisors intends to conduct comprehensive in-person offsite reviews of the BXLS V portfolio twice a year alongside its other Blackstone colleagues. All Fund investment decisions and disposition decisions will be reviewed and approved by the Investment Committee of the Fund. The Investment Committee will convene as appropriate to approve binding investment decisions, ensuring that broad consensus is achieved and all key concerns have been addressed, before the Fund's capital is committed to a particular deal.

In addition the Sponsor or its affiliates, in partnership with other life sciences specialist investors (the "Syndicate Partners"), own three special purpose development companies: SFJ Pharmaceuticals, Avillion and Nuvelution (each a "Development Company" and collectively, the "Development Companies"). The Sponsor's representatives sit on the Board of Directors of each of these three companies. The focus of each of these Development Company is to assist the Fund in identifying and diligencing high-quality, later stage assets in life sciences pipelines, to assist in the negotiation of satisfactory terms for transactions on these assets and, in many cases, to take the lead in executing the agreed development plans through the mutually agreed success milestone. The Sponsor (or its affiliates) and the Syndicate Partners have exclusive rights to all deal flow sourced by these three companies and as such cannot be offered to outside investors. The Sponsor's team independently diligences each investment opportunity, is actively involved in negotiating the deal structure and economics, and carefully reviews the associated deal documentation with dedicated counsel. The Sponsor has significant involvement in the design of the trial protocol along with the Development Company and life sciences company counterparty. The Sponsor has authority over final deal

terms and structures in all of these investments. Please also see “Development Companies” in Item 10 below.

The management teams of each Development Company source and diligence pharmaceutical corporate partnership opportunities. Each Development Company independently triages and prioritizes such opportunities and, with the input of its board, submits preliminary term sheet proposals when it feels a program has the potential to meet the Sponsor (or its affiliates) (and its Syndicate Partner(s) in such Development Company) investment criteria and returns targets. If further diligence and negotiation indicates the potential for a deal to be of interest to the Sponsor (or its affiliates) (and its Syndicate Partner(s) in such Development Company), then the Sponsor’s team responsible for that Development Company discuss the opportunity with the broader Sponsor team, and an independent Sponsor diligence team will be assembled to vet the opportunity. The Sponsor also works closely with the Development Companies and the life sciences counterparty in the final design of the clinical development plan for each pharmaceutical corporate partnership opportunity.

The Sponsor also independently sources, evaluates and consummates select pharmaceutical corporate partnership opportunities that fall outside the mandates of the Development Companies, or where another development team may have unique knowledge of, or rights to, a particular asset. Pharmaceutical corporate partnership opportunities may also include the Sponsor collaborating with an existing, smaller life sciences company to finance the development of one or more of its assets through to a pre-agreed success milestone, which would in turn trigger a pre-negotiated acquisition of the company (or its program financed by the Sponsor) by a larger life sciences acquiror.

In addition to the extensive diligence conducted by the Development Company teams (where applicable), the Sponsor performs its own independent confirmatory diligence on each opportunity. For a pharmaceutical corporate partnership opportunity proposed by a Development Company, the Sponsor’s deal team will include additional members of the Sponsor’s investment team who are not on the board of such Development Company.

Risk of Loss:

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

1. No assurance of investment return
2. Limited operating history
3. Reliance on the Sponsor
4. Role of life sciences professionals

5. Investments in the life sciences industry
6. Investments in regulated industries
7. Development and regulatory risk
8. Political risks
9. Certain healthcare reform measures
10. Dependence on patents, trademarks and other intellectual property
11. Highly competitive market for investment opportunities; operators and other partners
12. General economic and market conditions
13. Financial market fluctuations; availability of financing
14. Inflation
15. Investment outside the United States generally
16. Economic, political and social risks
17. Regional risk; independence of markets
18. Trade policy
19. Terrorist activities
20. Natural disasters
21. Corruption risk; FCPA
22. Foreign investments controls
23. Foreign capital controls
24. Legal framework and corporate governance
25. Accounting, disclosure and regulatory standards
26. Potential collapse of the Euro
27. United Kingdom exit from the European Union
28. Chinese growth slowdown; Chinese economy
29. Bankruptcy
30. Investments in open market purchases; publicly traded securities

31. Convertible securities
32. Illiquid and long-term investments
33. Non-controlling investments; investments with third parties
34. Investment in less established companies
35. Future investment techniques and instruments
36. Technological and scientific innovations
37. Environmental matters
38. Government action risk
39. Force majeure risk
40. Availability of insurance against certain catastrophic losses
41. Additional capital requirements
42. Adequacy of reserves
43. Deployment of capital
44. Distributions in-kind
45. Failure to make payments
46. Risks relating to due diligence of investments
47. Political activities
48. Reliance on portfolio entity management and third parties
49. Risks in effecting operating improvements
50. Expedited transactions
51. Portfolio entity liabilities
52. Risks from operations of other portfolio entities and Development Companies
53. Volatility of credit markets may affect ability to finance and consummate investments
54. Bridge financings
55. Leverage; subscription line of credit
56. Securitizations

- 57. Foreign currency and exchange rate risks
- 58. Hedging risks/derivatives
- 59. Risk of limited number of investments; lack of diversification
- 60. Liabilities on disposition of investments
- 61. Documentation and legal risks
- 62. Permits, approvals and licenses
- 63. Legal, tax and regulatory risks
- 64. OFAC and sanctions considerations
- 65. Absence of oversight under the Investment Company Act
- 66. Derivatives; Registration under the U.S. Commodity Exchange Act
- 67. Pay-to-Play laws, regulations and policies
- 68. Financial industry regulation
- 69. Change of law risk
- 70. General tax considerations
- 71. FATCA
- 72. Possible legislative or other developments
- 73. Legislation adversely affecting Blackstone employees and other service providers
- 74. Limitations on deductions of business interest
- 75. Partnership audit legislation
- 76. Phantom income
- 77. Taxation in certain jurisdictions
- 78. UBTI & ECI; tax treatment of non-U.S. feeder vehicles and corporations
- 79. Provision of managerial assistance
- 80. ERISA considerations
- 81. Risk arising from potential control group liability
- 82. Cyber security breaches

- 83. Operational risk
- 84. No market for limited partnership interests; restrictions on transfers
- 85. Dilution from Subsequent closings
- 86. Recycling; reinvestment
- 87. Possible exclusion
- 88. Amendments
- 89. Sponsor voting
- 90. Annual informational meetings
- 91. Handling of mail
- 92. Valuation matters
- 93. Uncertainty of projections

Investors are advised to review the Fund's Offering Materials for a more extensive description of the risks of investing in the Fund.

Economic, political, regulatory, technological and industry conditions fluctuate substantially over time, and performance of any investment, including pharmaceutical corporate partnerships (despite their structured nature), is not guaranteed. As a result, there is a risk of loss of value in the assets which BXLS Advisors manages that is not in BXLS Advisors' control. BXLS Advisors cannot guarantee any level of performance or that investors in the Fund will not experience a substantial or complete investment loss. There is no assurance that the Fund will be able to generate returns or that the returns will be commensurate with the risks inherent in its investment strategies. The marketability and value of any such investment will depend upon many factors beyond the control of BXLS Advisors. The expenses of the Fund may exceed its income, and an investor in the Fund could lose the entire amount of its contributed capital. Therefore, an investor should only invest in the Fund if the investor can withstand a total loss of its investment. The past investment performance of the Fund cannot be taken to guarantee future results of the Fund or any investment in the Fund.

Item 9 – Disciplinary Information

BXLS Advisors does not have any legal, financial or other “disciplinary” event to report. As a registered investment adviser, BXLS Advisors 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, BXLS Advisors does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect BXLS Advisors and/or the Fund’s 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 BXAcess online portal, which is accessible to each Fund’s limited partners with respect to the Fund.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities and Affiliations

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Sponsor, the Fund, the Other Blackstone Clients, the Portfolio Entities of the Fund and Other Blackstone Clients and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included below, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. Fund investors should review this section and the Fund's Organizational Documents carefully for additional risks and conflicts disclosure before making an investment decision.

Any references to Blackstone and/or BXLS Advisors in this section will be deemed to include their respective affiliates (including the General Partner), partners, members, shareholders, officers, directors and employees. References herein to "Portfolio Entity" describes, individually and collectively, any entity owned, directly or indirectly through subsidiaries, by the Fund or Other Blackstone Clients, including, as the context requires, portfolio companies, holding companies, special purpose vehicles and other entities through which Fund investments are held, whether directly or indirectly.

If any matter arises that BXLS Advisors determines in its good faith judgment constitutes an actual and material conflict of interest, BXLS Advisors will take the actions it determines appropriate to mitigate the conflict, which will be deemed to fully satisfy any fiduciary duties it may have to the Fund or the Fund investors. Thereafter, BXLS Advisors will be relieved of any liability related to the conflict to the fullest extent permitted by law.

Actions that could be taken by the BXLS Advisors or its affiliates to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described in the Organizational Documents, (ii) obtaining from an advisory committee, consisting of representatives of select Fund investors and parallel fund investors (the "L.P. Advisory Committee"), and/or the Fund investors advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the L.P. Advisory Committee and/or the Fund investors to address the conflict, (iii) disposing of the investment or security giving rise to the conflict of interest, (iv) disclosing the conflict to the L.P. Advisory Committee and/or the Fund investors (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications), (v) appointing an independent representative (an "Independent Client Representative") to act or provide consent with respect to the matter giving rise to the conflict of interest, (vi) in the case of conflicts among clients, creating groups of personnel within Blackstone separated by information barriers (which may be temporary and limited purpose in nature), each of which would advise or represent one of the clients that has a conflicting position with other clients, (vii) implementing policies and

procedures reasonably designed to mitigate the conflict of interest, or (viii) otherwise handling the conflict as determined appropriate by BXLS Advisors in its good faith reasonable discretion. There can be no assurance that BXLS Advisors will identify or resolve all conflicts of interest in a manner that is favorable to the Fund.

For purposes of this Brochure, (a) “TacOpps Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Tactical Opportunities Advisors L.L.C.; (b) “BREP Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Real Estate Advisors L.P.; (c) “BREDS Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Real Estate Special Situations Advisors L.L.C.; (d) “BTAS Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Multi-Asset Advisors L.L.C.; (e) “BAAM Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Alternative Asset Management LP; (f) “BIP Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Infrastructure Advisors L.L.C.; (g) “BIS Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone ISG-II Advisors L.L.C.; (h) “GSO Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by GSO Capital Partners LP; (i) “Strategic Partners” shall mean Strategic Partners Fund Solutions Advisors L.P.; (j) “Legacy Clarus Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Clarus Ventures, LLC; (k) “BSOF” shall mean Blackstone Strategic Opportunities Fund; (l) “BXLS Funds” shall include the Legacy Clarus Funds and any account, client, fund, vehicle or any other similar arrangement managed by BXLS Advisors; (m) “BXMT Funds” shall mean accounts, clients, funds, vehicles or any other similar arrangements managed by BXMT Advisors L.L.C.; (n) “BSCH” shall mean Blackstone Strategic Capital Holdings and its related vehicles/entities and successor funds; (o) “BCEP Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Core Equity Advisors L.L.C.; (p) “BCP Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Management Partners L.L.C. and (q) “BPP Funds” shall be deemed to include any account, client, fund, vehicle, or any other similar arrangement managed by Blackstone Property Advisors L.P.

Performance-Based Compensation. As noted in Item 6 above, the Sponsor’s carried interest creates a greater incentive for the Sponsor to make more speculative investments on behalf of the Fund or time the purchase or sale of investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist, as the Sponsor receives a disproportionate share of profits above the preferred return hurdle. However, the significant commitment by Blackstone to invest in the Fund and the General Partner clawback and related guarantee should reduce the incentives for the Sponsor to make more speculative investments or otherwise time the purchase or sale of investments based on considerations related to carried interest. The General Partner clawback potentially creates other misalignments of interests between the Sponsor and Fund investors, such as an incentive

for the Sponsor to defer disposition of an investment that would result in a realized loss or a return on investment that was less than the preferred return and trigger the clawback, or delay the dissolution and liquidation of the Fund if doing so would trigger a clawback obligation. In addition, recently enacted tax reform legislation provides for a lower capital gains tax rate on performance-based compensation from investments held for at least three years, which may incentivize the Sponsor to cause the Fund to accelerate deployment of capital at the beginning of the Fund's investment period, hold investments longer to ensure long-term capital gains treatment or dispose of investments prior to any change in law that would result in a higher effective income tax rate on carried interest. Furthermore, upon a withdrawal by a Fund investor from the Fund in certain circumstances and upon the liquidation of the Fund, the Sponsor of the Fund may receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the Sponsor and could incentivize the Sponsor to value the securities higher than if there were no carried interest. The Sponsor can engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third party opinion of value, but there can be no assurance such an opinion will reflect value accurately. Moreover, under the terms of the Organizational Documents, the Sponsor is entitled to elect to receive its carried interest in the form of an in-kind distribution of marketable securities, including if the purpose of such election is to permit Blackstone personnel to donate such securities to charity (which may include private foundations, funds or other charities associated with any such personnel). The tax benefit derived from charitable giving has the effect of reinforcing and enhancing the incentives otherwise resulting from the existence of the Sponsor's carried interest described above.

Allocation of Personnel. BXLS Advisors will devote such time to the Fund as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, including members of the Investment Committee, and personnel of Development Companies will work on other projects, serve on other committees (including boards of directors) and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients and their Portfolio Entities, including other investment programs to be developed in the future. Even key Blackstone personnel who devote substantially all of their time to investment programs within the BXLS group may not be devoting time predominantly, or solely, to the Fund, as they may also be devoting time to investments made by Legacy Clarus Funds and Other Blackstone Clients. Time spent on these other initiatives diverts attention from the activities of the Fund, which could negatively impact the Fund and its investors. Furthermore, Blackstone and Blackstone personnel and personnel of Development Companies derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the BXLS group may share in the fees and performance-based compensation from the Fund; similarly, the BXLS group personnel may share in the fees and performance-based compensation generated by Other Blackstone Clients. These and other factors create conflicts of interest in the allocation of time by Blackstone personnel and Development Company personnel. The Sponsor's determination of the amount

of time necessary to conduct the Fund's activities will be conclusive, and the Fund's investors rely on the Sponsor's judgment in this regard.

Outside Activities of Principals and Other Personnel and their Related Parties. Certain personnel of Blackstone may be subject to a variety of conflicts of interest relating to their responsibilities to the Fund, Other Blackstone Clients and their respective Portfolio Entities, and their outside business activities as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the Fund, including if such other entities compete with the Fund for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than the performance of the Fund. This involvement may create conflicts of interest in making investments on behalf of the Fund and such other funds, accounts and other entities. Although BXLS Advisors will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Fund. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as securities of other companies, some of which will be competitors of the Fund. Fund investors will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to the Fund.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which the Fund invests or have business, personal, financial or other relationships with companies in such industries and sectors (including the advisors and service providers described above) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential investments of the Fund or other counterparties of the Fund and its Portfolio Entities and/or assets. Moreover, in certain instances, the Fund or its Portfolio Entities 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. In most such circumstances, the Organizational Documents will not preclude the Fund from undertaking any of these investment activities or transactions. 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 Sponsor. The Fund investors rely on the Sponsor to manage these conflicts in its sole discretion.

Secondments and Internships. Certain personnel of Blackstone and its affiliates, including Consultants (as defined herein), may be seconded to one or more Portfolio Entities, Development Companies, service providers and vendors or limited partners of the Fund and Other Blackstone Clients to provide services, including the sourcing of investments for the Fund or other parties. The salaries, benefits, overhead and other similar expenses for such personnel

during the secondment could be borne (in whole or in part) by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors, service providers (including Development Companies, law firms and accounting firms) and limited partners of the Fund and Other Blackstone Clients may be seconded, or serve internships at, Blackstone, Development Companies and Portfolio Entities of the Fund. While the Fund, Other Blackstone Clients and their Portfolio Entities are often 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 personnel, vendor or service provider or otherwise also provides services to the Fund in the ordinary course. Blackstone, the receiving Development Company or the Portfolio Entity may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Entity or the providing Development Company pays the cost it may be borne directly or indirectly by the Fund. The management fee will not be offset or reduced as a result of these secondments or internships or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates and related parties, and any costs of such personnel may be allocated accordingly.

Other Benefits. BXLS Advisors and its personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Fund, which will not offset or reduce management fees or otherwise be shared with the Fund, its Portfolio Entities or the Fund investors. For example, airline travel or hotel stays will result in “miles” or “points” or credit in loyalty or status programs, and such benefits will, whether or not de minimis or difficult to value, inure exclusively to the benefit of BXLS Advisors or its personnel or related parties receiving it, even though the cost of the underlying service is borne by the Fund and/or Portfolio Entities. Similarly, BXLS Advisors and its personnel and related parties, and third parties designated by the foregoing, also may receive discounts on products and services provided by Portfolio Entities and customers or suppliers of such Portfolio Entities. The Fund investors consent to the existence of these arrangements and benefits.

Advisors, Consultants and Partners. BXLS Advisors, its affiliates and its respective personnel and related parties engage and retain strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of BXLS Advisors, Development Companies or Portfolio Entities of the Fund or Other Blackstone Clients (collectively, “Consultants”), to provide a variety of services. Similarly, the Fund, Other Blackstone Clients and their Portfolio Entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by the Fund or a Portfolio Entity to Consultants in connection with the above, including performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as partnership expenses or expenses of a Portfolio Entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by BXLS Advisors, be chargeable to BXLS

Advisors or deemed paid to or received by BXLS Advisors, or offset or reduce any management fees to BXLS Advisors or be subordinated to return of the Fund investor's capital. Amounts charged by Consultants will not necessarily be confirmed as being comparable to market rates for such services. Also, Consultants often co-invest alongside the Fund in Portfolio Entities and investments of the Fund, participate in long-term incentive plans of a Portfolio Entity, and invest directly in the Fund or in vehicles controlled by the Fund, with reduced or waived management fees and carried interest and such co-investment or participation (which generally will result in the Fund being allocated a smaller share of an investment and less co-investment being available to Fund investors) may or may not be considered part of Blackstone's side-by-side co-investment rights, as determined by the BXLS Advisors in its sole discretion. Consultants' benefits described in this paragraph may continue after termination of status as a Consultant.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant provides BXLS Advisors with industry-specific insights and feedback on investment themes, assists in transaction due diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of Portfolio Entities and contributing to the identification and origination of new investment opportunities. The Fund may rely on these Consultants to recommend BXLS Advisors and the Fund as a preferred investment partner and carry out its investment program, but there is no assurance that any Consultant will continue to be involved with the Fund for any length of time. BXLS Advisors and the Fund may have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of Blackstone "employees" (e.g., they may have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Organizational Documents, and their salary and related expenses are paid by the Fund as partnership expenses or by Portfolio Entities without any reduction or offset to management fees. Some Consultants work only for the Fund and its Portfolio Entities, while other Consultants may have other clients. In particular, in some cases, Consultants, including those with a "Senior Advisor" title, have been and will be engaged with the responsibility to source and recommend transactions to BXLS Advisors potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of BXLS Advisors under the Organizational Documents, the compensation to such Consultants may be borne fully by the Fund and/or Portfolio Entities (with no reduction or offset to management fees) and not BXLS Advisors. Consultants could have conflicts of interest between their work for the Fund and its Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and BXLS Advisors is limited in its ability to monitor and mitigate these conflicts.

As an example of the foregoing, in certain investments by the Fund including involving a “platform company,” the Fund will from time to time enter into an arrangement with one or more individuals (who may be former personnel of Blackstone or current or former personnel of Development Companies, Portfolio Entities of the Fund or Other Blackstone Clients, may have experience or capability in sourcing or managing investments, and may form a management team) to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The services provided by such individuals or relevant Portfolio Entity, as the case may be, could include the following with respect to investments of the Fund: origination or sourcing, due diligence, evaluation, negotiation, servicing, development, management (including turnaround) and disposition. The individuals or relevant Portfolio Entity could be compensated with a salary and equity incentive plan, including a portion of profits derived from the Fund or a Portfolio Entity or asset of the Fund, or other long term incentive plans. Compensation could also be based on assets under management, a waterfall similar to a carried interest, respectively, or other similar metric. The Fund could initially bear the cost of overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and the sourcing, diligence and analysis of investments, as well as the compensation for the individuals and entity undertaking the build-up strategy. Such expenses could be borne directly by the Fund as partnership expenses (or broken deal expenses, if applicable) or indirectly through expenditures by a Portfolio Entity. None of such Portfolio Entities or Consultants will be treated as affiliates of BXLS Advisors for purposes of the Organizational Documents and none of the fees, costs or expenses described above will reduce or offset the management fee.

In addition, the General Partner may engage third parties as senior advisors (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such senior advisors may receive reimbursement of reasonable related expenses by Portfolio Entities or the Fund and may have the opportunity to invest in a portion of the equity available to the Fund for investment which may be taken by the General Partner and its affiliates. If such senior advisors generate investment opportunities on the Fund’s behalf, such members may receive special additional fees or allocations comparable to those received by a third party in an arm’s length transaction.

Development Companies. The Development Companies are highly involved in identifying and diligencing potential investments and negotiating terms with respect to such investments. Historically, in roughly half of these co-development transactions, Development Companies take the lead in executing the agreed development plans with respect to investments through the mutually-agreed success milestones. In those situations, Development Companies often actively manage clinical trials with respect to investments and in many cases, the applicable Development Company will take the primary responsibility for executing the clinical trials. The relevant Development Company management teams generally retain final decision-making authority on key development decisions, except those involving issues that may materially affect the commercial prospects of the drug. For roughly half the investments where the Development Companies do not actively manage the clinical trials, the relevant Development Company

management teams generally retain supervisory oversight and certain decision-making authority and negative controls on key development decisions.

Personnel of Development Companies may also source potential investments for such Development Companies. If an investment opportunity is sourced by a Development Company, as opposed to being independently sourced by BXLS Advisors for the Fund, or if BXLS Advisors allocates an independently sourced investment opportunity to a Development Company (including, for example, to leverage such Development Company's clinical expertise), such investment opportunity will be shared with the third party life sciences specialist investors that jointly own such Development Company, which will result in the Fund participating less and having less control over such investment opportunity relative to if the investment was sourced and pursued independently by BXLS Advisors and the Fund. Development Companies also have rights of exclusivity with respect to investment opportunities they source. As a result, an investment opportunity sourced by a Development Company may result in the Fund or any other Development Company not being able to independently pursue such investment, even if one or other of such other parties are better positioned to pursue such an investment opportunity. In addition, the Fund and the various Development Companies may compete for investment opportunities, thus potentially reducing the number of investment opportunities available to the Fund to pursue independently and potentially adversely affecting the terms, including price, upon which investments can be made.

As discussed in the Organizational Documents, BXLS Advisors or its affiliates, including Other Blackstone Clients, hold significant equity interests in each of the Development Companies, and representatives of BXLS Advisors or its affiliates sit on the Board of Directors of each of the Development Companies, each of which is effectively controlled by Blackstone and its fellow investors in the relevant company.

Development Companies and/or their personnel will be compensated for their services from the Fund or its Portfolio Entities, which Portfolio Entities are expected to often be special purpose vehicles formed and controlled by the Fund for the purposes of a particular investment. This compensation is generally in the form of a management promote, incentive fee or other performance-based compensation in connection with a Fund investment reaching a milestone and/or regulatory approval or otherwise upon the sale of or other transaction with respect to such investment. Such compensation will be received only after the Fund has received a return of its invested capital in such investment. For example, BXLS Advisors and Fund may have arrangements with Development Companies that may or may not have termination options and may include payment, no payment, or deferred payment until occurrence of a future event, such as the occurrence of a specified milestone and/or regulatory approval. However, compensation is not limited in this regard and may take other forms, including as described above with respect to Consultants. In addition, the Fund, its Portfolio Entities, BXLS Advisors, its affiliates and their respective personnel and related parties may engage Development Companies or their personnel to provide a variety of other services. Any amounts paid by the Fund or a Portfolio Entity to a Development Company or its personnel will be treated as partnership expenses or expenses of the Portfolio Entity, as the case may be, and

will not, be chargeable to BXLS Advisors or deemed paid to or received by BXLS Advisors, or offset or reduce any Management Fees to BXLS Advisors or be subordinated to return of the Fund investor's capital. Development Companies and their personnel that are expected to perform services may have attributes of Blackstone affiliated entities "employees" (e.g., they may source, evaluate and execute investments, they may have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Organizational Documents and the Advisory Agreement, and the fees and compensation of the Development Companies and their personnel are paid by the Fund as partnership expenses or by Portfolio Entities without any reduction or offset to management fees. Amounts payable to Development Companies and their personnel will not necessarily be confirmed as being comparable to market rates for such services, and given the close relationship with BXLS Advisors or its affiliates and BXLS Advisors or its affiliates' interest in Development Companies, there are conflicts of interest inherent in determining the relevant amount of compensation. Similarly, Other Blackstone Clients and their Portfolio Entities can be expected to engage Development Companies to provide services, and the Fund shall not receive any portion of any fees or compensation paid to such Development Companies in respect of such services. While BXLS Advisors and its affiliates and/or Other Blackstone Clients and Blackstone are generally not expected to receive any portion of the fees or compensation paid to the Development Companies or their personnel, BXLS Advisors or its affiliates and/or Other Blackstone Clients are generally expected to continue to hold equity interests in the Development Companies which could result in BXLS Advisors or an affiliate of BXLS Advisors and/or Other Blackstone Clients receiving distributions in its capacity as an equityholder of any such company or benefitting from the appreciation of such equity interests. BXLS Advisors and its affiliates (including life sciences personnel) would generally not be eligible for such compensation or such compensation would offset or reduce the management fee payable by the Fund investors of the Fund or otherwise be shared with the Fund. As a result, BXLS Advisors (including life sciences personnel) could be incentivized to source investment opportunities through Development Companies or to hire professionals as employees of Development Companies rather than employees of BXLS Advisors.

In addition, Development Companies with respect to which BXLS Advisors or its affiliates may elect members of the board of directors may, as a result, subject such directors to fiduciary obligations to make decisions that they believe to be in the best interests of any such Development Companies. Although in most cases the interests of the Fund and any such Development Company will be aligned, this may not always be the case. This may create conflicts of interest between the relevant director's obligations to any such Development Company and its stakeholders, on the one hand, and the interests of the Fund, on the other hand. Although BXLS Advisors will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Fund. In certain cases, personnel of Development Companies could also have conflicts of interest between their work for

the Fund and its Portfolio Entities, on the one hand, and themselves on the other hand, and BXLS Advisors is limited in its ability to monitor and mitigate these conflicts.

Multiple Blackstone Business Lines. Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Fund, Other Blackstone Clients, Portfolio Entities of the Fund and Other Blackstone Clients and third parties may engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits the Fund's ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with BXLS Advisors that would be relevant to monitoring the Fund's investments and other activities. Additionally, Blackstone or Other Blackstone Clients can be expected to enter into covenants that restrict or otherwise limit the ability of the Fund or its Portfolio Entities and their respective affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Clients could have granted exclusivity to a joint venture partner that limits the Fund and Other Blackstone Clients from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Client could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact the ability of the Fund to implement its investment program. (See also "—Other Blackstone Clients; Allocation of Investment Opportunities" herein.) Finally, Blackstone personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, in which case the Fund will not benefit from their experience. The Fund investors will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to the Fund. Blackstone has long-term relationships with a significant number of corporations and their senior management. BXLS Advisors will consider those relationships when evaluating an investment opportunity, which may result in BXLS Advisors choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client or other person with whom Blackstone has a relationship). The Fund may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone and its affiliates may have or transactions or investments that Blackstone and its affiliates may make or have made. 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 Fund. (See "—Other Blackstone Clients; Allocation of Investment Opportunities" and "Portfolio Entity Relationships Generally" herein.) The Fund may also co-invest with clients of Blackstone or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by BXLS Advisors with respect to the Fund's

investments and otherwise result in a conflict. (See also “—Other Blackstone Clients; Allocation of Investment Opportunities” herein.)

Finally, Blackstone and Other Blackstone Clients could acquire limited partner interests in the Fund in the secondary market. Blackstone and Other Blackstone Clients would generally have greater information than counterparties in such transactions, and the existence of such business could produce conflicts, including in the valuation of the Fund’s investments.

Minority Investments in Asset Management Firms. Blackstone and Other Blackstone Clients, including BSCH and its related parties, regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, the Fund, Other Blackstone Clients and their respective Portfolio Entities and which may from time to time engage in similar investment transactions, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and Portfolio Entities. Typically, the Blackstone-related party with an interest in the asset management firm would be entitled to receive a share of carried interest/performance based incentive 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 or activities of the third party asset management firm, or a subset of such activities such as transactions with a Blackstone related party. 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, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. Although Blackstone and Other Blackstone Clients, including BSCH, do not intend to control such third party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone and Other Blackstone Clients, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. 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. Participation rights in a third party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of the Fund to claims by third parties in connection with such investments (as indirect owners of such asset management firms or similar businesses) that may have an adverse financial or reputational impact on the performance of the Fund. The Fund, its affiliates and their 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 transactions and other commercial arrangements between such third party asset managers and the Fund and its Portfolio Entities are not subject to L.P. Advisory Committee approval. There can be no assurance that the terms

of these transactions between parties related to Blackstone, on the one hand, and the Fund and its Portfolio Entities, on the other hand, will be at arm's length or that Blackstone will not receive a benefit from such transactions, which may incentivize Blackstone to cause these transactions to occur.

Blackstone Policies and Procedures; Information Walls. Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Some of these policies and procedures, such as Blackstone's information wall policy, also have the effect of reducing firm-wide synergies and collaboration that the Fund could otherwise expect to utilize for purposes of identifying and managing attractive investments. Personnel of Blackstone may be unable, for example, to assist with the activities of the Fund as a result of these walls. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally.

Data. Blackstone receives or obtains various kinds of data and information from the Fund, Other Blackstone Clients and their Portfolio Entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as "big data." Blackstone may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to this data and information from the Fund, Other Blackstone Clients and their Portfolio Entities. Blackstone has entered and will continue to enter into information sharing and use arrangements with the Fund, Other Blackstone Clients, and their Portfolio Entities, related parties and service providers, which may give Blackstone access to data that it would not otherwise obtain in the ordinary course. Although Blackstone believes that these activities improve Blackstone's investment management activities on behalf of the Fund and Other Blackstone Clients, information obtained from the Fund and its Portfolio Entities also provides material benefits to Blackstone or Other Blackstone Clients without compensation or other benefit accruing to the Fund or its investors. For example, information from a Portfolio Entity owned by the Fund may enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Clients that do not own an interest in the Portfolio Entity, without compensation or benefit to the Fund or its Portfolio Entities.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, Blackstone is generally free to use data and information from the Fund's activities to assist in the pursuit of Blackstone's various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Client. Any confidentiality obligations in the Organizational Documents do not limit Blackstone's ability to do so. 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 compensation or other benefit to the Fund or its investors.

The sharing and use of “big data” and other information presents potential conflicts of interest and the Fund investors acknowledge and agree that any benefits received by Blackstone will not be subject to the management fee offset provisions or otherwise shared with the Fund or its investors. As a result, BXLS Advisors has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Clients.

Blackstone Strategic Relationships. Blackstone has entered, and it can be expected that Blackstone in the future will enter, into strategic relationships with investors (and/or one or more of their affiliates) that involve an overall relationship with Blackstone that could incorporate one or more strategies in addition to the Fund’s strategy (“Strategic Relationships”). A Strategic Relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, one of which may be the Fund. 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 in the “most-favored nations” election process 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 or favorable allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone funds (including any carried interest and/or management fees to be charged with respect thereto, as well as any additional discounts or rebates thereof or other penalties that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). The co-investment that is part of a Strategic Relationship may include co-investment in investments made by the Fund. Blackstone, including its personnel, may receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from the Fund to or source investment opportunities for Strategic Relationships. Strategic Relationships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to Fund investors. (See also “—Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment” herein.)

Buying and Selling Investments or Assets from Certain Related Parties. The Fund and its Portfolio Entities may purchase investments or assets from or sell investments or assets to Fund investors, Portfolio Entities of Other Blackstone Clients or their respective related parties. Purchases and sales of investments or assets between the Fund or its Portfolio Entities, on the one hand, and Fund investors, Portfolio Entities of Other Blackstone Clients or their respective related parties, on the other hand, are not subject to the approval of the L.P. Advisory Committee or any Fund investor or Independent Client Representative (if any). These transactions involve conflicts of interest, as Blackstone may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction, including different financial incentives Blackstone may have with respect to the parties to the transaction. For example, there can be no assurance that any investment or asset sold by the

Fund to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties. Blackstone will not be required to solicit third party bids or obtain a third party valuation prior to causing the Fund or any of its Portfolio Entities to purchase or sell any asset or investment from or to a limited partner, Portfolio Entity of Other Blackstone Clients or any of their respective related parties as provided above.

Blackstone's Relationship with Pátria. Blackstone owns 40% of the equity interests 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 Fund's investment program and Pátria's investment activities, there may be instances in which investment opportunities otherwise appropriate for the Fund will be shared with (or allocated to) Pátria. Therefore, there may be opportunities available to Pátria that are not shared with the Fund, and there may be opportunities available to the Fund 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 Fund, 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 Fund not participating in any such investments or participating therein to a lesser extent. In addition, the Fund may invest in companies or other entities in which Pátria sponsored investment funds make an investment in a different part of the capital structure (and *vice versa*). 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). Pátria is not considered an "affiliate" of Blackstone under the Organizational Documents, and therefore these transactions will not be subject to approval of the L.P. Advisory Committee and/or the Fund investors.

Other Blackstone Clients; Allocation of Investment Opportunities. Blackstone currently manages and will continue to manage, sponsor and close a variety of existing or future Other Blackstone Clients that have investment objectives and/or guidelines that overlap, in whole or in part, with those of the Fund to some extent, or pursue similar returns with the Fund but have a different investment strategy or objective. As a result, certain opportunities within the Fund's mandate may be made by or shared with one or more of such vehicles or funds. It is expected that some activities of Blackstone, the Other Blackstone Clients and their Portfolio Entities will compete with the Fund and its Portfolio Entities for one or more investment opportunities that are consistent with the Fund's investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to the Fund. Blackstone may also from time to time make and hold investments of various types with or in lieu of Other Blackstone Clients. Although such investments would be limited or restricted by the

Organizational Documents or the agreements for Other Blackstone Clients, to the extent Blackstone does make or hold such investments, many of the conflicts of interest associated with the activities of Other Blackstone Clients also apply to such investment activities of Blackstone. Moreover, under certain circumstances, investment opportunities sourced and/or identified by the Fund and that fall within the Fund's investment strategy and objective may be allocated in whole or in part to Portfolio Entities, Other Blackstone Clients or portfolio entities of Other Blackstone Clients, or Blackstone.

BXLS Advisors has conflicting loyalties in determining whether an investment opportunity should be allocated to the Fund, Blackstone or an Other Blackstone Client, and these conflicts may not necessarily be resolved in favor of the Fund. Blackstone has adopted guidelines and policies, which it may update from time to time, regarding allocation of investment opportunities.

- Overlapping Objectives and Strategies: In circumstances in which any Other Blackstone Clients have investment objectives or guidelines that overlap with those of the Fund, in whole or in part, Blackstone generally determines the relative allocation of investment opportunities among such vehicles and/or Other Blackstone Clients on a fair and reasonable basis in good faith according to guidelines and factors determined by it. However, the application of those guidelines and factors may result in the Fund not participating, or not participating to the same extent, in investment opportunities in which it would have otherwise participated, or participated to a greater extent, had the related allocations been determined without regard to such guidelines. Among the factors that BXLS Advisors considers in making investment allocations among the Fund and Other Blackstone Clients are the following: (w) any applicable investment strategies, investment mandates, objectives, focus, parameters, guidelines, investor preferences, limitations, guidelines and other contractual provisions, obligations and terms relating to the Fund and such Other Blackstone Clients, (x) available capital of the Fund and such Other Blackstone Clients and the duration of investment periods and holding periods, (y) the Fund and the Parallel Funds and such Other Blackstone Clients, including whether such Other Blackstone Clients expect to invest in or alongside other funds or across asset classes based on expected return, (z) legal, tax, accounting, regulatory and other considerations deemed relevant by BXLS Advisors, including, without limitation, (i) primary and permitted investment strategies, mandates, focus and objectives of the Fund and the Other Blackstone Clients, including, without limitation, with respect to Other Blackstone Clients that expect to invest in or alongside other funds or across asset classes based on expected return (such as the BTAS Funds, the BIS Funds, the Growth Equity Funds (as defined below), the BAAM Funds (including BSOF), the TacOpps Funds and certain managed accounts with similar investment strategies and objectives), (ii) sourcing of the investment, (iii) the sector and geography/location of the investment, (iv) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment, (v) expected investment return, (vi) risk/return profile of the investment, (vii) expected leverage on the investment, (viii) expected cash characteristics (such as cash-on-cash yield,

distribution rates or volatility of cash flows), (ix) capital expenditure required as part of the investment, (x) portfolio diversification concerns (including, but not limited to, whether a particular fund already has its desired exposure to the investment, sector, industry, geographic region or markets in question), (xi) relation to existing investments in a fund, if applicable (e.g., “follow-on” to existing investment, joint venture or other partner to existing investment, or same security as existing investment), (xii) avoiding allocation that could result in de minimis or odd lot investments, (xiii) co-investment arrangements, (xiv) anticipated tax treatment of the investment, (xv) extent of involvement of the respective teams of investment professionals dedicated to the Fund when compared to the Other Blackstone Clients and (xvi) other considerations deemed relevant by BXLS Advisors in good faith. With respect to the General Partner’s ability to allocate investment opportunities, Blackstone has also 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, presumptions regarding allocation for certain types of investments (e.g., distressed investments) and other matters. Such general guidelines are non-exclusive and subject to the provisions of the Organizational Documents, including the factors described above. For example, as a general matter, it is expected that Blackstone’s GSO credit business will receive priority over certain types of credit opportunities and it can be expected that certain minority equity investments in companies may be allocated to Blackstone’s TacOpps Funds or the Growth Equity Funds (as defined below). The application of those guidelines may result in the 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.

- Certain Investments inside the Fund’s Mandate that are not Pursued by the Fund: Under certain circumstances, Blackstone may determine not to pursue some or all of an investment opportunity within the Fund’s mandate, including without limitation, as a result of business, reputational or other reasons applicable to the Fund, Other Blackstone Clients, their respective Portfolio Entities or Blackstone. In addition, BXLS Advisors may determine that the Fund should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because the Fund has already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by BXLS Advisors in its good faith discretion, or the investment is not appropriate for the Fund for other reasons as determined by BXLS Advisors in its sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Clients or Portfolio Entities or Fund investors or Other Blackstone Clients, joint venture partners, related parties or third parties, and such parties may pursue the opportunity. Any such Other Blackstone Clients may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than BXLS Advisors believes to be the case. In any event, there can be no

assurance that BXLS Advisors' assessment will prove correct or that the performance of any investments actually pursued by the Fund will be comparable to any investment opportunities that are not pursued by the Fund. Blackstone, including its personnel, may receive compensation from any such party that makes the investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by the Fund to BXLS Advisors. In some cases, Blackstone earns greater fees when Other Blackstone Clients participate alongside or instead of the Fund in an investment.

- Financial Compensation to Allocate Investment Opportunities to Other Blackstone Clients: When BXLS Advisors determines not to pursue some or all of an investment opportunity for the Fund that would otherwise be within the Fund's objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Clients, Blackstone, including its personnel (including life sciences personnel) may receive compensation from the Other Blackstone Clients, whether or not in respect of a particular investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by the Fund to BXLS Advisors. As a result, BXLS Advisors (including life sciences personnel who receive such compensation) could be incentivized to allocate investment opportunities away from the Fund to or source investment opportunities for Other Blackstone Clients. In addition, in some cases Blackstone may earn greater fees when Other Blackstone Clients participate alongside or instead of the Fund in an investment.
- Basis for Investment Allocation Determinations: BXLS Advisors makes good faith determinations for allocation decisions based on expectations that may prove inaccurate and such determinations require it to make subjective judgments regarding application of the guidelines and arrangements described herein. Information unavailable to BXLS Advisors, or circumstances not foreseen by BXLS Advisors at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that BXLS Advisors determines to be consistent with the return objectives of a lower return fund rather than the Fund may not match BXLS Advisors' expectations and underwriting and generate an actual return that would have been appropriate for the Fund. Conversely, an investment that BXLS Advisors expects to be consistent with the Fund's return objectives may fail to achieve them. Any such judgments and application involves inherent conflicts and risks that assumptions regarding investment opportunities may not ultimately prove correct. As such, there can be no assurance that the subjective judgments made by BXLS Advisors will prove correct in hindsight.
- Investment alongside Other Blackstone Clients: The Fund will invest alongside Other Blackstone Clients (including other vehicles in which Blackstone or its personnel invest) in investments that are suitable for one or more of the Fund and such Other Blackstone Clients. To the extent the Fund jointly holds securities with any Other Blackstone Client that has a different expected duration or liquidity terms, conflicts of interest will arise

between the Fund and such Other Blackstone Client with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, the Fund may recuse itself from participating in any decisions relating or with respect to the investment by the Fund or the Other Blackstone Client. If the Other Blackstone Client maintains voting rights with respect to the securities it holds, or if the Fund does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to the Fund and such Other Blackstone Clients, which may adversely impact the Fund. (See also “—Other Blackstone Clients; Allocation of Investment Opportunities” herein.) Even if the Fund or any such Other Blackstone Clients and/or co-investment or other vehicles invest in the same investments, 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 Fund and/or such other funds and vehicles may not be the same. Additionally, the Fund and/or such Other Blackstone Clients 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 Fund and/or such Other Blackstone Clients may dispose of any such shared investment at different times and on different terms.

- Investment alongside Blackstone Affiliates: The Organizational Documents specify that Blackstone (which includes participation by Blackstone affiliates, professionals, employees and related parties, and entities and other key advisors and relationships of Blackstone, including in certain circumstances, Other Blackstone Clients) will be permitted to make investments alongside the Fund up to a maximum specified percentage of the total investment amount through Blackstone’s side-by-side investment rights. In addition, subject to the terms of the Organizational Documents, the General Partner 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 the Fund to participate in these side-by-side rights on an investment by investment basis. The General Partner intends to limit participation by any such professionals to investments involving portfolio companies of the Fund with respect to which the General Partner expects in good faith that such professionals will be materially involved following the consummation of such investment. Such side-by-side investments generally result in the Fund being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side investment rights. Blackstone generally receives no fees in relation to side-by-side investments, but will often receive additional income in fees and performance compensation from Other Blackstone Clients in connection with such investments. Additionally, Other Blackstone Clients and former Blackstone employees and professionals (and their relatives and related endowment funds) will be permitted (or have the preferred right) to participate in Blackstone’s side-by-side co-investment rights

(and may be allocated a substantial portion of Blackstone's side-by-side co-investment rights (and in some cases, a majority)). In particular, the BTAS Funds, which invest in, or alongside, multiple Blackstone funds, will participate in investments alongside the Fund pursuant to Blackstone's side-by-side investment rights, and in such cases Blackstone would be eligible to receive fees and carried interest from the investors in such vehicles (as determined in Blackstone's sole discretion). The Fund may lend an amount to Blackstone and its affiliates with respect to its *pro rata* share of such investments; *provided*, that any such amounts so borrowed shall be on no more favorable terms than those applicable to the Fund's borrowing of the related proceeds. The amount of carried interest charged and/or management fees paid by the Fund may be less than or exceed the amount of carried interest charged and/or management fees paid by such Other Blackstone Clients (including BTAS). Such variation may create an incentive for Blackstone to allocate a greater percentage of an investment opportunity to the Fund or such Other Blackstone Clients, as the case may be.

- Similar Funds: Although the Organizational Documents contain provisions relating to the formation of Similar Funds it also specifically provides that certain vehicles will not be considered Similar Funds (See the Fund's Organizational Documents) even if they have investment objectives and/or guidelines that overlap, in whole or in part, with those of the Fund. For example, Blackstone is presently expected to establish a new investment platform ("Growth Equity Funds") focused on growth equity investments ("Growth Equity Investments") which will primarily provide capital to companies during the phase between venture capital investments and traditional buyouts. Given that the investment strategy of the Fund could include making certain life science related Growth Equity Investments, it is possible that certain of those investment opportunities (or other investment opportunities within the investment objectives of the TacOpps Funds and/or the Growth Equity Funds) may fit within, or overlap with, the investment objectives of the Fund and such investment opportunities may be allocated in whole or in part to such other funds and may result in the Fund participating less or not participating at all in such investment opportunities. The Growth Equity Funds and their respective successor funds will not be considered "Similar Funds" for purposes of the Fund's Organizational Documents.

Blackstone has also entered into an investment management arrangement whereby it provides investment management services for compensation to Fidelity & Guaranty Life Insurance Company, a Portfolio Entity of an Other Blackstone Client, which will involve investments across a variety of asset classes (including investments that may otherwise be appropriate for the Fund), and in the future Blackstone may enter into similar arrangements with other Portfolio Entities of the Fund or Other Blackstone Clients. Such arrangements may reduce the allocations of investments to the Fund, and Blackstone may be incentivized to allocate investments away from the 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 the Fund.

Allocation of Portfolios. Blackstone may have an opportunity to acquire a portfolio or pool of assets, securities and instruments that it determines should be divided and allocated among the Fund and Other Blackstone Clients. Such allocations generally would be based on Blackstone's assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool may have a higher return profile, while others may have a lower return profile not appropriate for the Fund. Also, a pool may contain both debt and equity instruments that Blackstone determines should be allocated to different funds. In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool and therefore among the Fund and Other Blackstone Clients acquiring any of the assets, securities and instruments. Similarly, there will likely be circumstances in which the Fund and Other Blackstone Clients will sell assets in a single or related transactions to a buyer. In some cases a counterparty will require an allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not accurate and should not be relied upon. Blackstone will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third party valuation reports. Regardless of the methodology for allocating value, Blackstone will have conflicting duties to the Fund and Other Blackstone Clients when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an investment of the Fund will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such investment were acquired or sold independently rather than as a component of a portfolio shared with Other Blackstone Clients.

Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally. The Fund may hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by Other Blackstone Clients. In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, the Fund may recuse itself from participating in any decisions relating or with respect to such investment by the Fund or the applicable investments by the Other Blackstone Clients, or by establishing groups separated by information barriers (which may be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, Blackstone may be required to take action when it will have conflicting loyalties between its duties to the Fund and such Other Blackstone Clients, which may adversely impact the Fund. If the Fund recuses itself from decision-making, it will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made. Except to the extent expressly subject to the management fee offset provisions of the Advisory Agreement, the Fund investors will in no way receive any benefit from fees paid to BMLS Advisors from a Portfolio Entity in which any Other Blackstone Client also has an interest (including, for greater certainty, any fees received as a result of the provision of services by BMLS Advisors).

Related Financing Counterparties. The Fund may invest in companies or other entities in which Other Blackstone Clients make an investment in a different part of the capital structure (and vice versa). BXLS Advisors requests in the ordinary course proposals from lenders and other sources to provide financing to the Fund and its Portfolio Entities. BXLS Advisors takes into account various facts and circumstances it deems relevant in selecting financing sources, including whether a potential lender has expressed an interest in evaluating debt financing opportunities, whether a potential lender has a history of participating in debt financing opportunities generally and with Blackstone in particular, the size of the potential lender's loan amount, the timing of the relevant cash requirement, the availability of other sources of financing, the creditworthiness of the lender, whether the potential lender has demonstrated a long-term or continuing commitment to the success of Blackstone and its funds, and such other factors that Blackstone deems relevant under the circumstances. The cost of debt alone is not determinative.

Debt financing to the Fund and its Portfolio Entities is expected to be provided, from time to time, by Fund investors, Other Blackstone Clients (such as the GSO Funds, BREDS Funds and BXMT Funds), their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Clients and their Portfolio Entities. Blackstone could have incentives to cause the Fund and its Portfolio Entities to accept less favorable financing terms from a Fund investor, Other Blackstone Clients, their Portfolio Entities, investors therein and other parties with material relationships with Blackstone than it would from a third party. The same concerns apply when any of these other parties invest in a more senior position in the capital structure of a Portfolio Entity than the Fund, even if the form of the transaction is not a financing. Although less common, the Fund or a Portfolio Entity could also occupy different position in the capital structure than an investor in the Fund, Other Blackstone Client, their Portfolio Entities and other parties with material relationships with Blackstone, in which case Blackstone could have an incentive to cause the Fund or Portfolio Entity to offer more favorable terms to such parties. In the case of a related party financing between the Fund or its Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Clients or their Portfolio Entities, on the other hand, BXLS Advisors could, but is not obligated to, rely on a third party agent to confirm the terms offered by the counterparty are consistent with market terms, or BXLS Advisors could instead rely on its own internal analysis, which BXLS Advisors believes is often superior to third party analysis given Blackstone's scale in the market. If however any of Blackstone, the Fund, an Other Blackstone Client or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a joint venture partner, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Blackstone related vehicle impacts the market terms. For example, in the case of a loan extended to the Fund or a Portfolio Entity by a financing syndicate in which an Other Blackstone Client has agreed to participate on terms negotiated by a third party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if the Other Blackstone Client had not participated; it is also possible that the frequent participation of Other Blackstone Clients in such syndicates could dampen interest among other potential financing

providers, thereby lowering demand to participate in the syndicate and increasing the financing costs to the Fund. Blackstone does not believe either of these effects is significant, but no assurance can be given to Fund investors that these effects will not be significant in any circumstance. The Sponsor will not be required to obtain any consent or seek any approvals from the Fund investors, the Independent Client Representative (if any) or the L.P. Advisory Committee in the case of any of these conflicts.

Blackstone could cause actions adverse to the Fund to be taken for the benefit of Other Blackstone Clients that have made an investment more senior in the capital structure of a Portfolio Entity than the Fund (*e.g.*, provide financing to a Portfolio Entity, the equity of which is owned by the Fund) and, *vice versa*, actions may be taken for the benefit of the Fund and its Portfolio Entities that are adverse to Other Blackstone Clients. Blackstone could seek to implement procedures to mitigate conflicts of interest in these situations such as (i) a forbearance of rights, including some or all non-economic rights, by the Fund or relevant Other Blackstone Client (or their respective Portfolio Entities, as the case may be) by, for example, causing such Other Blackstone Client to decline to exercise certain control- and/or foreclosure-related rights with respect to a Portfolio Entity by agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing the Fund or relevant Other Blackstone Client (or their respective Portfolio Entities, as the case may be) to hold only a non-controlling interest in any such Portfolio Entity, (iii) retaining a third party loan servicer, administrative agent or other agent to make decisions on behalf of the Fund or relevant Other Blackstone Client (or their respective Portfolio Entities, as the case may be), or (iv) create groups of personnel within Blackstone separated by information barriers (which may be temporary and limited purpose in nature), each of which would advise one of the clients that has a conflicting position with other clients. As an example, to the extent an Other Blackstone Client holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by the Fund or its Portfolio Entities, Blackstone may decline to exercise, or delegate to a third party, certain control, foreclosure and other similar governance rights of the Other Blackstone Client. In these cases, Blackstone would generally act on behalf of one of its clients, though the other client would generally retain certain control rights, such as the right to consent to certain actions taken by the trustee or administrative or other agent of the investment, including a release, waiver, forgiveness or reduction of any claim for principal or interest; extension of maturity date or due date of any payment of any principal or interest; release or substitution of any material collateral; release, waiver, termination or modification of any material provision of any guaranty or indemnity; subordination of any lien; and release, waiver or permission with respect to any covenants.

In connection with negotiating loans and bank financings in respect of Blackstone-sponsored transactions, Blackstone will generally obtain the right to participate (for its own account or an Other Blackstone Client) in a portion of the financings with respect to such Blackstone-sponsored transactions on the same terms negotiated by third parties with Blackstone or other terms BXLS Advisors determines to be consistent with the market. Although Blackstone could rely on third parties to verify market terms, Blackstone may nonetheless have influence on such

third parties. No assurance can be given that negotiating with a third party, or verification of market terms by a third party, will ensure that the Fund and its Portfolio Entities receive market terms.

In certain circumstances, the Fund may be required to commit funds necessary for an investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, an Other Blackstone Client and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. Such bridge financing and/or commitment would not be considered “co-investment” under the Organizational Documents of the Fund and would be sold down ahead of equity invested by the Fund. In any such circumstance, the Other Blackstone Client and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of management fees payable by any limited partner. The conflicts applicable to Other Blackstone Clients who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations. (See also “—Securities and Lending Activities” and “—Syndication; Warehousing” herein.)

In addition, it is anticipated that in a bankruptcy proceeding the Fund’s interests will likely be subordinated or otherwise adverse to the interests of Other Blackstone Clients with ownership positions that are more senior to those of the Fund. For example, an Other Blackstone Client that has provided debt financing to an investment of the Fund may take actions for its benefit, particularly if the Fund’s investment is in financial distress, which adversely impact the value of the Fund’s subordinated interests.

Although Other Blackstone Clients, such as the GSO Funds, can be expected to provide financing to the Fund and its Portfolio Entities, there can be no assurance that any Other Blackstone Client will indeed provide any such financing with respect to any particular investment of the Fund. Participation by Other Blackstone Clients such as the GSO Funds in some but not all financings of the Fund and its Portfolio Entities may adversely impact the ability of the Fund and its Portfolio Entities to obtain financing from third parties when Other Blackstone Clients do not participate, as it may serve as a negative signal to market participants.

Any financing provided by a Fund investor or an affiliate to the Fund or a Portfolio Entity is not a capital contribution to the Fund and does not reduce the unused Capital Commitment of such Fund investor. To the extent any Fund investor (or investor in any Other Blackstone Client) or any of its affiliates provides debt financing to the Fund or its Portfolio Entities, it will not be considered a “co-investment” and any applicable covenants regarding co-investments in the Organizational Documents do not apply.

In addition, the Organizational Documents allow the Sponsor or its affiliates to lend funds to the Fund, subject to the limitations therein. If the Sponsor or any of its affiliates lends funds to the Fund, the terms of such lending (i) will be disclosed to the L.P. Advisory Committee of the Fund

and (ii) must be as favorable to the Fund as terms that could have been obtained at the time of such lending from a person that was not the Sponsor or its affiliate. Although these conditions will apply, potential or actual conflicts may arise in connection with any such lending including, without limitation, in determining comparable terms.

Conflicting Fiduciary Duties to Debt Funds. Other Blackstone Clients include funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments, including any of the investment funds or vehicles sponsored or managed by GSO Capital Partners LP, an affiliate of Blackstone. As discussed above, it is expected that these Other Blackstone Clients or investors therein will be offered the opportunity to provide financing with respect to investments made by the Fund and its Portfolio Entities. Blackstone owes a fiduciary duty to these Other Blackstone Clients and investors therein as well as to the Fund and will encounter conflicts in the exercise of these duties. For example, if an Other Blackstone Client purchases high-yield securities or other debt instruments of a Portfolio Entity of the Fund, or otherwise occupies a senior (or other different) position in the capital structure of an investment relative to the Fund, Blackstone will encounter conflicts in providing advice to the Fund and to these Other Blackstone Clients with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, among other matters. Less commonly, the Fund could hold an investment that is senior in the capital structure, such as a debt instrument, to an Other Blackstone Client.

Similarly, certain Other Blackstone Clients, including, but not limited to GSO Funds and TacOpps Funds may invest in securities of publicly traded companies that are actual or potential investments of the Fund or its Portfolio Entities or have partnered with or are counterparties to the Sponsor in a pharmaceutical corporate partnership, royalty investment or growth investment. The trading activities of Other Blackstone Clients may differ from or be inconsistent with activities that are undertaken for the account of the Fund or its Portfolio Entities in any such securities. In addition, the Fund may not pursue an investment in a Portfolio Entity otherwise within the investment mandate of the Fund as a result of such trading activities by Other Blackstone Clients.

Related Financing of Counterparties to Acquire Investments or Assets from the Fund and its Portfolio Entities. In certain transactions, Other Blackstone Clients will commit to and/or provide financing to third parties that bid for and/or purchase assets of the Fund and its Portfolio Entities. Although Blackstone believes that the participation by Other Blackstone Clients in such debt financings could be beneficial to the Fund by supporting third parties in their efforts to bid on the sale of investments or assets by the Fund, Blackstone will have an incentive to cause the Fund or relevant Portfolio Entity to select to sell an asset to a third party that obtains debt financing from an Other Blackstone Client to the potential detriment of the Fund. Often price is the deciding factor in selecting a winning bid, but other factors at times cause a seller to select another bid. BXLS Advisors could thereafter cause the Fund or a Portfolio Entity to sell an investment or asset to a bidder that has received financing from an Other Blackstone Client, even when the bidder has not offered the most consideration for the

asset. Fund investors rely on BXLS Advisors to select in its sole discretion the best overall bidder in sales of the Fund's investments or assets, despite any conflict related to the parties financing the bidder.

Co-Investment Opportunities. The Fund will co-invest with Fund investors, investors of Other Blackstone Clients, Blackstone affiliates and other parties with whom Blackstone has a material relationship. The allocation of co-investment opportunities is entirely and solely in the discretion of BXLS Advisors, 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. Furthermore, co-investment offered by Blackstone will be on such terms and conditions (including with respect to management fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as Blackstone determines to be appropriate in its sole discretion on a case-by-case basis, which may differ amongst co-investors with respect to the same co-investment. In addition, the performance of Other Blackstone Clients co-investing with the Fund is not considered for purposes of calculating the carried interest payable by the Fund to the Sponsor. Furthermore, the Fund and co-investors will often have different investment objectives and limitations, such as return objectives and maximum hold period. Blackstone, as a result, will have conflicting incentives in making decisions with respect to such opportunities. Even if the Fund and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the investors, among other items.

- General Co-Investment Considerations: There are expected to be circumstances where an amount that would have otherwise been invested by the Fund is instead allocated to co-investors (who may or may not be Fund investors or investors of Other Blackstone Clients) or supplemental capital vehicles, and there is no guarantee that any Fund investor will be offered any particular co-investment opportunity. BXLS Advisors will take into account various facts and circumstances deemed relevant by BXLS Advisors in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities; BXLS Advisors' 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 maximum number of investors that can realistically participate in the transaction); BXLS Advisors' 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 a potential co-investor's commitments to the Fund, Other Blackstone Clients and strategic third party investors; whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone whether a potential co-investor has committed to an Other Blackstone Client; 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 Entity as a result of the Fund's investment (which is likely to be based on the

size of the potential co-investor's capital commitment and/or investment in the Fund); whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone, the Fund, other affiliated funds and/or co-investments (including size of commitment), or Other Blackstone Clients (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to the Fund or Other Blackstone Clients and their Portfolio Entities, or whether the co-investor has significant capital under management by Blackstone or intends to increase such amount); whether the potential co-investor has an overall strategic relationship (including a Strategic Relationship) with Blackstone that provides it with more favorable rights with respect to co-investment opportunities; whether the potential co-investor is considered "strategic" to the investment because it is able to offer the Fund certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the Portfolio Entity 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 potential co-investor in working together in investment contexts (which may include such potential co-investor's history of investment in the Fund or Other Blackstone Clients and/or other 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 follow-on or add-on acquisitions for the Portfolio Entity 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 such potential co-investor would be willing to defer to Blackstone and assume a more passive role in governing the Portfolio Entity); any interests a potential co-investor may have in any competitors of the underlying Portfolio Entity; 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 structuring of the investment); whether a potential co-investor's participation in the transaction would subject the Fund and/or any of its Portfolio Entities 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 Entity; whether the potential co-investor has any existing positions in the Portfolio Entity (whether in the same security in which the Fund 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 Fund, other affiliated funds and/or other co-investments, including the size of such commitment; 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 potential co-investor; and such other factors as Blackstone may in good faith deem relevant and believe to be appropriate in the circumstances. Blackstone may establish more co-investment vehicles (including dedicated or “standing” co-investment vehicles) for one or more investors (including third party investors and investors in the Fund) in order to co-invest alongside the Fund in one or more future investments. The existence of these vehicles could reduce the opportunity for other Fund investors to receive allocations of co-investment, and the amount and frequency of co-investment by any such co-investment vehicles would be at the discretion of BMLS Advisors. Also, Blackstone may agree with investors (including Fund investors, Blackstone strategic relationships (including Strategic Relationships) and third party investors) to more favorable rights or pre-negotiated terms with respect to co-investment opportunities, including with respect to discounts or rebates of performance-based compensation or management fees. To the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to the Fund investors. In addition, the allocation of investments to Other Blackstone Clients, including as described under “—Other Blackstone Clients; Allocation of Investment Opportunities” herein, may result in fewer co-investment opportunities (or reduced allocations) being made available to Fund investors.

- Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment: BMLS Advisors will in certain circumstances be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship (including a Strategic Relationship) with Blackstone) opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation, management fees or other fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor’s relationship with Blackstone. The management fees, carried interest and other fees received by Blackstone from and the amount of expenses charged to the Fund may be less or more than such amounts paid by or charged to co-investment vehicles pursuant to the terms of such vehicles’ partnership agreements and 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 Fund 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 Fund, and such different terms may create an incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to the Fund 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 any investment opportunities that would have otherwise been offered to the Fund or Fund investors through co-investment will be made available. 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 may pay management fees and performance-based compensation in connection with such arrangements. Blackstone may also provide for or receive reimbursement of certain expenses incurred or received in connection with these arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. The amount of these rebates may relate to allocations of co-investment opportunities and increase if certain co-investment allocations are not made. While it is possible that the Fund will, along with Blackstone itself, benefit from the existence of those arrangements and relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Fund would instead be referred (in whole or in part) to such third party, either as a contractual obligation or otherwise, resulting in fewer opportunities (or reduced allocations) being made available to the Fund and/or Fund investors.

Liability Arising From Transactions Entered into Alongside Other Blackstone Clients.

Participating in investments alongside Other Blackstone Clients will subject the Fund to a number of risks and conflicts. At times, a transaction counterparty may require facing only one fund entity, which may result in (i) if the Fund is a direct counterparty to a transaction, the Fund being solely liable with respect to its own share as well as Other Blackstone Clients' shares of any applicable obligations, or (ii) if the Fund is not the direct counterparty, the Fund having a contribution obligation to the relevant Other Blackstone Clients. Alternatively, a counterparty may agree to face multiple funds, which could result in the Fund being jointly and severally liable alongside Other Blackstone Clients for the full amount of the applicable obligations. In cases in which the Fund could be responsible for the liability of an Other Blackstone Client, or vice versa, the applicable parties would generally enter into a back-to-back or other similar contribution or reimbursement agreement. Likewise, for certain investment-related hedging transactions, it may be advantageous for counterparties to trade solely with the Fund. For these transactions, it is anticipated that the Fund would then enter into back-to-back trade confirmations or other similar arrangements with the relevant Other Blackstone Clients. The party owing under such an arrangement may not have resources to pay its liability, however, in which case the other party will bear more than its pro rata share of the relevant loss. It is not expected that the Fund or Other Blackstone Clients will be compensated for agreeing to be primarily liable vis-à-vis a third party counterparty. Moreover, in connection with the divestment of all or part of a Portfolio Entity (e.g., an initial public offering), Blackstone will seek to track the ownership interests, liabilities and obligations of the Fund and any Other Blackstone Clients owning an interest in the Portfolio Entity comprising such operating business, but it is possible that the Fund and applicable Other Blackstone Clients may incur shared, disproportionate or crossed liabilities. Furthermore, depending on various factors

including the relative assets, expiration dates, investment objectives and return profiles of each of the Fund and such Other Blackstone Clients, it is possible that one or more of them will have greater exposure to legal claims and that they will have conflicting goals with respect to the price, timing and manner of disposition opportunities.

Syndication; Warehousing. Blackstone, the Fund, Other Blackstone Clients, joint venture partners, or affiliates or related parties of the foregoing could acquire an investment as principal and subsequently sell some or all of it to the Fund, Other Blackstone Clients and/or co-investment vehicles in an affiliate or related party transaction. Similarly, the Fund may acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, Other Blackstone Clients, co-investment vehicles, joint venture partners, or affiliates or related parties of the foregoing or other third parties. BXLS Advisors may cause these transfers to be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer, notwithstanding that the fair market value of any such investments may have declined below or increased above cost from the date of acquisition to the time of such transfer. BXLS Advisors may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, BXLS Advisors may charge fees on these transfers to either or both of the parties to them. The Fund or its affiliates will retain portion of an investment initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. For example, BXLS Advisors will have a potential conflict of interest when BXLS Advisors receives fees, including carried interest, from an Other Blackstone Client acquiring from or transferring to the Fund all or a portion of an investment. Furthermore, BXLS Advisors and its affiliates have the right to commit to or initially acquire a portion of an investment alongside the Fund if it intends to syndicate such amounts to third parties (which may include one or more limited partners), and to retain such amounts not ultimately syndicated after having used reasonable efforts to syndicate. The equity committed/used in any such underwriting by BXLS Advisors and its affiliates may come from Blackstone's own balance sheet and/or from one or more third parties that enter into arrangements with Blackstone with respect thereto, and may come from an Other Blackstone Client. In such circumstances, Blackstone will have the right to earn underwriting and/or syndication fees from the Fund, the portfolio company, or the purchasers of such equity, and the Fund and limited partners of the Fund will not be entitled to share in or receive the benefit of any such underwriting and/or syndication fees. As a result, BXLS Advisors may be incentivized to underwrite and/or syndicate amounts of equity in investments due to the right to earn fees not subject to offset in favor of the Fund investors, even if the capital used to underwrite such amounts do not come entirely from the Blackstone's own balance sheet as described above, and Blackstone may share such fees with one or more third parties that commit to such equity investments and may charge purchasers of the equity fees and carried interest with respect thereto. (See also "—Securities and Lending Activities" herein.)

Break-up and other Similar Fees. Break-up or topping fees with respect to the Fund's investments can be paid to BXLS Advisors, in which case management fees will be offset by the

amount of break-up or topping fees attributable to a potential investment by the Fund, but not to any amount attributable to a potential investment by Other Blackstone Clients, Blackstone's side-by-side co-investment vehicles, permanent capital vehicles and/or accounts including Fidelity and Guaranty Life Insurance Company managed by affiliates of Blackstone and related entities or third parties. (See "—Other Blackstone Business Activities" herein.) Alternatively, the Fund could receive the break-up or topping fees directly, in which case there will be no management fee offset. Break-up or topping fees paid to BXLS Advisors or the Fund in connection with a transaction could be allocated, or not, to Other Blackstone Clients or co-investment vehicles that invest (or are expected to invest) alongside the Fund, as determined by BXLS Advisors to be appropriate in the circumstances. Generally, BXLS Advisors would not allocate break-up or topping fees with respect to a potential investment to the Fund, an Other Blackstone Client or co-investment vehicle unless such person would also share in broken deal expenses related to the potential investment. In addition, although Blackstone does not presently intend to generally charge transaction and/or monitoring fees to the Fund's Portfolio Entities, such fees, to the extent that they are charged to the Fund's Portfolio Entities, would offset the Management Fee paid by Fund investors by an equivalent amount. 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). With respect to fees received by Blackstone relating to the Fund's investments or from unconsummated transactions, Fund investors will not receive the benefit of any fees relating to the Fund's investments (including, without limitation, as described above) other than as set forth in the Organizational Documents. Any fees that result in an offset of the management fee only apply to the extent it is made as part of the Fund's investment in such company. Also, in the case of fees for services as a director of a Portfolio Entity, the management fee will not be reduced or offset to the extent any Blackstone personnel continues to serve as a director after the Fund has exited (or is in the process of exiting) the applicable Portfolio Entity and/or following the termination of such employee's employment with Blackstone. For the avoidance of doubt, although the financial advisory and restructuring business of Blackstone has been spun out, to the extent any investment banking fees, consulting (including management consulting) fees, syndication fees, capital markets syndication and advisory fees (including underwriting fees), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, financial advisory fees and similar fees for arranging acquisitions and other major financial restructurings, loan servicing and/or other types of insurance fees, operations fees, financing fees, fees for asset services, title insurance fees, and other similar fees and annual retainers (whether in cash or in kind) are received by Blackstone, such fees will not be required to be shared with the Fund or the Fund investors and will not result in any offset to the management fee payable by the Fund investors. In addition, as discussed above, compensation to Development Companies and its personnel will not offset or reduce the Management Fee payable by the Fund investors and are not otherwise shared with the Fund.

In connection with certain investments in certain jurisdictions, the Fund may contribute capital contributions made by limited partners of the Fund for the payment of management fees to a holding vehicle formed in connection with such investment to enable such holding vehicle to

pay management fees to an affiliate of BXLS Advisors. To the extent the Fund makes such contributions to any such holding vehicle, the Fund will be credited with such amounts as if they had been paid by the Fund to BXLS Advisors under the Organizational Documents (and such amounts paid to an affiliate of BXLS Advisors by such holding vehicle will not, for greater certainty, constitute an additional fee that would offset the management fee, as such amounts do not result in an increase in the total amount of management fee paid to BXLS Advisors and its affiliates had the Fund paid the entirety of the management fee to BXLS Advisors).

Broken Deal Expenses. BXLS Advisors is not required to and in most circumstances will not seek reimbursement of broken deal expenses (*i.e.*, expenses incurred in pursuit of an investment that is not consummated) from third parties, including counterparties to the potential transaction or potential co-investors. Examples of such broken deal expenses include, but are not limited to, reverse termination fees, extraordinary expenses such as litigation costs and judgments, travel and entertainment expenses incurred, costs of negotiating co-investment documentation, and legal, accounting, tax and other due diligence and pursuit costs and expenses. Any such broken deal expenses could, in the sole discretion of BXLS Advisors, be allocated solely to the Fund and not to Other Blackstone Clients or co-investment vehicles that could have made the investment, even when the Other Blackstone Client or co-investment vehicle commonly invests alongside the Fund in its investments or Blackstone or Other Blackstone Clients in their investments. In such cases the Fund's shares of expenses would increase. In the event broken deal expenses are allocated to an Other Blackstone Client or a co-investment vehicle, BXLS Advisors or the Fund may advance such fees and expenses without charging interest until paid by the Other Blackstone Client or co-investment vehicle, as applicable.

Other Blackstone Business Activities. Blackstone, Other Blackstone Clients, their Portfolio Entities, Development Companies and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to the Fund and its Portfolio Entities, such as fees for asset and property management; underwriting, syndication or refinancing of a loan or investment; loan servicing; special servicing; administrative services; advisory services on purchase or sale of an asset or company; investment banking services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; clinical development and other pharmaceutical trial services; and other products and services. Such parties will also provide products and services for fees to Blackstone, Other Blackstone Clients and their Portfolio Entities, and their personnel and related parties, as well as third parties. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to the Fund and Other Blackstone Clients and their Portfolio Entities, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, the Fund and its Portfolio Entities would provide not only current income to the business and its stakeholders, but could also create significant enterprise value in them, which would not be shared with the Fund or Fund investors and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Clients and their Portfolio Entities, and their personnel and related parties may

receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by the Fund and its Portfolio Entities. The Fund and its Portfolio Entities will incur expense in negotiating for any such fees and services, which will be treated as partnership expenses. Finally, Blackstone and its personnel and related parties may also receive compensation for origination expenses and with respect to unconsummated transactions.

The Fund will, as determined by BXLS Advisors and as permitted by the Organizational Documents, bear the cost of fund administration, in house legal, tax planning and other related services provided by Blackstone personnel and related parties to the Fund and its Portfolio Entities, including the allocation of their compensation and related overhead otherwise payable by Blackstone, or pay for their services at market rates. Such allocations or charges can be based on any of the following methodologies: (i) requiring personnel to periodically record or allocate their historical time spent with respect to the Fund or Blackstone approximating the proportion of certain personnel's time spent with respect to the Fund, and in each case allocating their compensation and allocable overhead based on time spent, or charging their time spent at market rates, (ii) 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 (iii) any other similar methodology determined by Blackstone to be appropriate under the circumstances. Certain Blackstone personnel will provide services to few, or only one, of the Fund and Other Blackstone Clients, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the person if the market rate for services is clearly higher than allocable salary and overhead. However, any methodology (including the choice thereof) involves inherent conflicts and may result in incurrence of greater expenses by the Fund and its Portfolio Entities than would be the case if such services were provided by third parties.

BXLS Advisors, Other Blackstone Clients and their Portfolio Entities, and their affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to investments sold by the Fund or a Portfolio Entity to a third party buyer after the sale is consummated. Such post-disposition involvement will give rise to potential or actual conflicts of interest, particularly in the sale process. Moreover, BXLS Advisors, Other Blackstone Clients and their Portfolio Entities, and their affiliates, personnel and related parties may acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

BXLS Advisors does not have any obligation to ensure that fees for products and services contracted by the Fund or its Portfolio Entities are at market rates unless the counterparty is considered an "Affiliate" of Blackstone, as defined in the Organizational Documents, and given the breadth of Blackstone's investments and activities BXLS Advisors may not be aware of every commercial arrangement between the Fund and its Portfolio Entities, on the one hand, and

Blackstone, Other Blackstone Clients and their Portfolio Entities, and personnel and related parties of the foregoing, on the other hand.

Except as set forth above, the Fund and Fund investors will not receive the benefit (*e.g.*, through an offset to the management fee or otherwise) of any fees or other compensation or benefit received by BXLS Advisors or its personnel and related parties (see also “—Service Providers, Vendors and Other Counterparties Generally” and “—Other Blackstone Business Activities” herein). BXLS Advisors and its personnel and related parties will receive fees attributable to Other Blackstone Clients (including co-investment vehicles) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of the management fees payable by Fund investors or otherwise be shared with the Fund, its Portfolio Entities or the Fund investors, even if (i) such Other Blackstone Clients (including co-investment vehicles) provide for lower or no management fees for the investors or participants therein (such as the vehicles established in connection with Blackstone’s side-by-side co-investment rights, which generally do not pay a management fee or carried interest) or (ii) such fees result in an offset to management fees or carried interest payable by any of such Other Blackstone Clients (including co-investment vehicles). As noted in “Co-Investment Opportunities” above, this creates an incentive for Blackstone to offer co-investment opportunities and may result in other fees being received more frequently (or exclusively) with investments that involve co-investment.

Securities and Lending Activities. Blackstone, its affiliates and their related parties and personnel may participate in underwriting and lending syndicates and otherwise act as arrangers of financing, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by, the Fund and its Portfolio Entities. Underwritings and financings can be on a firm commitment basis or on an uncommitted, or “best efforts,” basis, and the underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract. Blackstone may also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by Portfolio Entities. A Blackstone broker-dealer will from time to time act as the managing underwriter, a member of the underwriting syndicate or broker for the Fund or its Portfolio Entities, or as dealer, broker or advisor to a counterparty to the Fund or a Portfolio Entity, and purchase securities from or sell securities to the Fund, Other Blackstone Clients or Portfolio Entities of the Fund or Other Blackstone Clients. Blackstone will also from time to time, on behalf of the Fund or its Portfolio Entities, or other parties to a transaction involving the Fund or its Portfolio Entities, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by the Fund or its Portfolio Entities or the counterparty to the transaction, thereby creating a potential conflict of interest. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets advisory fees, lending arrangement fees, asset/property management fees, insurance (including title

insurance) fees and consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, an Other Blackstone Client or their Portfolio Entities are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with the Fund or the Fund investors, and the management fee with respect to a Fund investor generally will not be reduced by such amounts. BXLS Advisors has sole discretion to approve the foregoing arrangements if BXLS Advisors believes in good faith that such transactions are appropriate for the Fund.

Sales of securities for the account of the Fund and its Portfolio Entities will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Clients. It could be impossible, as determined by BXLS Advisors in its sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices may therefore be averaged which may be disadvantageous to the Fund.

When Blackstone serves as underwriter with respect to securities of the Fund or its Portfolio Entities, the Fund and such Portfolio Entities could be subject to a “lock-up” period following the offering under applicable regulations during which time the Fund or its Portfolio Entity would be unable to sell any securities subject to the “lock-up.” This may prejudice the ability of the Fund and its Portfolio Entities to dispose of such securities at an opportune time. (See also “—Related Financing Counterparties” and “—Portfolio Entity Relationships Generally” herein.)

Blackstone employees, including employees of BXLS Advisors, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of the Fund. The limited partners will not receive any benefit from any such investments.

PJT. 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, 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 will arise in connection with transactions between or involving the Fund and its Portfolio Entities, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone may influence BXLS Advisors to select or recommend PJT to perform services for the Fund or its Portfolio Entities, the cost of which will generally be borne directly or indirectly by the Fund and Fund investors. Given that PJT is no longer an affiliate of Blackstone, BXLS Advisors will be free to cause the Fund and Portfolio Entities to transact with PJT generally without restriction under the Organizational Documents, notwithstanding the relationship between Blackstone and PJT (See also “—Service Providers, Vendors and Other Counterparties Generally” herein.)

Portfolio Entity Relationships Generally. Portfolio Entities of the Fund, including special purpose vehicle Portfolio Entities that may be formed in connection with investments, and Other Blackstone Clients are and will be counterparties in agreements, transactions and other arrangements with the Fund, Other Blackstone Clients, and/or Portfolio Entities of the Fund and Other Blackstone Clients for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or other benefits to Blackstone, a Blackstone affiliate and/or a Portfolio Entity, none of which will result in any offset to the management fees, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by BXLS Advisors and that certain Portfolio Entities are expected to be special purpose vehicles created by the Fund. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Fund and/or such Other Blackstone Client or the consent of the L.P. Advisory Committee, Independent Client Representative (if any), Fund investors or such Other Blackstone Client (including, without limitation, in the case of minority investments by the Fund in such Portfolio Entities or the sale of assets from one Portfolio Entity to another). This is because, among other considerations, Portfolio Entities of the Fund and Portfolio Entities of Other Blackstone Clients are not considered affiliates of Blackstone, the Fund or BXLS Advisors under the Organizational Documents. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to the Fund as otherwise would be the case if the counterparty were not related to Blackstone.

In addition, it is possible that certain Portfolio Entities of the Fund or Other Blackstone Clients will compete with the Fund for one or more investment opportunities. It is also possible that certain Portfolio Entities of the Other Blackstone Clients will engage in activities that may have adverse consequences on the Fund and/or its Portfolio Entities (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 Fund and/or its Portfolio Entities being used to satisfy the obligations or liabilities of one or more Other Blackstone Clients, their Portfolio Entities and/or affiliates).

In addition, Portfolio Entities with respect to which the Fund may elect members of the board of directors may, as a result, subject the Fund and/or such directors to fiduciary obligations to make decisions that they believe to be in the best interests of any such Portfolio Entity. Although in most cases the interests of the Fund and any such Portfolio Entity will be aligned, this may not always be the case. This may create conflicts of interest between the relevant director's obligations to any such Portfolio Entity and its stakeholders, on the one hand, and the interests of the Fund, on the other hand. Although BXLS Advisors will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Fund.

Portfolio Entity Service Providers and Vendors. The Fund and its Portfolio Entities may engage Portfolio Entities of the Fund and Other Blackstone Clients to provide corporate support services (including, without limitation, accounting/audit, account management, corporate secretarial services, data management, directorship services, finance/budget, human resources, information technology, judicial processes, legal, operational coordination (*i.e.*, coordination with JV partners, property managers), risk management, tax and treasury) and other services. Similarly, Other Blackstone Clients and their Portfolio Entities can be expected to engage Portfolio Entities of the Fund to provide some or all of these services. Some of the services performed by Portfolio Entity service providers could also be performed by the Sponsor from time to time and vice versa. Fees paid by the Fund or its Portfolio Entities to other Portfolio Entity service providers do not offset or reduce the management fee payable by the Fund investors and are not otherwise shared with the Fund, unless otherwise required by the Organizational Documents. In addition, see “—Development Companies” herein.

Portfolio Entities of the Fund and Other Blackstone Clients that can be expected to provide services to the Fund and its Portfolio Entities include, without limitation, the following, and may include additional Portfolio Entities that may be formed or acquired in the future:

BTIG. BTIG, LLC (“BTIG”) is a global financial services firm in which certain Blackstone entities own a strategic minority investment. BTIG provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for the BXLS Funds or their Portfolio Entities.

Optiv. Optiv Security, Inc. 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 BXLS Funds and their Portfolio Entities.

PSAV. PSAV, Inc. is a portfolio company held by certain Blackstone private equity funds that provides outsourced audiovisual services and event production and may provide goods and services for the Fund, the BXLS Funds and their Portfolio Entities.

Refinitiv. On October 1, 2018, a consortium led by Blackstone announced that private equity funds managed by Blackstone had completed an acquisition of Thomson Reuters’ Financial & Risk business (“Refinitiv”). Refinitiv operates a pricing service that provides valuation services and may provide goods and services for the Fund, the BXLS Funds and their Portfolio Entities.

The Fund and its Portfolio Entities will compensate one or more of these service providers and vendors owned by the Fund or Other Blackstone Clients, including through incentive based compensation payable to their management teams and other related parties. Some of these service providers and vendors owned by the Fund or Other Blackstone Clients will charge the Fund and its Portfolio Entities for goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates under “—Blackstone Affiliated Service Providers” herein applies equally in respect of the fees and expenses of the Portfolio Entity service providers, if charged at rates generally consistent with those available in the market. Other service providers and

vendors owned by the Fund or Other Blackstone Clients pass through expenses on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for the benefit of the Fund and its Portfolio Entities to them, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a Portfolio Entity; taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, may relate to activities occurring outside the period, and therefore the Fund could pay more than its pro rata portion of fees for services. The allocation of overhead among the entities and assets to which services are provided may be based on any of a number of different methodologies, including, without limitation, "cost" basis as described above, "time-allocation" basis, "per unit" basis, "per square footage" basis or "fixed percentage" basis. There can be no assurance that a different manner of allocation would result in the Fund and its Portfolio Entities bearing less or more costs and expenses. Furthermore, Blackstone will generally not perform or obtain any benchmarking analysis or third party verification of expenses with respect to services provided on a cost reimbursement, no-profit or break-even basis. If benchmarking is performed, the related expenses will be borne by the Fund, Other Blackstone Clients and/or their respective Portfolio Entities and will not offset the management fee. A Portfolio Entity service provider may subcontract certain of its responsibilities to other Portfolio Entities. In such circumstances, the relevant subcontractor could invoice the Portfolio Entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The Portfolio Entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above. Similarly, Other Blackstone Clients and their Portfolio Entities can be expected to engage Portfolio Entities of the Fund to provide services, and these Portfolio Entities will generally charge for services in the same manner described above, but the Fund and its Portfolio Entities generally will not be reimbursed for any costs (such as start-up costs) relating to such Portfolio Entities incurred prior to such engagement.

Portfolio Entity service providers described in this section are generally owned by a Blackstone fund, such as the Fund and Other Blackstone Clients. In certain instances a similar company could be owned by Blackstone directly. Blackstone could cause a transfer of ownership of one of these service providers from the Fund to an Other Blackstone Client, or from an Other Blackstone Client to the Fund.

Service Providers, Vendors and Other Counterparties Generally. Certain third party advisors and other service providers and vendors to the Fund and its Portfolio Entities (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms) are owned by Blackstone, the Fund or Other Blackstone Clients or provide goods or services to, or have other business, personal, financial or

other relationships with, Blackstone, the Fund, the Other Blackstone Clients and their respective Portfolio Entities and affiliates and personnel of the foregoing. Such advisors and service providers referred to above may be investors in the Fund, affiliates of the General Partner, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone, the Fund and/or Other Blackstone Clients have an investment, and payments by the Fund and/or such entities may indirectly benefit Blackstone, the Fund, the Other Blackstone Clients and their respective Portfolio Entities or any affiliates or personnel of the foregoing. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to the Fund and its Portfolio Entities could have other commercial or personal relationships with Blackstone, Other Blackstone Clients and their respective Portfolio Entities, or any affiliates, personnel or family members of personnel of the foregoing. Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above may influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for the Fund or a Portfolio Entity, the cost of which will generally be borne directly or indirectly by the Fund and may incentivize Blackstone to engage such service provider over a third party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to pay such service providers and vendors higher fees or commissions than would be the case absent the conflict. The incentive could be created by current income and/or the generation of enterprise value in a service provider or vendor; Blackstone may also have an incentive to invest in or create service providers and vendors to realize on these opportunities. Furthermore, Blackstone will from time to time encourage third party service providers to Fund to use other service providers and vendors in which Blackstone has an interest, and Blackstone has an incentive to use third party services providers who do so as a result of the additional business for the related service providers and vendors. Fees paid by the Fund or its Portfolio Entities to or value created in these service providers and vendors do not offset or reduce the management fee payable by the Fund investors and are not otherwise shared with the Fund unless required by the Organizational Documents. In the case of brokers, Blackstone has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone has a general practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to the Fund and its Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discount rate, such that if the Fund and its Portfolio Entities consummate a higher percentage of transactions with a particular law firm than Blackstone, the Fund, Other Blackstone Clients and their Portfolio Entities, the Fund investors could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, the Fund or Other Blackstone Clients or their Portfolio Entities. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge

fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by the Fund and its Portfolio Entities are different from those used by Blackstone, Other Blackstone Clients and their Portfolio Entities, and their affiliates and personnel, the Fund and its Portfolio Entities may pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Fund, the Other Blackstone Clients and their Portfolio Entities and affiliates 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 provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors.

The Fund, Other Blackstone Clients and their Portfolio Entities are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third party joint venture partner may negotiate to not pay its pro rata share of fees, costs and expenses to be allocated as described above, in which case the Fund, Other Blackstone Clients and their Portfolio Entities that also use the services of the Portfolio Entity service provider will, directly or indirectly, pay the difference, or the Portfolio Entity service provider will bear a loss equal to the difference.

Blackstone may, from time to time, encourage service providers to funds and investments to use, at market rates and/or on arm's length terms, Blackstone-affiliated service providers in connection with the business of the Fund, Portfolio Entities, and unaffiliated entities. This practice provides an indirect benefit to Blackstone in the form of added business for Blackstone-affiliated service providers.

Blackstone Affiliated Service Providers. In addition to the service providers (including Portfolio Entity service providers) and vendors described above, the Fund and its Portfolio Entities will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds, including the businesses described below. These businesses may also enter into transactions with other counterparties of the Fund and its Portfolio Entities, as well as service providers, vendors and Fund investors. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. No fees charged by these service providers and vendors will offset or reduce management fees, unless otherwise required by the Organizational Documents. Furthermore, Blackstone, the Other Blackstone Clients and their Portfolio Entities and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

Blackstone affiliated service providers and vendors, include, without limitation:

- *BCP / BTO Management.* BCP / BTO Management ("BCP / BTO Management") is a Luxembourg-based company established in 2012 to centralize various resources supporting the maintenance and day-to-day management and administration of certain

Luxembourg holding companies controlled by certain of the Other Blackstone Clients. BCP / BTO Management is entirely owned by Other Blackstone Clients. In certain cases, the funds which use BCP / BTO Management's services may contribute capital to fund the costs of BCP / BTO Management. Key service functions provided by BCP / BTO Management include domiciliation, accounting, regulatory and tax reporting and compliance. All costs associated with BCP / BTO Management's services and operations (including any BCP / BTO Management employee compensation and other general overhead) will be ultimately borne by the Other Blackstone Clients that own or use BCP / BTO Management. These shared costs are intended to be allocated and charged on a cost sharing basis to the individual fund related entities utilizing the services of BCP / BTO Management based on the type and level of services provided and may include a mark-up, though BCP / BTO Management is generally intended to operate on a nominal profit basis. The General Partner endeavors to allocate fees and expenses associated with BCP / BTO Management fairly and equitably, which allocation involves certain methodologies based on actual data pertaining to the services provided. The General Partner believes that these methodologies result in a fair and equitable allocation of expenses. To the extent ownership of BCP / BTO Management is transferred between the Fund and Other Blackstone Clients, such transfer will generally be consummated for minimal or no consideration, and without obtaining any consent from the L.P. Advisory Committee Independent Client Representative (if any) and/or the limited partners (or of the Fund or Independent Client Representatives (if any)).

- *BPM*. Blackstone Property Management is a Blackstone affiliate that provides property management, leasing oversight, corporate services (including accounting and reporting), development and construction management, and transaction support services to certain of the Fund's investment properties primarily located in the United Kingdom and continental Europe.
- *COE*. The Blackstone Center of Excellence, located in Gurgaon, India (the "COE") is a captive center of resources administered by ThoughtFocus Technologies LLC, 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 both Blackstone and the Fund which may have historically been performed by Blackstone personnel, such as Fund administrative services, data collection and management services, and technology implementation and support services, some of which will be paid for by the Fund.
- *Entic*. Entic Inc. ("Entic") provides cloud-based software that uses proprietary wireless sensors and advanced analytics to reduce energy consumption. Blackstone holds a minority investment in Entic which includes performance-based warrants giving Blackstone managed funds, including the Fund, the ability to earn shares of stock based on usage of Entic. Please see the disclosure regarding referral arrangements under "— Transactions with Portfolio Entities" herein for additional information.
- *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 that are believed to be more favorable than those that the Portfolio Entities could obtain on an individual basis.

- *LNLS*. Blackstone wholly owns a leading national title agency, Lexington National Land Services ("LNLS"), a title agent company. LNLS acts as an agent for one or more underwriters in issuing title policies and/or providing support services in connection with investments by the Fund, Other Blackstone Clients and third parties. LNLS focuses on transactions in rate-regulated U.S. states where the cost of title insurance is non-negotiable. LNLS will not perform services in nonregulated U.S. states for the Fund and Other Blackstone Clients unless (i) in the context of a portfolio transaction that includes assets in rate regulated U.S. states, (ii) as part of a syndicate of title insurance companies where the rate is negotiated by other insurers or their agents, (iii) when a third party is paying all or a material portion of the premium or (iv) when providing only support services to the underwriter and not negotiating the title policy or issuing it to the insured. LNLS earns fees, which would have otherwise been paid to third parties, by providing title agency services and facilitating the placement of title insurance with underwriters. Blackstone receives distributions from LNLS in connection with investments by the Fund based on its equity interest in LNLS. In each case, there will be no related offset to the Fund. As a result, while Blackstone believes that 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.
- *Development Companies*. Development Companies are seed-funded, special purpose development companies that are highly involved in identifying and diligencing potential investments, negotiating terms with respect to investments, and, in many cases, taking the lead in executing the agreed development plans with respect to investments through the mutually-agreed success milestones. Development Companies often actively manage clinical trials with respect to investments and in many cases, the applicable Development Company will take the primary responsibility for executing the clinical trials. See also "—Development Companies" herein for more information.

The Fund could acquire from or sell to Blackstone a service provider as an investment of the Fund or participate alongside Blackstone in the acquisition of a service provider. Blackstone is expected to establish a valuation methodology in relation to any such acquisition by the Fund of a service provider. In addition, before entering into any transaction with respect to any such service provider, it is anticipated that Blackstone will obtain any consents that may be required under the U.S. Investment Advisers Act of 1940, as amended from time to time (the "Advisers Act") or other applicable laws or regulations.

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and other performance-based compensation in respect of investments of the Fund, sales or other transaction volume. Furthermore, Blackstone-affiliated service providers may charge costs and expenses based on allocable overhead

associated with personnel working on relevant matters (including salaries, benefits and other similar expenses).

The Sponsor will make determinations of market rates (*i.e.*, rates that fall within a range that the Sponsor 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) based on its consideration of a number of factors, which are generally expected to include the Sponsor's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Sponsor to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, 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 or bespoke nature of such services (*e.g.*, different assets may receive different 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 into account the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by the Fund, Other Blackstone Clients and/or their respective Portfolio Entities and will not offset the management fee with respect to the Fund. Finally, in certain circumstances the Sponsor may determine that third party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law (*e.g.*, title insurance in rate regulated U.S. states) or because Blackstone has access to adequate market data to make the determination without reference to third party benchmarking. Some of the services performed by Blackstone-affiliated service providers could also be performed by the Sponsor from time to time and vice versa. Fees paid by the Fund or its Portfolio Entities to Blackstone-affiliated service providers do not offset or reduce the management fee payable by the Fund investors and are not otherwise shared with the Fund, unless otherwise required by the Organizational Documents.

In addition, Blackstone's Treasury group currently provides foreign currency exchange ("FX") services to the Fund and Other Blackstone Clients for FX trades under a certain threshold. Based on its current practices (which are subject to change in the future), at the request of the Fund or an Other Blackstone Client, the Blackstone Treasury group will exchange foreign currencies from Blackstone's own account on behalf of the Fund or such Other Blackstone Client based on the end of day mid-market rate published by Bloomberg on the immediately preceding business day, and does not currently charge any fees for providing such service (apart from the same market-rate bank/wire fees the Fund or such Other Blackstone Client would incur on any FX payment or receipt regardless of counterparty).

Some of the services performed by Blackstone-affiliated service providers could also be performed by Blackstone from time to time and vice versa. Fees paid by the Fund or its Portfolio Entities to or value created in Blackstone-affiliated service providers or vendors do not

offset or reduce the management fee payable by the Fund investors are not otherwise shared with the Fund, unless otherwise required by the Organizational Documents.

Transactions with Clients of Blackstone Insurance Solutions. Blackstone Insurance Solutions (“BIS”) is a business unit of Blackstone that is comprised of two affiliated registered investment advisers. BIS provides investment advisory services to insurers (including insurance companies that are owned, directly or indirectly, by Blackstone or Other Blackstone Clients, in whole or in part). Actual or potential conflicts of interest will likely arise in relation to the funds, vehicles or accounts BIS advises or sub-advises (collectively, “BIS Clients”), including accounts where an insurer participates in investments directly and there is no separate vehicle controlled by Blackstone. BIS Clients have invested and are expected to continue investing in Other Blackstone Clients and may invest in the Fund. BIS Clients may have investment objectives that overlap with those of the Fund or its Portfolio Entities and such BIS Clients may invest alongside the Fund or such Portfolio Entities in certain investments, which will reduce the investment opportunities otherwise available to the Fund or such Portfolio Entities. BIS Clients will also participate in transactions related to the Fund and/or its Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Other transactions in which BIS Clients will participate include, without limitation, investments in debt or other securities issued by Portfolio Entities or other forms of lending to Portfolio Entities (including special purpose vehicles established by the Fund or such Portfolio Entities) (see “—Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally” herein). When investing alongside the Fund or its Portfolio Entities or in other transactions related to the Fund or its Portfolio Entities, BIS Clients may not invest or divest at the same time or on the same terms as the Fund or the applicable Portfolio Entities. BIS Clients will also from time to time acquire investments and Portfolio Entities directly or indirectly from the Fund, including one or more royalty streams, which may be securitized along with other royalty streams. In circumstances where the Sponsor determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone or the Sponsor implements, the Sponsor is not required and does not intend to seek approval of the L.P. Advisory Committee or the Fund investors. In order to seek to mitigate any potential conflicts of interest with respect to such transactions (or other transactions involving BIS Clients), Blackstone may, in its discretion, involve independent members of the board of a Portfolio Entity or a third party stakeholder in the transaction to negotiate price and terms on behalf of the BIS Clients or otherwise cause the BIS Clients to “follow the vote” thereof, and/or cause an independent client representative or other third party to approve the investment or otherwise represent the interests of one or more of the parties to the transaction. In addition, Blackstone or the Sponsor may limit the percentage interest of the BIS Clients participating in such transaction, or obtain appropriate price quotes or other benchmarks, or, alternatively, a third-party price opinion or other documentation to support the reasonableness of the price and terms of the transaction. BIS will also from time to time require the applicable BIS Clients participating in a transaction to consent thereto (including in circumstances where the Sponsor does not seek the consent of the L.P. Advisory Committee or the Fund investors). There can be no assurance that any such measures or other measures that may be implemented by Blackstone or the Sponsor will be effective at mitigating any actual or potential conflicts of interest. Moreover, under certain

circumstances (e.g. where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client will not be an “Affiliate” under the Organizational Documents, in which case any limitations or obligations pursuant to the Organizational Documents with respect to transactions with “Affiliates” will not apply.

Transactions with Portfolio Entities. Blackstone and Portfolio Entities of the Fund and Other Blackstone Clients provide products and services to or otherwise contract with the Fund and its Portfolio Entities, among others. Blackstone, the Fund and Other Blackstone Clients and their respective Portfolio Entities and personnel and related parties of the foregoing may make referrals or introductions to Portfolio Entities of the Fund or Other Blackstone Clients in an effort, in part, to increase the customer base of such companies or businesses (and therefore the value of the investment held by the Fund or Other Blackstone Client) or because such referrals or introductions may result in financial benefits, such as additional equity ownership and/or milestones benefitting the referring or introducing party that are tied or related to participation by the Portfolio Entities of the Fund and/or of Other Blackstone Clients, accruing to the party making the introduction. The Fund and the Fund investors typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Clients and their Portfolio Entities as a result of the introduction of the Fund and its Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that the Fund or its Portfolio Entities share in some or all of any resulting financial incentives (including, in some cases, equity ownership) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where the Fund or one of its Portfolio Entities 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 Clients or their respective Portfolio Entities.

With respect to transactions or agreements with Portfolio Entities (including, for the avoidance of doubt, long-term incentive plans) occurring at times when unrelated officers of a Portfolio Entity are not appointed, Blackstone may negotiate and execute agreements on behalf of the Portfolio Entity with Blackstone, the Fund, Other Blackstone Clients and their Portfolio Entities and affiliates and other related parties. These negotiations would not be arm’s length and would entail conflicts of interest. Among the measures Blackstone may use to mitigate such conflicts is to involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms, or establish separate groups with information barriers within Blackstone to advise on each side of the negotiation.

Related Party Leasing. The Fund and its Portfolio Entities may lease property to or from Blackstone, Other Blackstone Clients and their Portfolio Entities and affiliates and other related parties. The leases are generally expected to be at market rates. Blackstone may confirm market rates by reference to other leases it is aware of in the market, which Blackstone expects to be generally indicative of market given the scale of Blackstone’s real estate business. Blackstone will nonetheless have conflicts of interest in making these determinations. There

can be no assurance that the Fund and its Portfolio Entities will lease to or from any such related parties on terms as favorable to the Fund and its Portfolio Entities as would apply if the counterparties were unrelated.

Asset Pooling. The Fund may pool certain investments with one or more Other Blackstone Clients (any such pool, an “Asset Pool”), including for the purposes of obtaining leverage or other financing, or seeking a full or partial exit from one or more Fund investments including through securitization. In such circumstances an Asset Pool may be managed or controlled by BXLS Advisors or any of its affiliates (or Other Blackstone Client) and securities or other interests in the Asset Pool will be owned by the Fund and other affiliated funds. The consummation of any such transaction will generally not require the consent of the L.P. Advisory Committee or the Fund investors and will involve the exercise of BXLS Advisors and its affiliates’ discretion with respect to a number of material matters, which may give rise to actual or potential conflicts. For example, in connection with such transactions, BXLS Advisors will have broad discretion to determine whether and to what extent such a transaction constitutes a disposition of the contributed assets under the terms of the Organizational Documents, to determine the proportionate interest of the Fund and the Other Blackstone Client in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), which will require BXLS Advisors and its affiliates to determine the relative value of assets contributed to the Asset Pool and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool, and to determine how interests in or proceeds from the Asset Pool are attributed to those Fund investors that participated in such contributed assets, each of which may have a material impact on Fund investors’ returns in respect of such investments or the Fund more generally. In making these determinations BXLS Advisors and its affiliates may, but are not required to, engage or seek the advice of any third party independent expert, however even if such advice was sought, valuing such assets and interests and, therefore, the value of the Fund’s interest in, or proceeds received from, any Asset Pool, will be subjective. The Fund will generally be exposed to the performance of all assets in an Asset Pool and those investments contributed to the Asset Pool by Other Blackstone Clients may not perform as well as those investments contributed by the Fund. Accordingly the returns of the Fund of in respect of investments contributed by it may be lower than if they had not been contributed to the Asset Pool.

Cross-Guarantees and Cross-Collateralization. Although BXLS Advisors will make reasonable efforts to avoid any cross-guarantees or similar obligations between the Fund and Other Blackstone Clients that participate in investments alongside the Fund (other than parallel funds and alternative investment vehicles), in certain circumstances the Fund and its Portfolio Entities may enter into cross-collateralization arrangements (including with respect to Asset Pools) with Other Blackstone Clients (including co-investment vehicles) and their Portfolio Entities, particularly in circumstances in which better financing terms are available through a cross-collateralized arrangement. Also, it is expected that cross-collateralization will generally occur at Portfolio Entities rather than the Fund for obligations that are not recourse to the Fund except in limited circumstances such as “bad boy” events. Any cross-collateralization arrangements with Other Blackstone Clients could result in the Fund losing its interests in

otherwise performing investments of the Fund due to poorly performing or non-performing investments of Other Blackstone Clients in the collateral pool. (See also “—Liability Arising From Transactions Entered into Alongside Other Blackstone Clients” “—Asset Pooling” herein.)

Similarly, a lender could require that it face only one Portfolio Entity of the Fund and Other Blackstone Clients, even though multiple Portfolio Entities of the Fund and Other Blackstone Clients benefit from the lending, which will typically result in (i) the Portfolio Entity facing the lender being solely liable with respect to the entire obligation, and therefore being required to contribute amounts in respect of the shortfall attributable to other Portfolio Entities, and (ii) Portfolio Entities of the Fund and Other Blackstone Clients being jointly and severally liable for the full amount of the obligation, liable on a cross-collateralized 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)). The Portfolio Entities of the Fund and Other Blackstone Clients benefiting from a financing may enter into a back-to-back or other similar reimbursement agreements to ensure no Portfolio Entity bears more than its *pro rata* portion of the debt and related obligations. It is not expected that the Portfolio Entities would be compensated (or provide compensation to other Portfolio Entities) for being primarily liable, or jointly liable, for other Portfolio Entities *pro rata* share of any financing.

Joint Venture Partners. The Fund will from time to time enter into one or more joint venture arrangements with third party joint venture partners, including pharmaceutical companies. Investments of the Fund made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as determined by BXLS Advisors in its sole discretion. The joint venture partners could provide services similar to those provided by BXLS Advisors or Development Companies to the Fund. Yet, no compensation or fees paid to the joint venture partners would reduce or offset management fees or carried interest payable to BXLS Advisors. Additional conflicts would arise if a joint venture partner is related to Blackstone in any way, such as a limited partner investor in, lender to, a shareholder of, or a service provider to Blackstone, the Fund, Other Blackstone Clients, or their respective Portfolio Entities, or any affiliate, personnel, officer or agent of any of the foregoing.

Group Procurement; Discounts. The Fund and its Portfolio Entities will 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 may include brokerage and/or placement thereof), and will from time to time be discounted due to scale or pooled across Portfolio Entities, including through sharing of deductibles and other forms of shared risk retention from a third party or a Blackstone affiliate, and other operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among the Fund, Other Blackstone Clients and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone, its affiliates, their personnel, or Other Blackstone Clients and their Portfolio Entities, including as a result of transactions entered into by the Fund and its Portfolio Entities, and such commissions or

payment will not be subject to the management fee offset provisions. Blackstone may also receive consulting or other fees from the parties to these group procurement arrangements. To the extent that a Portfolio Entity of an Other Blackstone Client is providing such a service, such Portfolio Entity and such Other Blackstone Client will benefit. Further, the benefits received by the particular Portfolio Entity providing the service may be greater than those received by the Fund and its Portfolio Entities receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, and Fund investors rely on BXLS Advisors to handle them in its sole discretion.

Diverse Investor Group. The investors in the Fund and parallel funds have conflicting investment, tax and other interests with respect to their investments in the Fund and with respect to the interests of investors in other investment vehicles managed or advised by Blackstone that participate in the same investments as the Fund. The conflicting interests of Fund investors and investors in other investment vehicles would generally relate to or arise from, among other things, the nature, structuring, financing, tax profile and timing of disposition of investments of the Fund. BXLS Advisors may as a result have conflicts in making these decisions, which may be more beneficial for one or more (but not all) Fund investors than for other Fund investors. In addition, the Fund 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 Fund, BXLS Advisors will consider the investment and tax objectives of the Fund and its partners as a whole (and those of investors in Other Blackstone Clients that participate in the same investments as the Fund), not the investment, tax or other objectives of any Fund investor individually. Additionally, BXLS Advisors may elect to exclude certain Fund investors from particular investments of the Fund for legal, tax, regulatory or other reasons applicable to any such investment, in which case non-excluded Fund investors will be allocated a greater proportionate interest in such investment. In addition, certain Fund investors may also be investors in Other Blackstone Clients, including supplemental capital vehicles and co-investment vehicles that may invest alongside the Fund in one or more investments of the Fund, which could create conflicts for BXLS Advisors in the treatment of different Fund investors. Fund investors may also include affiliates of Blackstone, such as Other Blackstone Clients, affiliates of Portfolio Entities of the Fund or Other Blackstone Clients, charities, foundations or other entities or programs associated with Blackstone personnel and/or current or former Blackstone personnel, Blackstone's senior advisors, and any such affiliates, funds or persons may also invest in the Fund or through the vehicles established in connection with Blackstone's side-by-side co-investment rights, in each case, without being subject to management fees or carried interest (or otherwise on more favorable terms), and the limited partners will not be afforded the benefits of such arrangements. Some of the foregoing Blackstone related parties are sponsors of feeder vehicles that could invest in the Fund as Fund investors. The Blackstone related sponsors of feeder vehicles generally charge their investors additional fees, including performance based fees, which could provide Blackstone current income and increase the value of its ownership position in them. Blackstone will therefore have incentives to refer potential investors to these feeder vehicles. All of these Blackstone related Fund investors will have equivalent rights to vote and withhold consents as nonrelated Fund investors, unless otherwise provided by the terms of the Organizational

Documents. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related Fund investors. It is also possible that the Fund or the Fund's Portfolio Entities may 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 its affiliates. Such transactions may include agreements to pay performance fees to a management team and other related persons in connection with the Fund's investment therein, which will reduce the Fund's returns and will not necessarily be subordinated to the return of the Fund investors' Capital Contributions. Such Fund investors described in the previous sentences may therefore have different information about Blackstone and the Fund than Fund investors not similarly positioned. In addition, conflicts of interest may arise in dealing with any such Fund investors, and BXLS Advisors may not be motivated to act solely in accordance with its interests relating to the Fund. (See also "—Other Blackstone Business Activities" herein.) Similarly, not all Fund investors monitor their investments in vehicles such as the Fund in the same manner. For example, certain Fund investors may periodically request from BXLS Advisors information regarding the Fund and its Portfolio Entities and investments that is not otherwise included in the reporting and other information delivered to all Fund investors—for instance, pre-quarterly reporting valuation. In such circumstances, BXLS Advisors may provide such information to such Fund investor and not to other Fund investors. As a result, certain Fund investors may receive more information from BXLS Advisors about the Fund and its Portfolio Entities or may receive information about the Fund and its Portfolio Entities at an earlier time than other Fund investors, and BXLS Advisors will have no duty to ensure all Fund investors receive the same information regarding the Fund and its Portfolio Entities. Therefore, certain Fund investors may be able to take actions on the basis of such information which, in the absence of such information, other Fund investors do not take. Furthermore, at certain times Blackstone may be restricted from disclosing to the Fund investors material non-public information regarding any assets in which the Fund invests, particularly those investments in which an Other Blackstone Client or Portfolio Entity that is publicly registered co-invests with the Fund. In addition, investment banks or other financial institutions, as well as Blackstone personnel, may also be Fund investors. These institutions and personnel are a potential source of information and ideas that could benefit the Fund, and may receive information about the Fund and its Portfolio Entities in their capacity as a service provider or vendor to the Fund and its Portfolio Entities.

Affiliated Fund Investors. Certain Fund investors, including current and/or former senior advisors, officers, directors and personnel of Blackstone, Portfolio Entities of the Fund and Other Blackstone Clients, including BTAS Funds, personnel of PJT and charitable programs, endowment funds and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendant, trusts and other related persons or entities), and other persons related to Blackstone, will not pay management fees or performance-based carried interest in connection with their investment in the Fund. Notwithstanding the foregoing, such Fund investors will either directly pay for their pro rata share of certain partnership expenses, or the pro rata amount of such expenses will be allocated to BXLS Advisors. Such pro rata allocation of partnership expenses may be calculated based on capital commitments, invested capital, available capital or other metrics as determined by BXLS Advisors in good faith. Any such

methodology (including the choice thereof) involves inherent conflicts and may not result in perfect attribution and allocation of expenses. In addition, to the extent current and/or former partners, employees, advisors and other persons referred to above, including their charitable programs, endowment funds, estate planning vehicles (including any trusts, family members, family investment vehicles, descendant, trusts and other related persons and entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Fund, any such amounts may, in the General Partner's sole discretion, be treated as satisfying the applicable portion of any required capital commitment of the General Partner and/or its affiliates to the Fund (even in circumstances where any such commitments or investments are made following a separation from Blackstone).

Fund Investors' Outside Activities. A Fund investor shall be entitled to and may have business interests and engage in activities in addition to those relating to the Fund, including business interests and activities in direct competition with the Fund and its Portfolio Entities, and may engage in transactions with, and provide services to, the Fund or its Portfolio Entities (which may include providing leverage or other financing to the Fund or its Portfolio Entities as determined by BXLS Advisors in its sole discretion). None of the Fund, any Fund investor or any other person shall have any rights by virtue of the Organizational Documents or any related agreements in any business ventures of any Fund investor. The Fund investor, and in certain cases BXLS Advisors, will have conflicting loyalties in these situations.

Subscription Credit Facility. The Fund may enter into and utilize one or more subscription credit facilities, which involve potential conflicts of interest. Subject to the limitations in the Organizational Documents, the use of a subscription credit facility by the Fund is within BXLS Advisors' discretion. Subject to the limitations set forth in the Organizational Documents and the availability and the terms of any subscription-based credit facility for the Fund, BXLS Advisors may adopt a policy relating to the use of fund-level credit facilities for the Fund. Generally and without limiting the foregoing, the Fund may seek to utilize a subscription credit facility for the purpose of, among other things, financing any investment-related activities of the Fund (such as for assets that the Fund does not intend to hold for a long term period), covering partnership expenses, organizational expenses, management fees, servicing fees and any other costs of the Fund, making distributions to Partners, providing permanent financing or refinancing or providing interim financing to consummate the purchase of investments of the Fund. The amount of credit available to the Fund under a subscription credit facility is determined by the credit quality of the Fund investors as determined by the lender. For this reason, Fund investors with a higher credit quality, as determined by the lender, generate more credit for the Fund than Fund investors with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality Fund investors to the others.

Calculations of net and gross internal rates of return ("IRR") in respect of investment and performance data referred to in the Organizational Documents of the Fund, and as reported to Fund investors from time to time, are based on the payment date of capital contributions received from Fund investors. This treatment would also apply in instances where a fund utilizes borrowings under a fund's subscription credit facility in lieu of, or in advance of

receiving capital contributions from Fund investors to repay any such borrowings. As a result, use of a subscription credit facility (or other long-term leverage) will impact calculations of returns and will result in a higher or lower reported IRR than if the amounts borrowed had instead been funded through capital contributions made by the Fund investors to the Fund. If the use increases the IRR, as it normally does, BXLS Advisors will have various incentives to use the subscription credit facility, including marketing efforts of Other Blackstone Clients. For example, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements may accelerate or increase distributions of carried interest to BXLS Advisors, providing an economic incentive to fund investments of the Fund through long-term borrowings in lieu of capital contributions. In addition, BXLS Advisors may receive a greater amount of management fees if following the investment period borrowings under the facility utilized in lieu of a combination of Fund investors' capital and non-recourse financing for investments of the Fund remain outstanding. Moreover, the costs and expenses of any such borrowings will generally be allocated among the Fund and any Parallel Funds pro rata or on such other basis that the General Partner determines to be more equitable under the circumstances, which will increase the expenses borne by applicable Fund investors and would be expected to diminish net cash on cash returns. In addition, for investments in U.S. corporations by U.S. tax exempt Fund investors, there may be incremental tax costs related to so-called unrelated business taxable income (UBTI).

The Fund may utilize its subscription credit facility and enter into other similar arrangements and extensions of credit for the benefit of co-investors, joint venture partners and Other Blackstone Clients, including Blackstone side-by-side arrangements, which invest alongside the Fund in one or more investments. For example, the Fund may draw from a borrowing to fund a joint venture partner's or co-investor's pro rata share of an investment or expense related to an investment. In such circumstances, BXLS Advisors generally intends to disclose such arrangements as part of the periodic reporting or other appropriate communications relating to the Fund and to cause any such co-investors, joint venture partners and Other Blackstone Clients to bear (or reimburse the Fund for) their pro rata share of any interest expenses (but not necessarily origination and other costs) allocable to such extensions of credit. BXLS Advisors may receive direct and indirect benefits from such uses as well, including as a result of the facilitation of co-investment by Other Blackstone Clients. The Fund would generally be expected pay interest expenses and other expenses incurred in relation to the line of credit.

Subject to the limitations set forth in the Organizational Documents, the Sponsor maintains substantial flexibility in choosing when and how a Fund's subscription-based credit facilities are used. As a general matter, the Sponsor may adopt policies that could include funding all new investments using the Fund's available credit facility, calling capital at a regular interval in order to limit the number of capital calls or at any time after a certain percentage of the line is committed, subject to the unused amount remaining under the credit facility and the Fund's contractual restrictions. In addition, as part of the policy, the Sponsor may adopt guidelines for the longer term use (*i.e.*, greater than one year) of the credit facilities. To the extent that a credit facility policy is adopted, the Fund's credit facility would be used and managed in the manner described above independently from any Other Blackstone Client's credit facility even if

investments were shared between the Fund and an Other Blackstone Client, which might result in different investment IRRs reported by multiple Blackstone funds for the same investment. Similarly, while the Sponsor would expect to generally utilize credit facilities for the Fund in a consistent manner, any use of such credit facilities may differ based on available credit facility capacity and the contractual terms applicable to the Fund and any such credit facilities, among other factors.

Insurance. The Fund will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure the Fund, Portfolio Entities, BXLS Advisors, Blackstone and their respective directors, officers, employees, agents, Independent Client Representative (if any) and representatives, and members of the L.P. Advisory Committee and other indemnified parties (and in certain circumstances, such person's agents and representatives), against liability in connection with the activities of the Fund. This includes a portion of any premiums, fees, costs and expenses for one or more "umbrella," group or other insurance policies maintained by Blackstone that cover one or more of the Fund and Other Blackstone Clients, BXLS Advisors and Blackstone (including their respective directors, officers, employees, agents and representatives, Independent Client Representative (if any) and members of the L.P. Advisory Committee and other indemnified parties). BXLS Advisors will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella," group or other insurance policies among one or more of the Fund and Other Blackstone Clients, BXLS Advisors and Blackstone on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable.

Similarly, the Fund and its Portfolio Entities may enter into arrangements with Other Blackstone Clients and their respective Portfolio Entities whereby property and/or other types of insurance is procured as a group where the insurance provider may charge lower premiums to the group than it would on an individual property-by-property basis. In such event, the obligation to pay the premiums on such group policies may be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone may reasonably determine). Additionally, the Fund and Other Blackstone Clients (and their respective Portfolio Entities) may jointly contribute to a pool of funds that may be used to pay losses that are subject to the deductibles on any group insurance policies, which contributions may similarly be allocated in accordance with the relative values of the respective properties that are insured by such policies (or other factors that Blackstone may reasonably determine). (See also "—Service Providers, Vendors and Other Counterparties Generally" herein.)

In respect of such insurance arrangements, Blackstone may make corrective allocations from time to time should it determine subsequently that such adjustments are necessary or advisable. There can be no assurance that different allocations or arrangements than those implemented by Blackstone as provided above would not result in the Fund and its Portfolio Entities bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

Other Conflicts. In addition, other present and future activities of Blackstone, the Fund, Other Blackstone Clients and their Portfolio Entities, affiliates (including BXLS Advisors) and related parties will from time to time give rise to additional conflicts of interest relating to the Fund and its investment activities. BXLS Advisors generally attempts to resolve conflicts in a fair and equitable manner, but conflicts will not necessarily be resolved in favor of the Fund's interests. In addition, pursuant to the Organizational Documents of the Fund, an L.P. Advisory Committee will be established and authorized to give consent on behalf of the Fund with respect to certain matters as described more fully in such Organizational Documents. If the L.P. Advisory Committee consents to a particular matter and BXLS Advisors acts in a manner consistent with, or pursuant to the standards and procedures approved by, the L.P. Advisory Committee, or otherwise as provided in the Organizational Documents, then BXLS Advisors and its affiliates will not have any liability to the Fund or the Fund investors for such actions taken in good faith by them. However, the L.P. Advisory Committee will not represent the interests of all the Fund investors, each member of the L.P. Advisory Committee may act in the interests of the Fund investor with which it is associated, and the members of the L.P. Advisory Committee may themselves be subject to various conflicts of interest. In general, the Fund investors will not be entitled to control the selection of members of the L.P. Advisory Committee or to review the actions or deliberations of the L.P. Advisory Committee. Furthermore, some or all of the members of the L.P. Advisory Committee may also be on the advisory committee of Other Blackstone Clients with which there is a potential conflict or may represent investors that have an interest in both the Fund and such Other Blackstone Client. Such L.P. Advisory Committee members will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve potential conflict of interests.

In the case of an appointment of an Independent Client Representative as provided herein and the Organizational Documents, to the extent that the Independent Client Representative is to review a proposed transaction or other conflict in accordance with the terms of the Organizational Documents, the Independent Client Representative shall consist of one or more persons with substantial experience in, and knowledge of, the relevant market and related investment arenas who are independent of the Sponsor and Blackstone. The Sponsor shall have the right to remove or replace an Independent Client Representative at any time or appoint more than one Independent Client Representative to address separate conflicts in its discretion. An Independent Client Representative may be paid a fee by the Fund to be determined by the Sponsor. To the fullest extent permitted by applicable law, an Independent Client Representative shall not owe any fiduciary duty to the Fund, any Fund investor or the Fund investors as a group in connection with the activities of such Independent Client Representative, and an Independent Client Representative shall not have any obligation to act in the interests of the Fund, any Fund investor, or the Fund investors as a group or any other duty to the Fund, any Fund investor or the Fund investors as a group other than a duty to act in good faith.

Additional Potential Conflicts of Interest. The officers, directors, members, managers and personnel of BXLS Advisors may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies or as

otherwise determined from time to time by BXLS Advisors. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of BXLS Advisors may take into account certain considerations and other factors in connection with the management of the business and affairs of the Fund and its affiliates that would not necessarily be taken into account if Blackstone were not a public company. The directors of Blackstone have fiduciary duties to shareholders of the public company that may conflict with their duties to the Fund. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to the Fund and Other Blackstone Clients, BXLS Advisors could decline to undertake investment activity or transact with a counterparty on behalf of the Fund for reputational reasons, and this decision could result in the Fund foregoing a profit or suffering a loss.

Other Financial Industry Affiliations

BXLS Advisors is an affiliate of each of the following entities:

Broker-Dealer Entities	
Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
Dealerweb Inc.*	Operates as an interdealer broker in fixed income securities including U.S. government mortgage-backed securities, repurchase agreements, U.S. treasuries, collateralized mortgage obligations, asset backed securities, Exchange for Physicals, and municipal securities; and operates as an alternative trading system for fixed income securities
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Alight Financial Solutions, LLC*	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Incenter Securities Group LLC**	Provides a variety of limited investment banking services
Redi Global Technologies LLC*	Operates an EMS ("REDI") that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Redi Technologies Ltd*	The FCA entity that operates "REDI" EMS, that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Reuters Transaction Services Limited*	UK registered company, whose main activity is the provision of electronic trading venues for foreign exchange spot and forward/swaps foreign exchange instruments

Tradeweb Europe Limited*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments in the United Kingdom and throughout the European economic area
Tradeweb L.L.C.*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments
Tradeweb Direct LLC*	Operates an alternative trading system for taxable and tax-exempt fixed income securities and serves as a venue for matching buyers and sellers in the fixed income marketplace for retail sized orders
Investment Advisor Entities	
Alight Financial Advisors, LLC*	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 and UCITS
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 Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused 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 L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV 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

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 investment vehicles
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
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 collateralized debt obligations ("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 Asset Management LLC	Provides investment advisory services to a debt-focused registered investment fund electing to do business as a business development company

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 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 and managed accounts
First Eagle Private Credit Advisors, LLC*	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in liquid credit
First Eagle Commercial Loan Originator II LLC*	Provides investment advisory services to CLO's specializing in middle market credit
First Eagle Private Credit, LLC*	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
Refinitiv Global Markets Inc. (D/B/A IFR Markets, Municipal Market Data)*	Provides investment advisory services to U.S. treasuries and U.S. municipal markets
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant

The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
Blackstone Real Estate Australia Pty	Australia investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant
Blackstone (Shanghai) Equity Investment Management Co. Ltd.	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
Blackstone (Shanghai) Equity Investments Management Co. Ltd. – Beijing Branch Office	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
The Blackstone Group Spain SLU	Spain investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Assessoria em Investimento Ltda.	Brazilian investment advisory firm, which serves as a sub-advisor to the registrant
BX Mexico Advisors S.A. de C.V.	Mexican advisory entity which provides services to certain publicly registered trusts
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 and UCITS
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. (CPO)	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
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 entities
Partners Life Limited**	Life and medical insurance company in New Zealand
Rothsay Life Plc**	Life insurer specializing in bulk annuities and other de-risking solutions for defined benefit pension schemes and insurance companies

*Portfolio company of affiliated private equity fund

**Portfolio company of affiliated Tactical Opportunities funds

Various management and marketing personnel are registered with our broker-dealer, Blackstone Asset Partners L.P. (“BAP”), which serves as placement agent to the Fund 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 Fund’s investors.

A more detailed description of applicable conflicts of interest is set forth in the Private Placement Memorandum of the Fund.

Item 11 – Code of Ethics

BXLS Advisors 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 Fund it manages. All BXLS Advisors 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.

BXLS Advisors 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 Fund it manages. The Code is designed to ensure that BXLS Advisors meets its fiduciary obligations to Fund investors (or prospective investors) and to instill a culture of compliance within BXLS Advisors. 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. BXLS Advisors 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 and Affiliations** for a list of investment related potential conflicts, including, in particular, “Other Blackstone Clients; Allocation of Investment Opportunities” describing conflicts related to allocation of investment opportunities among investment funds sponsored by Blackstone and co-investors. BXLS Advisors has adopted policies and procedures to address such potential conflicts of interest.

BXLS Advisors’ 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 Blackstone's clients. BXLS Advisors 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. As a policy matter, Blackstone personnel are generally prohibited from purchasing single-name public securities in their self-directed personal securities brokerage accounts. 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 Omar Rehman – Chief Compliance Officer; 212-583-5000; Omar.Rehman@blackstone.com.

Item 12 – Brokerage Practices

BXLS Advisors does not generally trade in public securities; however, in the event BXLS Advisors executes a brokerage transaction for the Fund (*e.g.* trades in public securities or enters into hedging transactions), BXLS Advisors 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 account under the supervision of BXLS Advisors is the Fund's account. The Fund's account and investment positions are monitored by BXLS Advisors' personnel on a regular and current basis. BXLS Advisors' Investment Committee meets as necessary to review general portfolio composition, investment opportunities, market conditions, potential conflicts, and recent trading activities. BXLS Advisors' Investment Committee consists of a minimum of 5 persons and additional members depending on the particular investment, all of whom are Senior Managing Directors of the Blackstone Life Sciences business. BXLS Advisors might periodically review on an expedited basis the assets of the 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.

REPORTS TO INVESTORS

Investors in the Fund 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. BXLS Advisors makes use of Blackstone's online portal, BX Access, available at www.bxaccess.com for the distribution of reports and other information to investors in the Fund.

Certain investors in the Fund may request additional information relating to the Fund and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, BXLS Advisors generally will provide such investors with the information requested. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Fund 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

BXLS Advisors may have distribution and/or placement agent arrangements with a number of unaffiliated third parties. In a typical distribution or placement agent arrangement, BXLS Advisors agrees to pay a third party solicitor for referring investors into the Fund. Typically, third party solicitors will be compensated based upon a percentage of the commitment size of the investors they refer (although other payment arrangements could exist). If third party solicitors are engaged, a prospective investor solicited by that third party solicitor 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 BXLS Advisors and none of the investors in the Fund will be subject to any increased or additional fees or charges. Third party solicitors in the U.S. may 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 Blackstone, serves as a placement agent to the Fund 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 Advisers Act defines custody as holding client securities or funds or having any authority to obtain possession of them. The Fund has a BXLS Advisors affiliate acting as general partner and, as such, BXLS Advisors is deemed to have custody of the Fund’s funds. BXLS Advisors complies with the Advisers Act Custody Rule by, among other things, providing all investors in the Fund with audited financial statements.

Item 16 – Investment Discretion

BXLS Advisors maintains the authority to manage the Fund on a discretionary basis, subject to the overall supervision of the General Partner, in accordance with the investment guidelines, objectives, limitations, other provisions and terms set forth in the Fund's 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 BXLS Advisors will generally be deemed to have authority to vote proxies relating to the companies in which its clients invest, BXLS Advisors has adopted a set of policies and procedures (together, the “Policy”) in compliance with the Proxy Rule. To the extent that BXLS Advisors 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 Fund, as determined by BXLS Advisors in its sole discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, BXLS Advisors may not always vote proxies in accordance with the Policy. In addition, many possible proxy matters are not covered in the Policy. Generally, BXLS Advisors will vote proxies in favor of management’s recommendation, including, but not limited to, the following matters: (i) the election of the board of directors; (ii) the approval of financial statements as presented by management; and (iii) will generally vote in favor of the selection of independent auditors even if the proposed auditor is currently the auditor of The Blackstone Group L.P. In certain cases where an investment is made with Blackstone-affiliated or unaffiliated sponsors, proxy voting may be delegated to such other sponsors (each such sponsor a “Voting Sponsor”) provided that Blackstone reasonably believes that such Voting Sponsor’s policies regarding proxy voting are consistent with the Policy.

From time to time, conflicts may arise between the interests of the investor, on the one hand, and the interests of BXLS Advisors or its affiliates, on the other hand. If BXLS Advisors determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BXLS Advisors will address matters involving such conflicts of interest on a case-by-case basis by consulting with the Chief Compliance Officer or his designee, subject to legal, regulatory, contractual or other applicable considerations. The analysis will be documented. BXLS Advisors, 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 Omar Rehman – Chief Compliance Officer; 212-583-5000; Omar.Rehman@blackstone.com.

Item 18 – Financial Information

BXLS Advisors has never been the subject of a bankruptcy petition at any time during the past ten years nor is it 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 BXLS Advisors is not registered in any state.