

**Item 1 – Cover Page**

**Blackstone Tactical Opportunities Advisors  
L.L.C.**

345 Park Avenue

New York, NY 10154

(212) 583-5000

[www.blackstone.com](http://www.blackstone.com)

as of July 15, 2019

Form ADV, Part 2A; the “Disclosure Brochure” or “Brochure” provides information about the qualifications and business practices of Blackstone Tactical Opportunities Advisors L.L.C. (“BTOA”) and any relying advisers.

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

Additional information about BTOA and any relying advisers is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in “Blackstone Tactical Opportunities”). The search results will provide you with both Parts 1 and 2A of our Form ADV.

## **Item 2 – Material Changes**

There has not been a material change to this Brochure since the last annual update on March 29, 2019, other than updated information regarding the conversion of BTOA's indirect parent company from a limited partnership to a corporation effective July 1, 2019. However, please carefully read Items 5, 8 and 10, which have expanded upon the description of certain fees and expenses, potential risk of loss and potential conflicts of interest, respectively.

BTOA, 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).

### Item 3 – Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes .....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	3
Item 6 – Performance-Based Fees and Side-By-Side Management .....	11
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9 – Disciplinary Information .....	19
Item 10 – Other Financial Industry Activities and Affiliations .....	20
Item 11 – Code of Ethics .....	84
Item 12 – Brokerage Practices .....	86
Item 13 – Review of Accounts.....	87
Item 14 – Client Referrals and Other Compensation.....	88
Item 15 – Custody .....	89
Item 16 – Investment Discretion .....	90
Item 17 – Voting Client Securities (i.e., Proxy Voting) .....	91
Item 18 – Financial Information.....	92
Item 19 – Requirements for State Registered Advisers .....	93

## Item 4 – Advisory Business

Blackstone Tactical Opportunities Advisors L.L.C. (“BTOA”) is a Delaware limited liability company. BTOA provides investment advisory services to Blackstone Tactical Opportunities Fund L.P., Blackstone Tactical Opportunities Fund II L.P., Blackstone Tactical Opportunities Fund III L.P. and their related funds, parallel funds, managed accounts, co-investment vehicles and other investment vehicles (the “Blackstone Tactical Opportunities Program”), Blackstone UK Mortgage Opportunities Fund L.P. (“UK Mortgage”), Blackstone Tactical Opportunities RL Fund L.P. (“BTORLF”), the funds and other vehicles within the Blackstone Tactical Opportunities Stable Income Program (“Stable Income”), and one or more separately managed accounts which may seek to invest capital across a range of platforms and products, investment ideas and asset classes in Blackstone funds, direct investments and co-investments consistent with the objectives described in their respective investment advisory agreements (together with each other fund described above, the “Funds”). The Funds (other than UK Mortgage, BTORLF, and Stable Income) are investment funds that seek to deliver attractive risk-adjusted investment returns by applying a multi-disciplinary, multi-asset class approach to investing, without limiting itself to a pre-defined strategy or set of strategies. UK Mortgage invests in a range of investment opportunities relating to residential mortgages and/or loans secured by properties located in the United Kingdom. BTORLF seeks to invest in portfolios of pension annuity liabilities, both from corporate pension schemes and from other insurance companies. Stable Income seeks to invest in investments that reflect time sensitive or opportunistic ideas across asset classes and geographies with relatively lower risk/return profiles. As of August 29, 2018, the management and related responsibilities (including investing and valuations) of the funds and other vehicles within the Blackstone TORO Program were assigned and transferred from BTOA to Blackstone Real Estate Special Situations Advisors L.L.C. In January of 2019, BTOA announced the launch of a growth equity investing platform (“Growth Equity”) focused on providing capital to companies during the phase between venture capital funding and traditional buyouts. No investment funds have been launched for Growth Equity and BTOA does not currently provide any advisory services for Growth Equity. Affiliates of BTOA serve as general partners (collectively, the “General Partners” and each a “General Partner”) of the Funds. BTOA has been in business since January 2012.

The ultimate parent of BTOA is The Blackstone Group Inc. which is a publicly traded corporation listed on the New York Stock Exchange and which trades under the ticker symbol “BX”. The Blackstone Group Inc. (together with its affiliates, “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. Effective as of July 1, 2019, The Blackstone Group Inc. converted from a Delaware limited partnership named The Blackstone Group L.P. to a Delaware corporation.

Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.

BTOA's regulatory assets under management ("RAUM") were \$27,556,001,492 as of December 31, 2018.

**Description of Advisory Services:**

BTOA serves as investment advisor to the Funds pursuant to the terms of the investment advisory agreements (the "Advisory Agreements") with respect to each of the Funds, and makes investment decisions for the Funds including by evaluating investments for the Funds.

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

Through a series of delegation agreements, BTOA also provides 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*

Per the Advisory Agreements with each of the Funds, BTOA is entitled to compensation for its services in the form of a management fee (the “Management Fee”), payable quarterly. The Management Fee varies by investor and the size of their commitment and is based on invested capital, remaining uninvested capital and/or committed capital, as applicable. In certain cases with respect to certain of the Funds, the Management Fee will be reduced for investments made by an investor in a Fund above a specified dollar amount. Prorated refunds would be provided for partial quarters, if any, to the extent applicable. As set forth in Item 6 below, the General Partners of the Funds are eligible to receive performance-based or “carried interest” allocations. The Confidential Private Placement Memorandum (as supplemented from time to time, the “PPM”), partnership agreement and Advisory Agreement (the “Organizational Documents”) of each Fund include further details on fees and compensation and related matters. Management Fees and performance-based allocations are either withheld from distributions or invoiced at an appropriate time pursuant to a capital call notice (in the case of Management Fees). In certain instances with respect to certain Funds, the Management Fee and performance-based allocations may be reduced if Blackstone does not provide such Funds with a certain amount of co-investment opportunities.

Certain investors in the Funds, including current and/or former senior advisors, employees and retired partners of Blackstone, chief executive officers of Blackstone portfolio entities, investment funds advised by Blackstone Multi-Asset Advisors L.L.C., employees of PJT Partners Inc. (“PJT”) and certain other Blackstone funds and/or 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, descendants and other related persons or entities) (“Blackstone Investors”), will not pay Management Fees and/or performance-based allocations in connection with their investment in Blackstone-sponsored funds that make investments in or alongside the Funds. Notwithstanding the foregoing, such investors will either directly pay for their *pro rata* share of certain Fund expenses (as described below), or the *pro rata* amount of such expenses will be allocated to the General Partners or their 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 and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants and other related persons or entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Funds, any such amounts may, in each General Partner’s sole discretion, be treated as satisfying the applicable portion of any required capital commitment

of such General Partner and/or its affiliates to the applicable 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 Item 5 below.

In addition, Blackstone has, and it can be expected that Blackstone in the future will, enter into agreements with investors (and/or one or more of their affiliates) in the Funds and/or Other Blackstone Funds (as defined below) involving one or more strategies with terms and conditions applicable to such investor and its investment in multiple Blackstone strategies that would not apply to a limited partner’s investment in any of the Funds. Such an agreement would typically involve an investor agreeing to make a capital commitment to multiple Blackstone funds or strategies. Investors will not receive a copy of the agreement memorializing such a multi-strategy investment program (even if in the form of a side letter) and will be unable to elect any rights or benefits granted to such multi-strategy investor. Specific examples of such additional rights and benefits include specialized reporting, discounts on and/or reimbursement of management fees and/or carried interest or preferential or favorable rights applied to some or all of the relevant investment program and/or investment vehicles (including, as applicable, any of the Funds), secondment of personnel from the investor to Blackstone (or vice versa), as well as priority rights or targeted amounts for co-investments alongside Blackstone funds (including, without limitation, preferential allocation thereof and the terms and conditions related to such participation (including any carried interest and/or management fees to be charged with respect thereto)), which may include investments made by the Funds. To the extent any such arrangements are entered into, they may result in fewer co-investment opportunities (or reduced allocations) being made available to other investors. In addition, from time to time, Blackstone may enter into economic and/or fee sharing arrangements with respect to one or more Funds and/or certain limited partners thereof, which rights will not generally be made available to other limited partners.

#### *Other Fees Payable to BTOA and its Affiliates*

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

In addition to BTOA’s Management Fee, Servicing Fee and performance-based allocations (see Item 6 below) and other fees, BTOA and its affiliates may receive a variety of other fees as part of the investment activities of the Funds, including, without limitation, financial advisory fees,

monitoring fees, investment banking fees, syndication fees, capital markets syndication and advisory fees (including underwriting fees), origination fees, acquisition fees, servicing fees, fees for asset management and/or property management services, mortgage servicing and due-diligence, healthcare consulting/brokerage fees, fees relating to group purchasing and organizational fees, financing fees, divestment fees and other similar fees, break-up and topping fees, commitment fees, divestment fees, organizational, operational, loan servicing and financing fees and similar fees for arranging acquisitions, directors' fees, fees relating to insurance (including title insurance), consulting (including management consulting and other similar operational and finance matters) and other similar matters and other fees and annual retainers from or with respect to portfolio entities of the Funds and other persons (including co-investors and joint venture partners).

Certain of the Funds bear the cost of fund administration services provided by Blackstone employees (including the allocation of their compensation) and except in certain limited circumstances, such amounts will not offset management fees. In addition, BTOA will also engage and retain on behalf of the Funds and/or their portfolio entities strategic advisors, consultants, senior advisors, industry experts, executive advisors, consultants, and other similar professionals who are not employees or affiliates of BTOA and who may, from time to time, receive payments from, or allocations with respect to portfolio entities, Blackstone or the Funds and such amounts will not offset the Management Fee paid by the Funds. (See "Advisors, Consultants and Partners" in Item 10 below).

The Management Fee offset provisions for the Funds vary based on the terms of the Funds' respective Organizational Documents, but generally 100% of each Fund's *pro rata* share of certain specified fees set forth in the Organizational Documents of such Funds (net of reasonable out of pocket expenses incurred by BTOA or its affiliates) will be applied to reduce Management Fees (not below zero). Any other fees received by BTOA would not offset the Management Fee or performance-based allocations except as specifically provided in the Funds' Organizational Documents. Any such fees that result in an offset to the Management Fee only apply to the extent it is made as part of the Funds' 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 Funds have exited the portfolio entities and/or following the termination of such employee's employment with Blackstone. Fund investors should carefully consult the applicable Fund's offering documents and Organizational Documents to determine the fees that can be offset and the management fee offset percentage applicable to the Funds in which they are invested (See "Other Blackstone Business Activities" 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 BTOA through negotiations with investors in each Fund, and the offering documents, the Organizational Documents and the Advisory Agreement of each Fund include further details on such fees, compensation and related matters.

### *Expenses*

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

- Legal fees (including costs for in-house legal advice and/or services specifically charged or specifically attributed or allocated by the Adviser and its Affiliates to the Clients or their Portfolio Entities on matters related to potential or actual investments or transactions of the Clients and their Portfolio Entities, as applicable).
- Regulatory filing fees of the Funds, including but not limited to compliance with U.S. federal and state securities laws and international laws, such as the AIFMD (including any costs associated with the AIFMD marketing passport).
- Expenses related to BTOA's compliance matters and reporting obligations to the extent they relate to the Funds' activities (e.g., Form PF, U.S. Commodity Futures Trading Commission ("CFTC") filings, AIFMD filings) and any related regulations, including costs and expenses of collecting and calculating data and preparation of regular reports to be filed with EEA member states.
- Expenses relating to Freedom of Information Act and similar requests.
- Administrative fees, expenses and/or charges (See "Other Blackstone Business Activities" in Item 10 below).
- Organizational expenses associated with operating the Funds.
- Operating expenses.
- Costs, fees and expenses of third-party directors and officers.
- Consultant and senior advisor expenses (See "Advisors, Consultants and Partners" in Item 10 below).
- Technology expenses (which may include internally allocated charges for certain Funds).
- Accounting fees.

- Taxes and tax-related interest.
- Tax advisor fees, including all expenses in connection with any tax audit, examination or investigation.
- Audit fees.
- Brokerage commissions.
- Transaction fees.
- Fees and expenses associated with borrowing, guarantees and other financing, including interest charges.
- Expenses of 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).
- Asset management fees.
- Expenses associated with vehicles through which the Funds or the investors directly or indirectly participate in the investments.
- Fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any one or more investments or otherwise facilitating a Fund's investment activities.
- Custodial fees.
- Paying agent 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 Funds' 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 Funds).
- Expenses of the L.P. Advisory Committees or any independent client representative.
- Expenses of investor meetings.
- Expenses associated with a Fund's compliance with applicable laws and regulations.
- Expenses of litigation involving the Funds or entities in which the Funds have investments and the amount of any judgments, fines, other governmental fees or charges, 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 Funds’ fundraising and investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos, cars and meals (outside normal business hours), social and entertainment events with portfolio entity management, customers, clients, borrowers, brokers and service providers)). Travel and entertainment expenses in connection with a trip taken by employees of BTOA and/or the General Partners for purposes of multiple matters will generally be allocated to each such matter based on the time spent for each matter and then the resulting expenses will be allocated to the Funds, Other Blackstone Funds and/or BTOA as otherwise set forth in this Brochure.
- Expenses related to hedging arrangements and currency conversion.
- 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 Funds.
- Marketing, advertising, printing, wholesaling and other capital raising expenses associated with investor admission/subscription and investor related services and other similar costs.
- Arbitration expenses.
- Valuation costs.
- Expenses of third party advisory committees of the Funds as well as of other goods and services provided by third parties and other third party professionals.

Certain Blackstone personnel may be seconded to one or more portfolio entities and provide finance, accounting, operational support and other similar services with respect to such portfolio entities and the compensation for such personnel during the secondment will be borne by the portfolio entities. To the extent Blackstone receives any fees or expense reimbursement from the portfolio entities with respect to such personnel, they will not result in any offset to the Management Fee payable by the relevant Funds. In addition, personnel of portfolio entities, vendors, service providers (including law firms and accounting firms) and limited partners of the Funds and Other Blackstone Funds may be seconded, or serve internships at, Blackstone and portfolio entities of the Funds. While the Funds, Other Blackstone Funds 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 vendor or service provider also provides services to the Funds in the ordinary course. Blackstone or the portfolio entity may or may not pay salary or cover expenses associated with such secondees and interns, and if a portfolio entity pays the cost it will be borne directly or indirectly by the Funds. 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 a Fund are allocated their *pro rata* share of such additional fees and expenses and the Funds generally bear their share of fees and expenses as part of their participation in investments. Pursuant to the Organizational Documents of certain Funds, all expenses (including organizational, legal, reporting and compliance-related expenses and other expenses described in Item 5 above) are generally allocated between such Funds and their parallel funds on a *pro rata* basis. This will result in the Funds 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 Funds and its activities, and the parallel funds bearing certain expenses of the Funds that are not directly connected to such parallel fund and its activities.

From time to time, the General Partners will be required to decide whether costs and expenses are to be borne by the Funds, on the one hand, or the relevant General Partner and BTOA, on the other, and/or whether certain costs and expenses should be allocated between or among a Fund, on the one hand, and other Funds or Blackstone's other investment funds, investment vehicles, permanent capital vehicles, accounts and related entities (including those in existence as of the date hereof and those that may be formed in the future, collectively, "Other Blackstone Funds"), on the other. Certain expenses may be suitable for only a particular Fund (or, where applicable, a parallel fund) participating in specific investments and may be allocated to and borne only by such Fund, or, as is more often the case, expenses may be allocated *pro rata* among the Funds participating in the relevant investment(s) even if the expenses relate only to particular vehicle(s) and/or investor(s) therein (or some or all Funds in the case of expenses applicable to such Funds generally). Certain co-investment vehicles (including any vehicles established to facilitate the investment by Blackstone investors, such as in connection with Blackstone's side-by-side co-investment rights) generally do not bear their share of broken deal expenses for unconsummated transactions, which would result in the Funds bearing more than its *pro rata* share of such amounts. Any such broken deal expenses could, in the sole discretion of the General Partners, be allocated solely to the Funds and not to Other Blackstone Funds or co-investment vehicles that could have made the relevant investment, even when the Other Blackstone Funds or co-investment vehicle commonly invests alongside the Funds (including such standing co-invest vehicles). The General Partners will make such judgments in a

manner that they determine to be fair and reasonable in good faith, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. However, such determination is inherently subjective and may give rise to conflicts of interest in light of the inherent biases in the process. There can be no assurance that a different manner of allocation would not result in a Fund bearing less (or more) expenses.

## **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 BTOA, the General Partner of each Fund receives a portion of the cumulative net profits in respect of investment proceeds from each Fund with respect to each limited partner (other than those that are affiliates of BTOA), which is anticipated to range (based on the type of investments with respect to which such investment proceeds relate and the investor's commitment to the applicable Fund and the terms of the Organizational Documents thereof) from ten to twenty-five percent of the amount of cumulative net profits otherwise distributable to such limited partner. Such allocation of profits is only allocated to the General Partners 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 applicable Fund by such limited partner for realized investments and any writedowns (or net writedowns in certain cases) on unrealized investments, fees and expenses allocable to such investments and, with respect to distributions of disposition proceeds from certain investments and, with respect to certain investors, the receipt of a preferred return on such amounts. Certain Organizational Documents may permit either the General Partner of a Fund or the limited partners of a Fund to elect for the General Partner to receive a percentage of the carried interest due to Blackstone with respect to that investment (assuming the investment were sold, at that time, for fair market value) prior to disposition of the investment.

The Funds generally distribute 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 BTOA's affiliates are in part compensated based on the performance of the Funds creates a greater incentive for a General Partner to make more speculative investments on behalf of a 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 Funds 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 a General Partner and limited partners, such as an incentive for such 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 a 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

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

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

Investors 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., Blackstone Insurance Solutions and Strategic Partners funds). All investors are subject to applicable suitability requirements. BTOA and the General Partners require that each investor in the Funds be (i) an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, and meet other suitability requirements (including, in some circumstances, a person that is not a U.S. Person as defined in Regulation S under the Securities Act). Generally, investors must invest a minimum dollar amount as determined in the applicable 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:

With respect to the Funds (other than UK Mortgage and BTORLF), BTOA pursues a highly flexible investment approach that seeks to deliver attractive risk-adjusted investment returns by pursuing an opportunistic and thematic investment strategy across asset classes, industries and geographies. BTOA will focus on complex situations that are typically proprietary with little competition for alternative sources of capital and will base its investment decisions on an analytically intensive process that incorporates macro and industry-level research.

Many of the BTOA opportunities will require the ability to act quickly as a result of temporary dislocations due to increased volatility, secular and cyclical changes, purely opportunistic windows in the market where intrinsic value is misunderstood or an investment theme being one-off in nature.

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

At the core of BTOA's investment strategy is a rigorous investment, origination, selection and investment decision process with considerable emphasis on monitoring and reporting the performance of the ongoing investment portfolio. BTOA's Investment Committee (the "BTOA Investment Committee") oversees and manages the investment process. The BTOA investment team will directly originate investment opportunities that it sources, and will also evaluate opportunities emanating from Blackstone's other investment businesses. The investment team has relationships with a broad swath of market participants, companies and other counterparties that BTOA expects to yield attractive investment opportunities.

BTOA's investment team, in collaboration with Blackstone's various business units, is responsible for selecting, evaluating, structuring, diligencing, negotiating, executing, managing and exiting investments, as well as pursuing potential operational improvements and value creation. The objective of BTOA's approach to investment selection is to investigate an investment opportunity in order to quantify the potential investment's relative risks and rewards. The process is thorough, and adherence to BTOA's investment strategy allows the BTOA investment team to seek to allocate its resources only to opportunities with significant chance for completion.

After an initial selection, evaluation and diligence process, the deal team will present a proposed transaction at the Review Committee (the "Review Committee") meeting. Review

Committee meetings are led by an executive committee of several senior managing directors and managing directors. Additional senior members of the investment team serve on the Review Committee based upon their geographic location and/or industry expertise. After discussing the contemplated transaction with the deal team, the Review Committee decides whether to give its preliminary approval to the deal team to continue pursuing the investment opportunity and the deal team investigates further any particular issues raised by the Review Committee during the process. This high level of interaction between the Review Committee and investment professionals from inception of a transaction to closing helps identify potential issues early and enables the team to more effectively streamline resources and workflows.

Following assimilation of the Review Committee's input and its decision to proceed with a proposed transaction, the proposed investment will be vetted by the BTOA Investment Committee. The BTOA Investment Committee includes the business leaders of many of Blackstone's investment businesses and, as appropriate, selected senior managing directors of Blackstone's other investment businesses based on the type and sector of the proposed transaction.

The BTOA Investment Committee is generally responsible for assessing investment opportunities, providing investment guidance and approving all investment decisions. The BTOA Investment Committee may delegate certain responsibilities to a sub-committee thereof consisting of certain members of such committee. Both the Review Committee and the BTOA Investment Committee processes involve a consensus approach to decision making among committee members.

#### **Risk of Loss:**

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

1. No established market for potential investments exists
2. Illiquidity of investments by the Funds
3. Changes in legal, fiscal, and regulatory regimes
4. Nature of equity or equity-related investments
5. Non-U.S. investments, including currency fluctuation and political factors
6. Financial market fluctuations and the availability of financing
7. Economic, political and social uncertainty in the U.S. and globally
8. United Kingdom Exit from the European Union and related volatility
9. Dependence on BTOA, BTOA's key personnel and portfolio entity management
10. Portfolio concentration

11. Broad investment mandate
12. Limited ability to protect the Fund's interest when making non-controlling investments
13. Distressed investments
14. Investment environment and market risk
15. Environmental risks and potential liabilities
16. Risk of loss of entire investment
17. Due diligence may not reveal all factors affecting an investment
18. Highly competitive market for investment opportunities
19. Policy risks in emerging markets
20. Ability to deploy capital in conjunction with finding suitable investments
21. Currency fluctuations
22. Leverage risk, including joint liability and cross-collateralization with other funds
23. Hedging risks
24. Additional risk of venture investments
25. Industry-specific risks
26. Enhanced scrutiny and potential regulation of the private investment fund industry and the financial services industry (including Dodd-Frank)
27. CFTC registration requirements and maintenance of exemptions therefrom
28. Compliance with the AIFMD
29. Compliance with pay-to-play laws, regulations and policies
30. Compliance with U.S. economic and trade sanctions
31. Compliance with anti-corruption laws and regulations
32. Compliance with tax law (including FATCA and partnership audit rules)
33. Cyber security breaches and identity theft
34. Technological innovations
35. Investments in less established companies
36. Platform investments
37. Real estate investments
38. Debt investments
39. Unspecified investments
40. Risks arising from ERISA including potential control group liability
41. Litigation risk
42. Investments managed by third parties
43. Ability to implement a Fund's investment strategy
44. Sharing and use of "big data" and other information
45. Contingent liabilities incurred on dispositions or financings of investments
46. Limited availability of investment opportunities

47. Operating and financial risks of portfolio entities
48. Risks associated with distributions in-kind
49. Risk of fraud
50. Risk of distressed securities being subject to workouts, restructurings or bankruptcy
51. Risk of investing in publicly traded securities
52. Risk of default by limited partners
53. Inflation risk
54. Regional risk; interdependence of markets
55. Trade policy
56. Terrorist activities
57. Natural disasters
58. Corruption risks
59. Privatization risks
60. Foreign investment controls
61. Foreign capital controls
62. Legal frame work and corporate governance
63. Accounting, disclosure and regulatory standards
64. Investments in emerging markets and the Asia Pacific region
65. Potential collapse of the Euro
66. Chinese growth slowdown and economy
67. Convertible securities
68. Future investment techniques and instruments
69. Governmental action risks
70. Force majeure
71. Availability of insurance against certain catastrophic losses
72. Volatility of commodity prices
73. Catastrophe risks
74. Regulatory approvals
75. Adequacy of reserve
76. Failure to make payments
77. Risks in effecting operating improvements
78. Expedited transactions
79. Volatility of credit markets affecting ability to finance and consummate investments
80. Risks related to bridge financings
81. Leverage and subscription line of credit
82. Documentation and legal risks

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

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

## **Item 9 – Disciplinary Information**

BTOA does not have any legal, financial or other “disciplinary” event to report. As a registered investment adviser, BTOA 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, BTOA does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect BTOA and/or the Funds’ results of operations, financial position or cash flows. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone’s public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the web site of the SEC ([www.sec.gov](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>), and (ii) materials made available through Blackstone’s BXAccess online portal, which is accessible to Blackstone’s limited partners for the funds in which they are invested.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Other Financial Industry Activities**

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, BTOA, the Funds, the Other Blackstone Funds, the Portfolio Entities of the Funds and Other Blackstone Funds 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. In addition, certain terms described herein may only be applicable to certain of the Funds but not others. Potential limited partners should review this section and the applicable Fund's Organizational Documents carefully for additional risks and conflicts disclosure before making an investment decision.

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

If any matter arises that BTOA determines in its good faith judgment constitutes an actual and material conflict of interest, BTOA 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 Funds or the limited partners. Thereafter, BTOA will be relieved of any liability related to the conflict to the fullest extent permitted by law.

Actions that could be taken by BTOA 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) presenting a material conflict of interest to the L.P. Advisory Committee and/or the limited partners (or L.P. representatives) of the Funds and as expressly provided for in the Organizational Documents; (iii) disposing of the investment or security giving rise to the conflict of interest; (iv) 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; (v) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the L.P. Advisory Committee and/or the limited partners (or L.P. representatives) of the Funds or Independent Client Representatives (if any) regarding the conflict of interest and either obtaining a waiver or consent from the L.P.

Advisory Committee and/or the limited partners (or L.P. representatives) or such Independent Client Representative of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the L.P. Advisory Committee and/or the limited partners (or L.P. representatives) or such Independent Client Representative with respect to such conflict of interest; (vi) disclosing the conflict to the limited partners (including, without limitation, in drawdown notices, distribution notices, quarterly letters or other communications); (vii) 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; (viii) implementing policies and procedures reasonably designed to mitigate the conflict of interest or (ix) otherwise handling the conflict as determined appropriate by BTOA in its good faith reasonable discretion. There can be no assurance that BTOA will identify or resolve all conflicts of interest in a manner that is favorable to the Funds.

For purposes of this section, (a) “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.; (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) “Life Sciences” shall mean Blackstone Life Sciences Advisors L.L.C.; (k) “Clarus” shall mean Clarus Ventures, LLC; (l) “BSOF” shall mean Blackstone Strategic Opportunities Fund; (m) “BXMT Funds” shall mean accounts, clients, funds, vehicles or any other similar arrangements managed by BXMT Advisors L.L.C. and (n) “BSCH” shall mean Blackstone Strategic Capital Holdings and its related vehicles/entities and successor funds.

***Performance-Based Compensation.*** A General Partner’s carried interest creates a greater incentive for such General Partner to make more speculative investments on behalf of a Fund or time the purchase or sale of investments in a manner motivated by the personal interests of Blackstone personnel than if such performance-based compensation did not exist, as the



General Partner receives a disproportionate share of profits. However, the significant commitment by Blackstone to invest in the Funds (which commitment, for the avoidance of doubt, may not be allocated *pro rata* among the Funds) and the General Partner clawback and related guarantee should reduce the incentives for a General Partner 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 a General Partner and limited partners, such as an incentive for such 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 a 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 a General Partner to cause a Fund to accelerate deployment of capital at the beginning of such 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 limited partner from a Fund in certain circumstances and upon the liquidation of a Fund, the General Partner of such 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 a General Partner and could incentivize such General Partner to value the securities higher than if there were no carried interest. A General Partner 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, a General Partner 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 General Partner's carried interest described above.

***Allocation of Personnel.*** BTOA will devote such time to the relevant Funds as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, including members of the BTOA Investment Committee, will work on other projects, serve on other committees and source potential investments for and otherwise assist the investment programs of Other Blackstone Funds and their portfolio entities, including other investment programs to be developed in the future. Time spent on these other initiatives diverts attention from the activities of the Funds, which could negatively impact the Funds and

limited partners. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the Blackstone Tactical Opportunities group share in the fees and performance-based compensation from the Funds; similarly, the Blackstone Tactical Opportunities group personnel share in the fees and performance-based compensation generated by Other Blackstone Funds. These and other factors create conflicts of interest in the allocation of time by Blackstone personnel. A General Partner's determination of the amount of time necessary to conduct a Fund's activities will be conclusive, and limited partners rely on such General Partner'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 Funds, Other Blackstone Funds 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 Funds, including if such other entities compete with the Funds 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 Funds. This involvement may create conflicts of interest in making investments on behalf of the Funds and such other funds, accounts and other entities. Although BTOA will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Funds. 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 Funds. Limited partners 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 Funds.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which the Funds invest 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 Funds or other counterparties of the Funds and their Portfolio Entities and/or assets. Moreover, in certain instances, the Funds or their 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 Funds 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 applicable General Partner. The limited partners rely on the applicable General Partner to manage these conflicts in its sole discretion.

One or more Portfolio Entities (the “Designated Portfolio Entities”) may employ certain personnel (the “Dedicated Portfolio Entity Personnel”) who devote substantially all of their business time to such Designated Portfolio Entities. Dedicated Portfolio Entity Personnel may have certain qualities of and/or may perform certain functions which were previously performed by Blackstone employees. For example, Dedicated Portfolio Entity Personnel may include a chief investment officer or another individual who will evaluate and source investments with respect to the applicable Designated Portfolio Entity. This person would be an employee of the Designated Portfolio Entity (and receive payments, including salaries, benefits and other compensation (which could include performance-based compensation) from the Designated Portfolio Entity instead of from Blackstone), but he/she could also be expected to participate in regular meetings pertaining to the Designated Portfolio Entity with Blackstone personnel. He/she could also be delegated authority by the investment committee of the Designated Portfolio Entity to make certain investment decisions or otherwise perform management functions with respect to the Designated Portfolio Entity. Dedicated Portfolio Entity Personnel may be offered the ability to invest in (or co-invest alongside) the Funds on preferential terms.

***Secondments and Internships.*** Certain personnel of Blackstone and its affiliates, including Consultants (as defined herein), may be seconded to one or more Portfolio Entities of the Funds and Other Blackstone Funds to provide finance, accounting, operational support and other similar services with respect to such Portfolio Entities. 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 law firms and accounting firms) may be seconded, or serve internships at, Blackstone and Portfolio Entities of the Funds. While the Funds, Other Blackstone Funds 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 vendor or service provider also provides services to the Funds in the ordinary course. Blackstone or the Portfolio Entity may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Entity pays the cost it will be borne directly or indirectly by the

Funds. 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.** BTOA 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 Funds, which will not offset or reduce Management Fees or otherwise be shared with the Funds, their Portfolio Entities or the limited partners. 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 BTOA or its personnel or related parties receiving it, even though the cost of the underlying service is borne by the Funds and/or Portfolio Entities. Similarly, BTOA and its personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Portfolio Entities and customers or suppliers of such Portfolio Entities. The limited partners consent to the existence of these arrangements and benefits.

**Advisors, Consultants and Partners.** BTOA, its affiliates and their 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 BTOA or Portfolio Entities of the Funds or Other Blackstone Funds (collectively, “Consultants”), to provide a variety of services. Similarly, the Funds, Other Blackstone Funds 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 Funds 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 BTOA, be chargeable to BTOA or deemed paid to or received by BTOA, or offset or reduce any Management Fees to BTOA or be subordinated to return of the limited partner’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 Funds in Portfolio Entities and investments of the Funds, participate in long-term incentive plans of a Portfolio Entity, and invest directly in the Funds or in vehicles controlled by the Funds, with reduced or waived Management Fees and carried interest and such co-investment or participation (which generally will result in the Funds being allocated a smaller share of an investment and less co-investment being available to limited partners) may or may not be

considered part of Blackstone's side-by-side co-investment rights, as determined by BTOA 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 BTOA 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 Funds may rely on these Consultants to recommend BTOA and the Funds 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 Funds for any length of time. BTOA and the Funds 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 Funds as partnership expenses or by Portfolio Entities without any reduction or offset to Management Fees. Some Consultants work only for a Fund and its Portfolio Entities, while other Consultants may have other clients. Consultants could have conflicts of interest between their work for a Fund and its Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and BTOA is limited in its ability to monitor and mitigate these conflicts.

As an example of the foregoing, in certain investments by the Funds including involving a "platform company," the Funds 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 Portfolio Entities of the Funds or Other Blackstone Funds, 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 Funds: 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 Funds or a Portfolio Entity or asset of the Funds, 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 Funds 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 Funds 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 BTOA for purposes of the Organizational Documents and none of the fees, costs or expenses described above will reduce or offset the Management Fee.

***Multiple Blackstone Business Lines.*** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Funds, Other Blackstone Funds, Portfolio Entities of the Funds and Other Blackstone Funds 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 Funds' ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with BTOA that would be relevant to monitoring the Funds' investments and other activities. Additionally, Blackstone or Other Blackstone Funds can be expected to enter into covenants that restrict or otherwise limit the ability of the Funds or their Portfolio Entities and their respective affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Funds could have granted exclusivity to a joint venture partner that limits the Funds and Other Blackstone Funds from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Fund 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 a Fund to implement its investment program. (See also "—Other Blackstone Funds; 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 Funds will not benefit from their experience. The limited partners 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 Funds. Blackstone has long-term relationships with a significant number of corporations and their senior management. BTOA will consider those relationships when evaluating an investment opportunity, which may result in BTOA 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 Funds 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 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 Funds. The Funds 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 BTOA with respect to the Funds' investments and otherwise result in a conflict (See also "— Other Blackstone Funds; Allocation of Investment Opportunities" herein.)

Finally, Blackstone and Other Blackstone Funds could acquire limited partner interests in the Funds in the secondary market. Blackstone and Other Blackstone Funds 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 Funds' investments.

***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 Funds 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 Funds 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 Funds, Other Blackstone Funds 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 Funds, Other Blackstone Funds and their Portfolio Entities. Blackstone has entered and will continue to enter into information sharing and use arrangements, which may give Blackstone access to data that it would not otherwise obtain in

the ordinary course, with the Funds, Other Blackstone Funds, and their Portfolio Entities, related parties and service providers. Although Blackstone believes that these activities improve Blackstone's investment management activities on behalf of the Funds and Other Blackstone Funds, information obtained from the Funds and their Portfolio Entities also provides material benefits to Blackstone or Other Blackstone Funds without compensation or other benefit accruing to the Funds or limited partners. For example, information from Portfolio Entities owned by the Funds 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 Funds that do not own an interest in the Portfolio Entity, without compensation or benefit to the Funds or their 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 Funds' activities to assist in the pursuit of Blackstone's various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Fund. 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 Funds or limited partners.

The sharing and use of "big data" and other information presents potential conflicts of interest and the limited partners acknowledge and agree that any benefits received by Blackstone will not be subject to the Management Fee offset provisions or otherwise shared with the Funds or limited partners. As a result, BTOA has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Funds.

***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 Funds' 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 a Fund. Limited partners 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 Funds. Blackstone, including its personnel (including Blackstone Tactical Opportunities personnel), may receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from the Funds 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 limited partners. (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 Funds and their Portfolio Entities may purchase investments or assets from or sell investments or assets of the Funds to limited partners, Portfolio Entities of other Funds or Other Blackstone Funds or their respective related parties. Purchases and sales of investments or assets of the Funds between the Funds or their Portfolio Entities, on the one hand, and limited partners, Portfolio Entities of other Funds or Other Blackstone Funds or their respective related parties, on the other hand, are not subject to the approval of any L.P. Advisory Committee or limited partner (or L.P. representative or Independent Client Representative (if any)) unless otherwise required under the Advisers Act or other applicable laws or regulations. 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.

***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 Funds’ investment programs and Pátria’s investment activities, there may be instances in which investment opportunities otherwise appropriate for the Funds will be shared with (or allocated to) Pátria. Therefore, there may be opportunities available to Pátria that are not shared with the Funds,

and there may be opportunities available to the Funds that are shared with one or more Pátria funds. Blackstone generally expects, with respect to certain types of investments in Brazil otherwise suitable for the Funds, to permit such investments to be shared with and/or pursued by Pátria, which may be on a priority basis and may result in the Funds not participating in any such investments or participating therein to a lesser extent. In addition, the Funds may invest in companies or other entities in which Pátria sponsored investment funds make an investment in a different part of the capital structure (and vice versa). In such situations, the Funds 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 of the Funds.

***Other Blackstone Funds; Allocation of Investment Opportunities.*** Blackstone invests its own capital and third-party capital throughout the world, including on behalf of the Other Blackstone Funds (including Fidelity & Guaranty Life Insurance Company and certain other Portfolio Entities of the Funds), which include a number of existing Other Blackstone Funds that have an investment strategy or objective that is adjacent to or overlaps with those of the Funds, including Blackstone ISG-I Advisors L.L.C., which focuses on investments relating to insurance. For example, certain Other Blackstone Funds have investment objectives that are adjacent to the investment objectives of the Blackstone Tactical Opportunities Program, such as the Blackstone Tactical Opportunities Stable Income Program. The Funds serve as Blackstone’s synergistic platform that provides opportunities for tactical investing that generally do not fit into the primary focus of any of the existing Other Blackstone Funds although the investment objectives of such Other Blackstone Funds may be a subset of, overlap significantly with, or be more narrowly focused (e.g., focusing on one asset class, sector and/or one geographic region) than the investment objectives of the Funds. Such Other Blackstone Funds may be sponsored and managed by BTOA or its affiliates and may participate alongside the Funds with respect to investments within such narrower focus, limitation or shared investment objectives (which may reduce, in whole or in part, the allocation thereof to the Funds). Blackstone may from time to time make and hold investments of various types with or in lieu of Other Blackstone Funds. Although such investments could be limited or restricted by the Organizational Documents or the agreements for Other Blackstone Funds, to the extent Blackstone does make or hold such investments, many of the conflicts of interest associated with the activities of Other Blackstone Funds also apply to such investment activities of Blackstone.

It is expected that some activities of Blackstone, the Other Blackstone Funds and their portfolio entities will compete with the Funds and their Portfolio Entities for one or more investment opportunities that are consistent with the Funds’ investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to the Funds.

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

In circumstances in which any Other Blackstone Funds have investment objectives or guidelines that overlap with those of the Funds, in whole or in part, Blackstone generally determines the relative allocation of investment opportunities among one or more of the Funds and/or such Other Blackstone Funds 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 Funds not participating, or not participating to the same extent, in investment opportunities in which they would have otherwise participated had the related allocations been determined without regard to such guidelines. Among the factors that BTOA considers in making investment allocations among the Funds and Other Blackstone Funds are the following: (x) any applicable investment objectives, focus, parameters, guidelines, investor preferences, limitations and other contractual provisions and terms relating to the Funds and such Other Blackstone Funds and the duration of their investment periods, (y) available capital of the Funds and such Other Blackstone Funds, (z) legal, tax, regulatory, accounting and other considerations deemed relevant by BTOA, including, without limitation, (i) primary and permitted investment strategies and objectives of the Funds and the Other Blackstone Funds, including, without limitation, with respect to Other Blackstone Funds that expect to invest in or alongside other funds or across asset classes based on expected return (such as BTAS Funds, BREP Funds, BREDS Funds, BIP Funds, GSO Funds, Strategic Partners, Life Sciences, BIS Funds, BAAM Funds (including BSOF), BCP Funds, BSCH, Clarus, and certain managed accounts with similar investment strategies and objectives), (ii) sourcing of the investment and the nature and extent of involvement of the respective teams of investment professionals dedicated to the funds, (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 and (xv) other considerations deemed relevant by BTOA in good faith. BTOA could also determine not to pursue opportunities. Moreover, under certain

circumstances investment opportunities sourced and/or identified by the Funds and that fall within the Funds' investment strategy and objective may be allocated in whole or in part to Portfolio Entities, Other Blackstone Funds or portfolio entities of Other Blackstone Funds, or Blackstone. The allocation of investments to Other Blackstone Funds, including as described above, may result in fewer co-investment opportunities (or reduced allocations) being made available to the limited partners.

Blackstone has adopted "first-call" guidelines in connection with determining allocations of investment opportunities among its business groups. The "first-call" guidelines are non-exclusive and subject to the provisions of the Organizational Documents, including the factors described above. Blackstone has set forth priorities and presumptions regarding what constitutes "debt" investments, "control oriented equity" investments, risk and return characteristics for defining "core" or "core+" investments, presumptions regarding allocation for certain types of investments (e.g., distressed investments) and other matters. The application of such guidelines may result in the Funds not participating, or not participating to the same extent, in investment opportunities in which they would have otherwise participated had the guidelines not existed.

BTOA makes good faith determinations for allocation decisions based on expectations that may prove inaccurate. Information unavailable to BTOA, or circumstances not foreseen by BTOA at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that BTOA determines to be consistent with the return objectives of the Blackstone Tactical Opportunities Stable Income Program rather than the Funds could exceed BTOA's expectations and underwriting and generate an actual return that would have been appropriate for the Funds. Conversely, an investment that BTOA expects to be consistent with the Funds' return objectives may fail to achieve them.

To the extent the Funds jointly hold securities with any Other Blackstone Fund that has a different expected duration or liquidity terms, conflicts of interest will arise between the Funds and such Other Blackstone Fund with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, the Funds may recuse themselves from participating in any decisions relating or with respect to the investment by the Funds or the Other Blackstone Fund. If the Other Blackstone Fund maintains voting rights with respect to the securities it holds, or if the Funds do not recuse themselves, Blackstone may be required to take action where it will have conflicting loyalties between its duties to the Funds and such Other Blackstone Funds, which may adversely impact the Funds. (See also "—Other Blackstone Funds; Allocation of Investment Opportunities" herein). Even if the Funds and such Other Blackstone Funds and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax,

regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Funds and/or such Other Blackstone Funds and vehicles may not be the same. Additionally, the Funds and/or such Other Blackstone Funds and/or vehicles will generally have different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, the Funds and/or such Other Blackstone Funds may dispose of any such shared investment at different times and on different terms.

In connection with the Funds' investment activities, the BTOA Investment Committee (or a sub-committee thereof consisting of one or more individuals of the BTOA Investment Committee or a chief investment officer) generally reviews and approves potential investments. The allocation of investment opportunities among the Funds and the Other Blackstone Funds is initially formulated by an allocation committee comprised of the Blackstone Tactical Opportunities Chief Operating Officer and Chief Compliance Officer as well as representatives of Investor Relations/Business Development and Legal and Compliance (the "Allocation Committee"). The Allocation Committee meets to review and recommend to the BTOA Investment Committee (or a sub-committee thereof) the allocation of each transaction. There is no guarantee that the Allocation Committee will recommend an allocation of any potential investment to the Funds. A portion of certain investments may be allocated to Blackstone and Other Blackstone Funds, and Other Blackstone Funds may have primary contractual investment mandates that grant exclusive or priority allocation rights over certain investments made by the Funds.

In addition, in certain circumstances certain other investment vehicles will receive allocations of investments that are otherwise appropriate for the Funds (including Other Blackstone Funds and/or certain funds sponsored by Pátria), which will from time to time result in the Funds not participating (or participating to a lesser extent) in certain investment opportunities otherwise within their mandates. Under certain circumstances, Blackstone may determine not to pursue some or all of an investment opportunity within the Funds' mandates, including without limitation, as a result of business, reputational or other reasons applicable to the Funds, Other Blackstone Funds, their respective portfolio entities or Blackstone. In addition, BTOA may determine that the Funds should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because the Funds have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by BTOA in its good faith reasonable sole discretion, or the investment is not appropriate for the Funds for other reasons as determined by BTOA in its good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Funds or Portfolio Entities or limited partners of the Funds

or Other Blackstone Funds, joint venture partners, related parties or third parties, and such parties may pursue the opportunity.

When BTOA determines not to pursue some or all of an investment opportunity for the Funds that would otherwise be within the Funds' objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Funds, Blackstone, including its personnel (including Blackstone Tactical Opportunities personnel) may receive compensation from the Other Blackstone Funds, 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 Funds to BTOA. As a result, BTOA (including Blackstone Tactical Opportunities personnel who receive such compensation) could be incentivized to allocate investment opportunities away from the Funds to or source investment opportunities for Other Blackstone Funds. In addition, in some cases Blackstone may earn greater fees when Other Blackstone Funds participate alongside or instead of the Funds in an investment. Certain Other Blackstone Funds may contractually or legally limit the investment opportunities available to the Fund. For example, certain Other Blackstone Funds may agree with investors that co-investment opportunities first be offered to the investors in such product prior to any such opportunity being offered to the Funds. By executing their subscription agreements with respect to the Funds, each limited partner will be deemed to have acknowledged that Other Blackstone Funds, including, without limitation, the BCP Funds, the BREP Funds, the BREDS Funds, the BTAS Funds, Blackstone Real Estate Income Trust, Blackstone Infrastructure Partners, Blackstone Insurance Solutions, and various investment vehicles sponsored or managed by GSO, BAAM, Strategic Partners, Life Sciences, Clarus or Pátria, will from time to time share and/or receive priority allocation of certain investments that might be otherwise appropriate for the Funds or will from time to time otherwise participate in investments alongside the Funds. As a result of the foregoing, the Funds will not necessarily receive an allocation of each investment opportunity within their mandates. To the extent such Other Blackstone Funds elect not to invest in such investment opportunity (or elect to invest in only a portion of such opportunity), such investment opportunity (or the remainder of such investment opportunity) may be allocated to the Funds.

In addition, as a general matter, it is expected that Blackstone's Real Estate, Private Equity and GSO credit business will receive priority over most real estate opportunities, control equity opportunities and certain types of credit opportunities, respectively. The arrangements described herein may result in investments that fit within the primary investment mandates of the Funds being wholly or partially allocated to one or more Other Blackstone Funds. Any such Other Blackstone Funds 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 BTOA believes to be the case. In any event, there can be no assurance that

BTOA's assessment will prove correct or that the performance of any investments actually pursued by the Funds will be comparable to any investment opportunities that are not pursued by the Funds. 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 Funds to BTOA. In some cases, Blackstone earns greater fees when Other Blackstone Funds participate alongside or instead of the Funds in an investment.

Blackstone recently launched an infrastructure investment program, which is expected to consist of Blackstone Infrastructure Partners L.P. and one or more other open-ended commingled private investment funds and separate accounts, including a separate account through which a large sovereign wealth fund investor has committed to generally match up to \$20 billion of capital commitments from third-party investors. It is therefore expected that the BIP Funds will, from time to time, have up to, or in excess of, \$40 billion in available capital for investments in infrastructure assets, which may include investments in energy infrastructure, "waste-to-energy" and/or other energy or natural resources-related companies or projects that could be considered to fit within the common investment objectives of the Funds and the BIP Funds, and there can be no assurances that any such investments will not be wholly or partially allocated to the BIP Funds following consideration of the guidelines and factors described herein. In addition, Blackstone's energy and natural resources-related investment activities have expanded with the formation of GSO Energy Select Opportunities Fund LP (the "GSO Energy Debt Fund"), which focuses primarily on making energy and natural resources-related debt investments, and with Blackstone's acquisition of Harvest Fund Advisors LLC, which sponsors or manages funds, vehicles and accounts (the "Harvest Funds") that invest in the securities of energy or natural resources-focused midstream master limited partnerships ("MLPs"). As a result, it can be expected that investments that could be considered to fit within the common investment objectives of the Funds and the GSO Energy Debt Fund, such as energy and natural resources-related debt and/or equity investments, may be allocated in whole or in part to the GSO Energy Debt Fund, and that investments that could be considered to fit within the common investment objectives of the Funds and the Harvest Funds, such as investments in energy or natural resources-focused MLPs, may be allocated in whole or in part to the Harvest Funds. In addition, the Blackstone Energy Partners funds focus primarily on privately negotiated investments involving the acquisition of principally controlling or control-oriented interests in the energy and natural resources sectors broadly, including those companies and projects within the following target sectors: oil & gas exploration and production, midstream, energy services and equipment, petroleum refining and marketing, power generation, metals, minerals and mining, and other sectors and services within the energy and natural resource sector (e.g., timber, water, etc.). Furthermore, other types of investments that could be considered to fit within the common investment objectives of the Funds and Other Blackstone Funds may be

allocated in whole or in part to such Other Blackstone Funds. For example, it can be expected that investments in companies with substantial real estate holdings may be allocated to Blackstone's real estate funds. Accordingly, there can be no assurances that any investments that could be considered to fit within the investment objectives of the Funds will not, following consideration of the guidelines and factors described herein, be wholly or partially allocated to BIP, the GSO Energy Debt Fund, the Harvest Funds, the Blackstone Energy Partners funds or any other existing or future Other Blackstone Funds.

The BTAS Funds are part of a multi-strategy program designed to provide investors with exposure to a broad mix of Blackstone's key investment programs (e.g., private equity, real estate, credit and opportunistic). The BTAS Funds will seek to invest substantially all of their assets in investments in which Other Blackstone Funds participate, and as part of their investment program may seek to invest in opportunistic investments that are also appropriate for the Funds. While such opportunistic investments are expected to represent a small portion of the overall portfolio allocation of the BTAS Funds, the BTAS Funds may nonetheless participate in investments alongside the Funds and certain Other Blackstone Funds with overlapping investment objectives (including through Blackstone's side-by-side co-investment rights, as described below), which will from time to time result in the BTAS Funds receiving a share of a substantial portion of investments by the Funds. The overlapping objectives of the BTAS Funds may also give rise to conflicts of interest relating to the allocation of investment opportunities, which Blackstone will seek to resolve in a fair and equitable manner although there is no assurance that Blackstone will be able to do so.

Furthermore, certain Funds will be operated as part of the Blackstone Tactical Opportunities Program, which is comprised of a number of existing comparable Funds alongside which such Funds will generally participate in investments. As part of the Blackstone Tactical Opportunities Program, BTOA and its affiliates have closed and may close on one or more new investment vehicles (including one or more managed accounts (or other similar arrangements, including those that may be structured as one or more entities) for the benefit of one or more specific investors (or group of specific investors)) having the same or similar investment objectives as the Funds and having terms as determined by BTOA in its sole discretion and such comparable Funds may invest alongside the other Funds. The applicable Organizational Documents include a "program-wide cap" on the available capital/Unpaid Capital Commitments to the Funds and the unpaid capital commitments of the actively investing comparable Funds whose investment periods have not expired, subject to certain exclusions. BTOA and its affiliates may in their discretion accept capital commitments from investors in comparable Funds while designating all or only a portion of such capital commitments as "available" or "active" at any time, such that only the "available" or "active" portions of capital commitments will be taken into account with respect to the "program-wide cap" and for purposes of allocating investments amongst



the Funds. Comparable Funds have and in the future may be established for investors that are affiliates of Blackstone, including Other Blackstone Funds (such as the BTAS Funds and Blackstone Harrington Partners L.P., Blackstone Insurance Solutions and Strategic Partners funds). To the extent that an investment falls within the investment objectives of certain Funds and such Funds invest in such investment, then such Funds will generally invest their available capital on pari passu basis based on their relative available capital taking into account the remaining investment periods of such Funds, subject to the investment limitations and terms of such Funds, legal, regulatory, tax, accounting and other considerations, including any investment preferences (including over- or under-weighting certain assets classes, incorporating a geographic focus or limitations, target size of the investment and/or risk / return profile preference) articulated in advance by one or more investors in such Funds and other considerations (including the availability of any credit facility and the allocation considerations described above). For purposes of determining “available capital” BTOA will generally formulaically take into account the remaining duration of each account’s investment period. Under this allocation methodology, capital deployment is allocated by calculating each account’s available capital, which is then weighted by the remaining time in each account’s investment period. The “weighting factor” is calculated by dividing the account’s available capital by the percentage of days left in the account’s investment period. While BTOA will seek to allocate investments among the Funds, it is acknowledged and agreed that certain Funds may not necessarily participate in each investment as a result of legal, tax, regulatory or other considerations, which will from time to time result in an increase in the other Funds’ allocable share of such investment. BTOA and its affiliates may adopt policies and procedures to promote diversification (or other portfolio allocation and management considerations) and/or generally limit each account’s investment to a certain percentage of commitments (or of the relevant investment) below the contractual diversification limit for such investment (e.g., 10%). In connection with the Funds’ participation in investments as part of the Blackstone Tactical Opportunities Program, the Funds may from time to time make investments in or relating to Portfolio Entities of the Blackstone Tactical Opportunities Program (including, for example, investments that represent follow-on investment opportunities relating to such Portfolio Entities) where BTOA determines that doing so is appropriate for the Funds under the circumstances, taking into account the allocation considerations described above.

BTOA or an affiliate may agree with one or more investors in certain Funds (or Other Blackstone Funds) to seek for such Funds (or Other Blackstone Funds) to qualify as “venture capital operating companies” within the meaning of United States Department of Labor regulations. As a result, such Funds (or Other Blackstone Funds) may invest in and divest from certain investment opportunities alongside the other Funds at different times or on different terms, and may not participate in a substantial portion of investment opportunities alongside the other Funds, and therefore the other Funds will be allocated a larger portion of such

opportunities (and consequently bear a greater share of expenses and liabilities related thereto) than would otherwise be the case. In connection with the foregoing, BTOA may negotiate or assign certain management rights with respect to a Portfolio Entity (including the right to appoint a board member) to such Funds or Other Blackstone Funds, as opposed to the Funds and Other Blackstone Funds as a whole.

In addition to different investor preferences, potential investors should also note that the terms of the existing and future Funds (including with respect to the economic terms such as management fees and carried interest and the calculations, timing and amount thereof, investment limitations, co-investment arrangements, geographic focus/limitations, veto rights with respect to investments, diversification parameters and any governance rights afforded to limited partnership of such Funds and other matters) may materially differ, and may in some instances be materially more favorable to the limited partners of certain Funds than the terms of other Funds. Such different terms will from time to time create potential conflicts of interests for BTOA or its affiliates, including with respect to the allocation of investment opportunities and may otherwise impact the calculation and presentation of investment returns. In particular, the existence of different rates of carried interest may create a potential conflict of interest for BTOA in connection with the allocation of investment opportunities.

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 Funds) will be permitted to make investments alongside the Funds 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, each 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 Funds to participate in these side-by-side rights on an investment by investment basis. Each General Partner intends to limit participation by any such professionals to investments involving portfolio companies of the Funds with respect to which each 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 Funds being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side investment rights. 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 Funds in connection with such investments. Additionally, Other Blackstone Funds will be permitted (or have the preferred right) to participate in Blackstone's side-by-side co-investment rights. In particular, the BTAS Funds, which invest in, or alongside, multiple Blackstone funds, will participate in investments alongside the Funds

pursuant to Blackstone's side-by-side investment rights (and may be allocated a substantial portion of Blackstone's side-by-side co-investment rights (and in some cases, a majority), 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). Additionally, the BTAS Funds will participate in investments alongside the Funds outside of Blackstone's side-by-side program. The Funds may lend an amount to Blackstone and its affiliates with respect to their 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 Funds' borrowing of the related proceeds. The amount of carried interest charged and/or Management Fees paid by the Funds may be less than or exceed the amount of carried interest charged and/or management fees paid by Other Blackstone Funds. Such variation may create an incentive for Blackstone to allocate a greater percentage of an investment opportunity to the Funds or such Other Blackstone Funds, as the case may be.

In addition, in connection with a Fund's participation in the Blackstone Tactical Opportunities Program, it is understood and/or agreed, for the avoidance of doubt, that such Fund may from time to time participate in investments in or relating to Portfolio Entities of other Funds and that any successor fund of such Funds may also participate in investments relating to Portfolio Entities in which the Funds may have an investment (or vice versa), including, for example, investments in or relating to Portfolio Entities that represent "platform" investments where additional opportunities to invest are made available to the Blackstone Tactical Opportunities Program where BTOA and/or its affiliates determine that doing so is appropriate under the circumstances. Such arrangements may give rise to additional conflicts of interest in relation to the Funds and their participation in any such investments may give rise to material conflicts of interest with, between or among the Funds and such other funds and vehicles, and there can be no assurance that any such conflicts of interest will be resolved in favor of the Funds.

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 certain Funds, which will involve investments across a variety of asset classes (including investments that may otherwise be appropriate for the Funds), and in the future Blackstone may enter into similar arrangements with other Portfolio Entities of the Funds or Other Blackstone Funds. Such arrangements may reduce the allocations of investments to the Funds, and Blackstone may be incentivized to allocate investments away from the Funds 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 Funds.

Furthermore, the Blackstone Life Sciences private investment platform was initiated with Blackstone's acquisition in November 2018 of Clarus, which sponsors and manages funds, vehicles and accounts ("Blackstone Life Sciences Funds"). Blackstone Life Sciences Funds invest opportunistically in certain royalties and other structured investments in which funding requirements, success milestones and contractual return parameters are pre-negotiated prior to the initial investment, in each case, in the life sciences, health care and pharmaceutical space ("Defined Exit Investments"). As a result, it can be expected that investment opportunities in Defined Exit Investments that could be considered to fit within the common objectives of the Funds and Blackstone Life Sciences Funds may be allocated in whole or in part to Blackstone Life Sciences Funds and may result in the Funds participating less or not participating at all in such investment opportunities.

***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 Funds and Other Blackstone Funds. 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 an opportunistic return profile, while others may have a lower return profile not appropriate for the Funds. 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 Funds and Other Blackstone Funds acquiring any of the assets, securities and instruments. Similarly, there will likely be circumstances in which the Funds and Other Blackstone Funds 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 Funds and Other Blackstone Funds 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 Funds 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 Funds.

***Investments in Which Other Blackstone Funds Have a Different Principal Investment Generally.*** A 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 Funds. In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, such Fund may recuse itself from participating in any decisions relating or with respect to such investment by such Fund or the applicable investments by such Other Blackstone Funds, 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 such Fund and such Other Blackstone Funds, which may adversely impact such Fund. If such 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 Agreements, the limited partners will in no way receive any benefit from fees paid to BTOA from a Portfolio Entity in which any Other Blackstone Fund also has an interest (including, for greater certainty, any fees received as a result of the provision of services by BTOA).

***Related Financing Counterparties.*** A Fund may invest in companies or other entities in which Other Blackstone Funds make an investment in a different part of the capital structure (and vice versa). BTOA requests in the ordinary course proposals from lenders and other sources to provide financing to the Funds and their Portfolio Entities. BTOA 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 Funds and their Portfolio Entities is expected to be provided, from time to time, by limited partners, Other Blackstone Funds (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 Funds and their Portfolio Entities. Blackstone could have incentives to cause the Funds and their Portfolio Entities to accept less favorable financing terms from a limited partner, Other Blackstone Funds, their Portfolio Entities 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 Funds, even if the form of the transaction is not a financing. The Funds or a Portfolio Entity

could also occupy a different position in the capital structure than a limited partner, Other Blackstone Fund, their Portfolio Entities and other parties with material relationships with Blackstone, in which case Blackstone could have an incentive to cause the Funds or Portfolio Entity to offer more favorable terms to such parties. In the case of a related party financing between the Funds or their Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Funds or their Portfolio Entities, on the other hand, BTOA 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 BTOA could instead rely on its own internal analysis, which BTOA believes is often superior to third party analysis given Blackstone's scale in the market. If however any of Blackstone, a Fund, an Other Blackstone Fund 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 Funds or a Portfolio Entity by a financing syndicate in which an Other Blackstone Fund 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 such Other Blackstone Fund had not participated; it is also possible that the frequent participation of Other Blackstone Funds 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 Funds. Blackstone does not believe either of these effects is significant, but no assurance can be given to limited partners that these effects will not be significant in any circumstance. The General Partners will not be required to obtain any consent or seek any approvals from limited partners (or L.P. representatives or 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 Funds to be taken for the benefit of Other Blackstone Funds that have made an investment more senior in the capital structure of a Portfolio Entity than the Funds (e.g., provide financing to a Portfolio Entity, the equity of which is owned by a Fund) and, *vice versa*, actions may be taken for the benefit of the Funds and their Portfolio Entities that are adverse to Other Blackstone Funds. 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 Funds or relevant Other Blackstone Fund (or their respective Portfolio Entities, as the case may be) by, for example, causing such Other Blackstone Fund 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 Funds or relevant Other Blackstone Fund (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 Funds or relevant Other Blackstone Fund (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 Fund holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by the Funds or their 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 Fund. 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 Fund) 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 BTOA 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 Funds and their Portfolio Entities receive market terms.

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

Although Other Blackstone Funds, such as the GSO Funds, can be expected to provide financing to the Funds and their Portfolio Entities, there can be no assurance that any Other Blackstone Fund will indeed provide any such financing with respect to any particular investment of the Funds. Participation by Other Blackstone Funds such as the GSO Funds in some but not all

financings of the Funds and their Portfolio Entities may adversely impact the ability of the Funds and their Portfolio Entities to obtain financing from third parties when Other Blackstone Funds do not participate, as it may serve as a negative signal to market participants.

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

***Conflicting Fiduciary Duties to Debt Funds.*** Other Blackstone Funds 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, an affiliate of Blackstone. As discussed above, it is expected that these Other Blackstone Funds will be offered the opportunity to provide financing with respect to investments made by the Funds and their Portfolio Entities. Blackstone owes a fiduciary duty to these Other Blackstone Funds as well as to the Funds and will encounter conflicts in the exercise of these duties. For example, if an Other Blackstone Fund purchases high-yield securities or other debt instruments of a Portfolio Entity of the Funds, or otherwise occupies a senior (or other different) position in the capital structure of an investment relative to the Funds, Blackstone will encounter conflicts in providing advice to the Funds and to these Other Blackstone Funds 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 Funds could hold an investment that is senior in the capital structure, such as a debt instrument, to an Other Blackstone Fund.

Similarly, certain Other Blackstone Funds, including, but not limited to the GSO Funds, the BAAM Funds and the BREDS Funds (including BXMT Funds) may invest in securities of publicly traded companies that are actual or potential investments of the Funds or their Portfolio Entities. The trading activities of Other Blackstone Funds may differ from or be inconsistent with activities that are undertaken for the account of the Funds or their Portfolio Entities in any such securities. In addition, the Funds may not pursue an investment in a Portfolio Entity otherwise within the investment mandates of the Funds as a result of such trading activities by Other Blackstone Funds.

***Related Financing of Counterparties to Acquire Investments or Assets from the Funds and their Portfolio Entities.*** In certain transactions, Other Blackstone Funds will commit to and/or provide financing to third parties that bid for and/or purchase assets of the Funds and their



Portfolio Entities. Although Blackstone believes that the participation by Other Blackstone Funds in such debt financings could be beneficial to the Funds by supporting third parties in their efforts to bid on the sale of investments or assets by the Funds, Blackstone will have an incentive to cause the Funds or relevant Portfolio Entity to select to sell an asset to a third party that obtains debt financing from an Other Blackstone Fund to the potential detriment of the Funds. Often price is the deciding factor in selecting a winning bid, but other factors at times cause a seller to select another bid. BTOA could thereafter cause the Funds or a Portfolio Entity to sell an investment or asset of the Funds to a bidder that has received financing from an Other Blackstone Fund, even when the bidder has not offered the most consideration for the asset. Limited partners rely on BTOA to select in its sole discretion the best overall bidder in sales of the Funds' investments or assets, despite any conflict related to the parties financing the bidder.

***Co-Investment Opportunities.*** The Funds will co-invest with limited partners, limited partners of the Other Blackstone Funds, 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 BTOA, 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 Funds co-investing with a Fund is not considered for purposes of calculating the carried interest payable by such Fund to its General Partner. Furthermore, the Funds 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 Funds 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.

Blackstone may also establish one or more investment vehicles managed or advised by Blackstone to facilitate the participation of third-party co-investors (who may or may not be limited partners of the Funds and/or Other Blackstone Funds) (the "Other Co-Invest Vehicles"), which may or may not be subject to more favorable rights and/or terms than the Funds. The amount and frequency of co-investment by any Other Co-Invest Vehicles would be at the discretion of BTOA. It is possible that the existence of any Other Co-Invest Vehicles established by BTOA would result in fewer co-investment opportunities to investors who do not participate

therein and allocations to the Other Co-Invest Vehicles may result in the Funds investing less than they would have in the related investments. Furthermore, to the extent that Blackstone establishes any Other Co-Invest Vehicles, it may result in fewer co-investment opportunities being made available to the limited partners. The number of co-investment opportunities made available to the limited partners may be higher or lower than those made available to the Other Co-Invest Vehicles.

*General Co-Investment Considerations:* There are expected to be circumstances where an amount that would have otherwise been invested by a Fund is instead allocated to co-investors (who may or may not be limited partners or limited partners of Other Blackstone Funds) or supplemental capital vehicles, and there is no guarantee that any limited partner will be offered any particular co-investment opportunity. BTOA will take into account various facts and circumstances deemed relevant by BTOA in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, BTOA's 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) and BTOA's 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 Funds, Other Blackstone Funds 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 Fund; the size of the potential co-investor's interest to be held in the underlying Portfolio Entity as a result of the Funds' investment (which is likely to be based on the size of the potential co-investor's capital commitment and/or investment in the Funds); whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone, the Funds and/or Other Blackstone Funds (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to the Funds or Other Blackstone Funds 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 with Blackstone that provides it with more favorable rights with respect to co-investment opportunities; whether the co-investor is considered "strategic" to the investment because it is able to offer the Funds certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the Portfolio 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 investor in working together in investment contexts (which may include such potential co-investor's history of investment in the Funds or Other Blackstone Funds and/or other Blackstone co-investment opportunities), the extent to which a potential co-investor has been provided a greater amount of co-investment opportunities relative to others, the ability of a potential co-investor to invest in potential 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 the 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 Funds and/or Portfolio Entity 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 Funds are investing or otherwise), whether there is any evidence to suggest that there is a heightened risk with respect to the potential co-investor maintaining confidentiality, whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Funds, other affiliated funds and/or other co-investments, including the size of such commitment, whether the potential co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for distributions, whether the expected holding period and risk-return profile of the investment is consistent with the stated goals of the investor, and such other factors that Blackstone may in good faith deem relevant and appropriate to consider in the circumstances. In addition, BTOA and/or its affiliates may be incentivized to offer the Other Co-Invest Vehicles and/or other certain potential co-investors opportunities to co-invest since the amount of carried interest and/or Management Fee to which BTOA and/or its affiliates are entitled under the arrangements with such co-investors, including with respect to such co-investor's participation in the Funds and/or Other Blackstone Funds, may depend on, among other things, the extent to which such co-investors participate in co-investments. Blackstone has and may in the future 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 Funds) in order to co-invest alongside the Funds in one or more future investments. The existence of these vehicles could reduce the opportunity for other limited partners 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 BTOA. Also, Blackstone may agree with investors (including limited partners, Blackstone 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 limited partners. In addition, the allocation of investments to Other Blackstone Funds, including as described under “—Other Blackstone Funds; Allocation of Investment Opportunities” herein, may result in fewer co-investment opportunities to investors who do not participate therein and allocations to the co-investment vehicle may result in the Funds investing less than they would have in the related investments.

*Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships*

*Involving Co-Investment*: BTOA 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 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 or Management 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 Funds 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 Funds or such co-investment vehicles or co-investors, as the case may be. In addition, other terms of existing and future co-investment vehicles may differ materially, and in some instances may be more favorable to Blackstone, than the terms of the Funds, and such different terms may create an incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to the Funds or such co-investment vehicles, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to the Funds or limited partners 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 Funds 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 Funds 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 Funds and/or limited partners.

***Liability Arising From Transactions Entered into Alongside Other Blackstone Funds.*** Because of the opportunistic and flexible nature of the Funds' investment strategies, the Funds will also co-invest from time to time with one or more Other Blackstone Funds (including co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such Other Blackstone Funds) in investments that are suitable for both the Funds and such Other Blackstone Funds. Participating in investments alongside Other Blackstone Funds will subject the Funds to a number of risks and conflicts. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Funds and Other Blackstone Funds may not be the same. Additionally, the Funds and such Other Blackstone Funds will generally have different investment periods or expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, the Funds and/or such Other Blackstone Funds may dispose of any such shared investment at different times and on different terms.

At times, a transaction counterparty may require facing only one fund entity, which may result in, (i) if a Fund is a direct counterparty to a transaction, such Fund being solely liable with respect to its own share as well as other Funds' and Other Blackstone Funds' shares of any applicable obligations, or (ii) if a Fund is not the direct counterparty, such Fund having a contribution obligation to the relevant other Funds and Other Blackstone Funds. Alternatively, a counterparty may agree to face multiple funds, which could result in a Fund being jointly and severally liable alongside other Funds and Other Blackstone Funds for the full amount of the applicable obligations. In cases in which the Funds could be responsible for the liability of other

Funds or an Other Blackstone Fund, 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 Funds. For these transactions, it is anticipated that the Funds would then enter into back-to-back trade confirmations or other similar arrangements with the relevant other Funds and Other Blackstone Funds. 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 Funds or Other Blackstone Funds 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 Funds and any Other Blackstone Funds owning an interest in the Portfolio Entity comprising such operating business, but it is possible that the Funds and applicable Other Blackstone Funds 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 Funds and such Other Blackstone Funds, 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.

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

**Syndication; Warehousing.** Blackstone, the Funds, Other Blackstone Funds, 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 other Funds, Other Blackstone Funds and/or co-investment vehicles in an affiliate or related party transaction. Similarly, the Funds may acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, other Funds, Other Blackstone Funds, co-investment vehicles, joint venture partners, or affiliates or related parties of the foregoing or other third parties. For the avoidance of doubt, certain Funds

participating in such investment will likely not take part in any such syndication in the same manner or to the same extent (if at all) due to legal, regulatory, accounting or other considerations. BTOA 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. BTOA may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, BTOA may charge fees on these transfers to either or both of the parties to them. The Funds or their affiliates will retain any 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, BTOA will have a conflict of interest when BTOA receives fees, including carried interest, from a Fund or an Other Blackstone Fund acquiring from or transferring to the Funds all or a portion of an investment.

More specifically, the Funds are expected to initially consummate certain investments (including through borrowings on a subscription based credit facility) intended as co-investments as described herein and to syndicate such co-investments to one or more co-investors (in accordance with the terms of the Organizational Documents within a specified period of time of the closing of such acquisition at a price equal to the sum of (i) the relevant Fund's acquisition cost for the transferred portion of such co-investment, including any allocable expenses relating thereto (based on the amount syndicated relative to the amount retained by the relevant Fund) and (ii) interest on such amount from the closing date of such co-investment by the relevant Fund through the transfer date to the participating co-investors). The value of the investment during such period could increase by a greater amount, but the relevant Fund will not receive the full benefit of such increase.

***Break-up and other Similar Fees.*** Break-up or topping fees with respect to the Funds' investments can be paid to BTOA, in which case Management Fees will be offset by the amount of break-up or topping fees attributable to a potential investment by the Funds, but not to any amount attributable to a potential investment by Other Blackstone Funds, 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 Funds 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 BTOA or the Funds in connection with a transaction could be allocated, or not, to Other Blackstone Funds or co-investment vehicles that invest (or are expected to invest) alongside the Funds, as determined by BTOA to be appropriate in the

circumstances. Generally, BTOA would not allocate break-up or topping fees with respect to a potential investment to the Funds, an Other Blackstone Fund or co-investment vehicle unless such person would also share in broken deal expenses related to the potential investment. With respect to fees received by Blackstone relating to the Funds' investments or from unconsummated transactions, limited partners will not receive the benefit of any fees relating to the Funds' 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 Funds' 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 Funds have 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 Funds or the limited partners and will not result in any offset to the Management Fee payable by the limited partners.

***Broken Deal Expenses.*** BTOA 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 (including standing co-invest vehicles established to participate in co-investment opportunities alongside the Funds on a regular or periodic basis and/or as part of an overall co-investment program or arrangement related to Blackstone Tactical Opportunities). 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, and legal, accounting, tax and other due diligence and pursuit costs and expense). Any such broken deal expenses could, in the sole discretion of BTOA, be allocated solely to the applicable Funds and not to Other Blackstone Funds or co-investment vehicles that could have made the investment, even when the Other Blackstone Fund or co-investment vehicle commonly invests alongside the Funds in its investments or Blackstone or Other Blackstone Funds in their investments (including such standing co-invest vehicles). In such cases the Funds' shares of expenses would increase. In the event broken deal expenses are allocated to an Other Blackstone Fund or a co-investment vehicle, BTOA or



applicable Funds may advance such fees and expenses without charging interest until paid by the Other Blackstone Fund or co-investment vehicle, as applicable.

***Other Blackstone Business Activities.*** Blackstone, Other Blackstone Funds, their portfolio entities, 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 Funds and their 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; and other products and services. Such parties will also provide products and services for fees to Blackstone, Other Blackstone Funds 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 Funds and Other Blackstone Funds 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 Funds and their 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 Funds or limited partners and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Funds 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 Funds and their Portfolio Entities. The Funds and their Portfolio Entities will incur expenses 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 activities. The Funds will, as determined by BTOA, 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 Funds and their 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 Funds or Blackstone approximating the proportion of certain personnel's time spent with respect to the Funds, 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 Funds and Other Blackstone Funds, 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 Funds and their Portfolio Entities than would be the case if such services were provided by third parties.

BTOA, Other Blackstone Funds 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 Funds 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, BTOA, Other Blackstone Funds 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.

BTOA does not have any obligation to ensure that fees for products and services contracted by the Funds or their 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 BTOA may not be aware of every commercial arrangement between the Funds and their Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Funds and their Portfolio Entities, and personnel and related parties of the foregoing, on the other hand.

Except as set forth above, the Funds and limited partners 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 BTOA or its personnel and related parties (see also “—Service Providers, Vendors and Other Counterparties Generally” and “—Other Blackstone Business Activities” herein). BTOA and its personnel and related parties will receive fees attributable to Other Blackstone Funds (including co-investment vehicles) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to Other Blackstone Funds (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of the Management Fees payable by limited partners or otherwise be shared with the Funds, their Portfolio Entities or the limited partners, even if (i) such Other Blackstone Funds (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 Funds (including co-investment vehicles). As noted in “Co-Investment Opportunities” herein, 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 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 Funds and their 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 Funds or their Portfolio Entities, or as dealer, broker or advisor to a counterparty to the Funds or a Portfolio Entity, and purchase securities from or sell securities to the Funds, Other Blackstone Funds or Portfolio Entities of the Funds and Other Blackstone Funds. Blackstone will also from time to time, on behalf of the Funds or their Portfolio Entities, or other parties to a transaction involving the Funds or their Portfolio Entities, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by the Funds or their 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 of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, an Other Blackstone Fund 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 Funds or the limited partners, and the Management Fee with respect to a limited partner generally will not be reduced by such amounts. BTOA has sole discretion to approve the foregoing arrangements if BTOA believes in good faith that such transactions are appropriate for the Funds.

Sales of securities for the account of the Funds and their Portfolio Entities will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other

Blackstone Funds. It could be impossible, as determined by BTOA 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 Funds.

When Blackstone serves as underwriter with respect to securities of the Funds or their Portfolio Entities, the Funds and such Portfolio Entities could be subject to a “lock-up” period following the offering under applicable regulations during which time the Funds or their Portfolio Entity would be unable to sell any securities subject to the “lock-up.” This may prejudice the ability of the Funds and their 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 BTOA, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of the Funds. 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, 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 Funds and their 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 BTOA to select or recommend PJT to perform services for the Funds or their Portfolio Entities, the cost of which will generally be borne directly or indirectly by the Funds and limited partners. Given that PJT is no longer an affiliate of Blackstone, BTOA will be free to cause the Funds 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 Service Providers and Vendors.** The Funds and their Portfolio Entities may engage Portfolio Entities of the Funds and Other Blackstone Funds 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 Funds and their portfolio entities can be expected to engage Portfolio Entities of the Funds to provide some or all of these services.

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

*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 Funds and Other Blackstone Funds. BCP / BTO Management is entirely owned by certain Funds and Other Blackstone Funds. 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 Funds and Other Blackstone Funds 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 Partners endeavor 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 Partners believe that these methodologies result in a fair and equitable allocation of expenses. To the extent ownership of BCP / BTO Management is transferred between the Funds and Other Blackstone Funds, such transfer will generally be consummated for minimal or no consideration, and without obtaining any consent from any L.P. Advisory Committee and/or the limited partners (or L.P. representatives) of the Funds or Independent Client Representatives (if any).

*BTIG.* In December 2016, certain Funds made a strategic minority investment in BTIG, LLC (“BTIG”). BTIG is a global financial services firm which provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for the Funds or the Portfolio Entities of the Funds.

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

*Refinitiv*. The Funds have historically used various pricing services, including Thompson Reuters. On October 1, 2018, a consortium led by Blackstone announced that certain Other Blackstone Funds had completed an acquisition of Thomson Reuters' Financial & Risk business ("Refinitiv"). As of the closing date of the transaction, the Blackstone-led consortium owned a 55 percent equity stake in Refinitiv. In addition to other product offerings, Refinitiv operates a pricing service that provides valuation services to the mutual fund industry and the Funds. The pricing information provided by Refinitiv to the Funds is substantially the same as the pricing information provided by Refinitiv to all other customers. Refinitiv may also provide its other product offerings to Blackstone, the Funds and Other Blackstone Funds.

The Funds and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Funds or Other Blackstone Funds, including through incentive based compensation payable to their management teams and other related parties. Some of these service providers and vendors owned by the Funds or Other Blackstone Funds will charge the Funds and their 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 Funds or Other Blackstone Funds 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 Funds and their 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 Funds could pay more than their *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 Funds and their 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. 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 Funds and their Portfolio Entities can be expected to engage Portfolio Entities of the Funds to provide services, and these Portfolio Entities will generally charge for services in the same manner described above, but the Funds and their 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 Funds and Other Blackstone Funds. 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 Funds to an Other Blackstone Fund, or from an Other Blackstone Fund to the Funds.

***Service Providers, Vendors and Other Counterparties Generally.*** Certain third party advisors and other service providers and vendors to the Funds and their Portfolio Entities (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms) are owned by Blackstone, the Funds or Other Blackstone Funds or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Funds, the Other Blackstone Funds 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 Funds, affiliates of the General Partners, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone, the Funds and/or Other Blackstone Funds have an investment, and payments by the Funds and/or such entities may indirectly benefit Blackstone, the Funds, the Other Blackstone Funds 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 Funds and their Portfolio Entities could have other commercial or personal relationships with Blackstone, Other Blackstone Funds 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 will, in certain circumstances, influence Blackstone in deciding whether to select, recommend or form such an

advisor or service provider to perform services for the Funds or a Portfolio Entity, the cost of which will generally be borne directly or indirectly by the Funds 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 the Funds 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 to or value created in these service providers and vendors do not offset or reduce the Management Fee payable by the limited partners of the Funds and are not otherwise shared with the Funds 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 Funds and their Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discount rate, such that if the Funds and their Portfolio Entities consummate a higher percentage of transactions with a particular law firm than Blackstone, the Funds, Other Blackstone Funds and their Portfolio Entities, the limited partners could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, the Funds or Other Blackstone Funds 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 Funds and their Portfolio Entities are different from those used by Blackstone, Other Blackstone Funds and their portfolio entities, and their affiliates and personnel, the Funds and their Portfolio Entities may pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Funds, the Other Blackstone Funds 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 Funds, Other Blackstone Funds 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 Funds, Other Blackstone Funds 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.

Certain portfolio companies that provide services to the Funds, Other Blackstone Funds and/or portfolio companies or assets of the Funds and/or Other Blackstone Funds may be transferred between and among the Funds and/or Other Blackstone Funds (where the Funds may be a seller or a buyer in any such transfer) for minimal or no consideration (based on a third party valuation confirming the same) and without the approval of the L.P. Advisory Committee and/or the limited partners (or L.P. representatives or Independent Client Representative (if any)) of the Funds. Such transfers may give rise to actual or potential conflicts of interest for BTOA.

Relatedly, Blackstone and/or Other Blackstone Funds, including BSCH, regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone. The Funds and/or vehicles managed by Blackstone may also make similar investments. Typically, such an investment would involve receiving a share of the carried interest/performance based compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third party asset management firm that are included in the transaction. In addition, while such minority investments are generally structured so that Blackstone does not “control” such third party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights or anti-dilution arrangements). Although BSCH does 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 such Blackstone funds 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 Funds 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 Funds. The Funds, their 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 Portfolio Entities. There can be no assurance that the terms thereof will be at arm's length or that Blackstone will not receive a benefit from such transactions, which may make it more likely that such transactions would be entered into. There can be no assurance that any such conflicts will be resolved in favor of the Funds or their limited partners.

With respect to transactions or agreements with Portfolio Entities (including, for the avoidance of doubt, long-term incentive plans), at times if unrelated officers of a Portfolio Entity have not yet been appointed, Blackstone may negotiate and execute agreements between Blackstone and/or the Funds on the one hand, and the Portfolio Entity or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. 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.

***Blackstone Affiliated Service Providers.*** In addition to the service providers (including Portfolio Entity service providers) and vendors described above, the Funds and their 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 Funds and their Portfolio Entities, as well as service providers, vendors and limited partners of the Funds. 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 Funds, the Other Blackstone Funds 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:

- ***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 Funds' 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 Funds 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 Funds.
- *Aquicore*. Aquicore is a cloud-based platform that tracks, analyzes and predicts key metrics in real estate focused on the reduction of energy consumption. Blackstone holds a minority investment in Aquicore.
- *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 Funds, Other Blackstone Funds 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 Funds and Other Blackstone Funds 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 Funds based on its equity interest in LNLS. In each case, there will be no related offset to the Funds. 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.

The Funds could acquire from or sell to Blackstone a service provider as an investment of the Funds 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 Funds 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 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 Funds, 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).

Blackstone will make determinations of market rates (i.e., rates that fall within a range that Blackstone 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 Blackstone's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by Blackstone 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. Finally, in certain circumstances Blackstone may determine that third party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law or because Blackstone has access to adequate market data to make the determination without reference to third party benchmarking.

In addition, Blackstone's Treasury group currently provides foreign currency exchange ("FX") services to the Funds and Other Blackstone Funds 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

Funds or an Other Blackstone Fund, the Blackstone Treasury group will exchange foreign currencies from Blackstone's own account on behalf of the Funds or such Other Blackstone Fund 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 Funds or such Other Blackstone Fund 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 Funds or their Portfolio Entities to or value created in Blackstone-affiliated service providers or vendors do not offset or reduce the management fee payable by the limited partners are not otherwise shared with the Fund, unless otherwise required by the Organizational Documents.

***Transactions with Portfolio Entities.*** Blackstone and Portfolio Entities of the Funds and Other Blackstone Funds provide products and services to or otherwise contract with the Funds and their Portfolio Entities, among others. Blackstone, the Funds and Other Blackstone Funds and their respective Portfolio Entities and personnel and related parties of the foregoing may make referrals or introductions to Portfolio Entities of the Funds or Other Blackstone Funds 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 Funds or Other Blackstone Funds) 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 Funds and/or of Other Blackstone Funds, accruing to the party making the introduction. The Funds and the limited partners typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Funds and their Portfolio Entities as a result of the introduction of the Funds and their Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that the Funds or their 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 Funds or one of their 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 Funds, Other Blackstone Funds 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 Funds, Other Blackstone Funds 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 Funds and their Portfolio Entities may lease property to or from Blackstone, Other Blackstone Funds 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 Funds and their Portfolio Entities will lease to or from any such related parties on terms as favorable to the Funds and their Portfolio Entities as would apply if the counterparties were unrelated.

***Cross-Guarantees and Cross-Collateralization.*** Although BTOA will make reasonable efforts to avoid any cross-guarantees or similar obligations between the Funds and Other Blackstone Funds that participate in investments alongside the Funds (other than parallel funds and alternative investment vehicles), in certain circumstances the Funds and their Portfolio Entities may enter into cross-collateralization arrangements with Other Blackstone Funds (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 Funds for obligations that are not recourse to the Funds except in limited circumstances such as "bad boy" events. Any cross-collateralization arrangements with Other Blackstone Funds could result in the Funds losing their interests in otherwise performing investments of the Funds due to poorly performing or non-performing investments of Other Blackstone Funds in the collateral pool. (See also "—Liability Arising From Transactions Entered into Alongside Other Blackstone Funds" herein.)

Similarly, a lender could require that it face only one Portfolio Entity of the Funds and Other Blackstone Funds, even though multiple Portfolio Entities of the Funds and Other Blackstone Funds 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 Funds and Other Blackstone Funds 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 Funds and Other Blackstone Funds 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.

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

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

In addition, a Portfolio Entity of the Funds may enter into agreements, transactions or other arrangements with another Portfolio Entity of the Funds or one or more portfolio entities of an Other Blackstone Fund, which may give rise to actual or potential conflicts of interest for BTOA, the Funds and/or their respective affiliates. Such agreements, transactions or other arrangements may be entered into without the consent or direct involvement of the Funds or Other Blackstone Fund or the consent of the L.P. Advisory Committee and/or the limited partners (or L.P. representatives or Independent Client Representative (if any)) of the Funds or such Other Blackstone Fund (including, without limitation, in the case of minority investments by the Funds in such Portfolio Entities or the sale of assets or businesses from one Portfolio Entity to another). This is because, among other things, Portfolio Entities of the Funds and portfolio entities of Other Blackstone Funds are not considered affiliates of BTOA or the Funds

under the Organizational Documents. In any such case, the Funds may not be involved in the negotiation process and the terms of any such agreement, transaction or other arrangement may not be as favorable to the Funds as otherwise may be the case if the Funds were involved.

***Joint Venture Partners.*** The Funds have and will from time to time enter into one or more joint venture arrangements with third party joint venture partners. Investments of the Funds made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as determined by BTOA in its sole discretion. The joint venture partners could provide services similar to those provided by BTOA to the Funds. Yet, no compensation or fees paid to the joint venture partners would reduce or offset Management Fees or carried interest payable to BTOA. 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 Funds, Other Blackstone Funds, or their respective Portfolio Entities, or any affiliate, personnel, officer or agent of any of the foregoing.

***Group Procurement; Discounts.*** The Funds and their 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 Funds, Other Blackstone Funds and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone, its personnel or Other Blackstone Funds and their Portfolio Entities, including as a result of transactions entered into by the Funds and their 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 Fund is providing such a service, such Portfolio Entity and such Other Blackstone Fund will benefit. Further, the benefits received by the particular Portfolio Entity providing the service may be greater than those received by the Funds and their Portfolio Entities receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, and limited partners rely on BTOA to handle them in its sole discretion.

***Diverse Limited Partner Group.*** The limited partners of the Funds may have conflicting investment, tax and other interests with respect to their investments in the Funds and with respect to the interests of investors in other investment vehicles managed or advised by Blackstone that participate in the same investments as the Funds. The conflicting interests of



limited partners 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 Funds. BTOA may as a result have conflicts in making these decisions, which may be more beneficial for one or more (but not all) limited partners than for other limited partners. In addition, the Funds may make investments that may have a negative impact on related investments made by the limited partners in separate transactions. In selecting and structuring investments appropriate for the Funds and BTOA will consider the investment and tax objectives of the Funds and their partners as a whole (and those of investors in other investment vehicles managed or advised by Blackstone that participate in the same investments as the Funds), not the investment, tax or other objectives of any investors individually. Additionally, BTOA may elect to exclude certain limited partners from particular investments of the Funds for legal, tax, regulatory or other reasons applicable to any such investment, in which case non-excluded investors in the Funds shall be allocated a greater proportionate interest in such investment. In addition, certain limited partners may also be limited partners in other investment funds sponsored or managed by Blackstone, including supplemental capital vehicles and co-investment vehicles that may invest alongside the Funds in one or more investments of the Funds, which could create conflicts for BTOA in the treatment of different limited partners. The limited partners may also include affiliates of Blackstone, such as Other Blackstone Funds, affiliates of Portfolio Entities of the Funds or charities, foundations or other entities or programs associated with Blackstone and/or its current or former Blackstone personnel, Blackstone's senior advisors, and any such affiliates, funds or persons may also invest in the Funds 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 Funds as limited partners. 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 limited partners will have equivalent rights to vote and withhold consents as non-related limited partners, unless otherwise provided by the terms of the Organizational Documents. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related limited partners. It is also possible that the Funds or the Funds' 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 limited partner or an affiliate of a limited partner. Such transactions may include agreements to pay performance fees to the management team and other related persons in connection with the

Funds' investment therein, which will reduce the Funds' returns and will not necessarily be subordinated to the return of the limited partners' Capital Contributions. Such limited partners described in the previous sentences may therefore have different information about Blackstone and the Funds than limited partners not similarly positioned. In addition, conflicts of interest may arise in dealings with any such limited partner, and BTOA may not be motivated to act solely in accordance with its interests relating to the Funds. (See also "— Other Blackstone Business Activities" herein). Similarly, not all limited partners monitor their investments in vehicles such as the Funds in the same manner. For example, certain limited partners or other investors in the Blackstone Tactical Opportunities Program may periodically request from BTOA information regarding the Funds and their Portfolio Entities and investments (and the Blackstone Tactical Opportunities Program) that is not otherwise included in the reporting and other information delivered to all limited partners—for instance, pre-quarterly reporting valuation. In such circumstances, BTOA may provide such information to such investors and not to other limited partners. As a result, certain limited partners may receive more information from BTOA about the Funds and their Portfolio Entities, or may receive information about the Funds and their Portfolio Entities at an earlier time, than other limited partners, and BTOA will have no duty to ensure all limited partners receive the same information regarding the Blackstone Tactical Opportunities Program, the Funds and Portfolio Entities. Therefore, certain limited partners may be able to take actions on the basis of such information which, in the absence of such information, other limited partners do not take. Furthermore, at certain times Blackstone may be restricted from disclosing to the limited partners material non-public information regarding any assets in which the Funds invest, particularly those investments in which an Other Blackstone Fund or Portfolio Entity that is publicly registered co-invests with the Funds. In addition, investment banks or other financial institutions, as well as Blackstone personnel, may also be limited partners. These institutions and personnel are a potential source of information and ideas that could benefit the Funds, and may receive information about the Funds and their Portfolio Entities in their capacity as a service provider or vendor to the Funds and their Portfolio Entities.

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

***Subscription Credit Facility.*** The Funds are expected to 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 Funds is within BTOA's 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 Funds, BTOA has adopted a policy relating to the use of fund-level credit facilities for the Funds. Generally and without limiting the foregoing, the Funds may seek to utilize a subscription credit facility in lieu of capital calls, for the purpose of, among other things, funding all new investments, Fund expenses (including Management Fees and servicing fees) and other Fund obligations, making distributions to partners, and providing permanent financing or refinancing or providing interim financing to consummate the purchase of investments of the Funds. The Funds will call capital from the Funds' limited partners at least annually (including for any investments outstanding at least six months) subject to the Organizational Documents and the unused amount remaining under the credit facilities. Capital calls will be utilized to repay the credit facility borrowings until capacity is available. In addition, as part of the policy, BTOA has adopted guidelines for the longer-term use (i.e., greater than one year) of the credit facilities. This longer-term fund-level financing will typically be used (a) for investments that have a longer lead time to generate cash flow or to acquire assets, (b) for investments that require capital to fund operations, including operating expenses prior to developing sufficient scale to self-fund or generate enterprise value and new initiatives or products, (c) for investments where cash is retained in the business to fund activity that results in incremental growth and/or returns for the investment, (d) to fund in local currencies, including to provide natural hedging for non-U.S. dollar investments or to make margin payments as necessary under currency hedging arrangements and (e) when BTOA otherwise determines that it is in the best interests of the Funds or otherwise appropriate under the circumstances. The amount of credit available to the Funds under a subscription credit facility is determined by the credit quality of the limited partners as determined by the lender. For this reason, limited partners with a higher credit quality, as determined by the lender, generate more credit for the Funds than limited partners with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality limited partners to the others. While BTOA expects to generally utilize credit facilities for the Funds in a consistent matter, the use of such credit facilities may differ based on available credit facility capacity and the contractual terms applicable to each Fund, among other factors.

Calculations of net and gross IRRs in respect of investment and performance data referred to in the Organizational Documents of a Fund, and as reported to limited partners from time to time, are based on the payment date of capital contributions received from limited partners. This treatment also applies 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 limited partners 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 limited partners to the Funds. If the use increases the IRR, as it normally does, BTOA will have various incentives to use the subscription credit facility, including marketing efforts of future funds and Other Blackstone Funds. For example, use of leverage arrangements may accelerate or increase distributions of carried interest to BTOA, providing an economic incentive to fund investments of the Funds through long-term borrowings in lieu of capital contributions. In addition, BTOA may receive a greater amount of Management Fees and servicing fees if following the investment period borrowings under the facility are utilized in lieu of a combination of limited partners' capital and non-recourse financing for investments of the Funds that remain outstanding. Moreover, the costs and expenses of any such borrowings will generally be allocated among the Funds and any parallel funds *pro rata* or on such other basis that the General Partners determine to be more equitable under the circumstances, which will increase the expenses borne by applicable limited partners and would be expected to diminish net cash on cash returns. In addition, for investments in U.S. corporations by U.S. tax exempt limited partners, there may be incremental tax costs related to so-called unrelated business taxable income (UBTI).

The Funds expect to utilize their subscription credit facilities and enter into other similar arrangements and extensions of credit for the benefit of co-investors, joint venture partners and Other Blackstone Funds, including Blackstone side-by-side arrangements, which invest alongside the Funds in one or more investments. For example, the Funds 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, BTOA generally intends to disclose such arrangements as part of the periodic reporting or other appropriate communications relating to the Funds and to cause any such co-investors, joint venture partners and Other Blackstone Funds to bear (or reimburse the Funds for) their *pro rata* share of any interest expenses (but not necessarily origination and other costs) allocable to such extensions of credit. BTOA may receive direct and indirect benefits from such uses as well, including as a result of the facilitation of co-investment by Other Blackstone Funds.

The Funds' use of credit facilities will be used and managed in the manner described above independently from any Other Blackstone Fund's use of credit facilities (and the contractual restrictions applicable to such Other Blackstone Funds and other credit facilities may be more or less favorable than those of the Funds), even when the same credit facility is being utilized and/or investments are shared between the Funds and an Other Blackstone Fund, which may result in different expenses related to borrowings and investment IRRs reported by multiple Blackstone funds for the same investment.

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

Similarly, the Funds and their Portfolio Entities may enter into arrangements with Other Blackstone Funds and their respective portfolio entities whereby insurance is procured as a group where the insurance provider may charge lower premiums to the group than it would on an individual 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 entities that are insured by such policies (or other factors that Blackstone may reasonably determine). Additionally, the Funds and Other Blackstone Funds (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 assets that are insured by such policies (or other factors that Blackstone may reasonably determine). (See also "—Service Providers, Vendors and Other Counterparties Generally" herein).

There can be no assurance that a different allocation or arrangement than those implemented by Blackstone as provided above would not result in the Funds and their 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 Funds, Other Blackstone Funds and their portfolio entities, affiliates (including BTOA) and related parties will from time to time give rise to additional conflicts of interest relating to the Funds and their investment activities. BTOA generally attempts to resolve conflicts in a fair and equitable manner, but conflicts will not necessarily be resolved in favor of the Funds' interests. In addition, pursuant to the Organizational Documents, an L.P. Advisory Committee will be established and authorized to give consent on behalf of the Funds with respect to certain

matters as described more fully in the Organizational Documents. BTOA may allow one or more limited partners or investors in the Funds to appoint a non-voting observer to the L.P. Advisory Committee, to attend meetings of the L.P. Advisory Committee and to receive information and materials provided to the members of the L.P. Advisory Committee (subject to certain limitations). If an L.P. Advisory Committee consents to a particular matter and BTOA acts in a manner consistent with, or pursuant to the standards and procedures approved by, such L.P. Advisory Committee, or otherwise as provided in the Organizational Documents, then BTOA and its affiliates will not have any liability to the applicable Fund or the limited partners for such actions taken in good faith by them.

In the case of an appointment of an Independent Client Representative as provided herein and in the Organizational Documents, to the extent that the Independent Client Representative is to review a proposed transaction or other conflict, 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 General Partners and Blackstone. The General Partners 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 a Fund to be determined by the General Partner. To the fullest extent permitted by applicable law, an Independent Client Representative shall not owe any fiduciary duty to a Fund, any limited partner or the limited partners 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 a Fund, any limited partner, or the limited partners as a group or any other duty to a Fund, any limited partner or the limited partners as a group other than a duty to act in good faith.

In addition, other present and future activities of Blackstone and its affiliates (including BTOA) will from time to time give rise to additional conflicts of interest relating to the Funds and their investment activities. In the event that any such conflict of interest arises, Blackstone will attempt to resolve such conflicts in a fair and equitable manner. With respect to certain transactions that give rise to material conflicts of interest between or among the Funds, Blackstone and/or its affiliates where the interests of the Funds are generally aligned, BTOA may in its discretion seek approval for such material conflict of interests on behalf of such Funds as a whole (a "Collective Consent"). Such Collective Consent will be effective upon the consent of a "majority in interest" of the investors participating or expected to participate in the applicable investment, determined based on the amounts invested or to be invested in such investment. In cases where different groups of investors have conflicting interests vis-à-vis each other, the Collective Consent of each group of investors sharing an alignment of interest, respectively, may be sought by BTOA and such Collective Consent will apply to all investors in

such group. For purposes of the foregoing, with respect to a Fund, the consent of the L.P. Advisory Committee (as such term is defined in the Organizational Documents) will be deemed to relate to the entire amount invested or to be invested in the related investment by such commingled investment fund. For the avoidance of doubt, any such L.P. Advisory Committee will be entitled to a right of indemnification from the applicable fund. Therefore, the limited partners should be aware that (i) conflicts will not necessarily be resolved in favor of the Funds' interests and (ii) limited partners will be deemed to have approved any conflict of interest that is approved by a "majority in interest" of the limited partners and the limited partners of the applicable other Funds as set forth above, even if a limited partner actually voted against the approval of such conflict of interest.

***Additional Potential Conflicts of Interest.*** The officers, directors, members, managers and personnel of BTOA 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 BTOA. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of BTOA may take into account certain considerations and other factors in connection with the management of the business and affairs of the Funds and their 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 Funds. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to the Funds and Other Blackstone Funds, BTOA could decline to undertake investment activity or transact with a counterparty on behalf of the Funds for reputational reasons, and this decision could result in the Funds foregoing a profit or suffering a loss.

### **Other Financial Industry Affiliations**

BTOA is an affiliate of the following entities:

<b>Broker-Dealer Entities</b>	
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, EFPs, 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
Refinitiv 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
<b>Investment Advisor Entities</b>	
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 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 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
<b>Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities</b>	

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
<b>Insurance Entities</b>	
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

BSPL is registered in Singapore and BGIP is registered in the United Kingdom. They provide certain advisory services to BTOA and certain of its affiliates in Singapore and the United Kingdom respectively.

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

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

## Item 11 – Code of Ethics

BTOA recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of investors come first; and (iii) it has a fiduciary duty to its investors to act in the best interests of the Funds. All BTOA 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 applicable law.

BTOA is governed by the Blackstone Code of Ethics (the “Code”). The Code governs a number of potential conflicts of interest which exist in connection with the Funds it manages. The Code is designed to ensure that BTOA meets its fiduciary obligation to BTOA’s investors (or prospective investors) and to instill a culture of compliance within BTOA. 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. BTOA 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 Funds; Allocation of Investment Opportunities” describing conflicts related to allocation of investment opportunities among investment funds sponsored by Blackstone and co-investors. BTOA has adopted policies and procedures to address such potential conflicts of interest.

BTOA 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 Christopher James; 212-583-5811; [jamesc@blackstone.com](mailto:jamesc@blackstone.com).



## **Item 12 – Brokerage Practices**

BTOA does not generally trade in public securities; however, in the event BTOA executes a brokerage transaction for the Funds (e.g. trades in public securities or enters into hedging transactions), BTOA 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

The Funds' accounts and investment positions are monitored by BTOA personnel on a regular and current basis. The BTOA Investment Committee meets as necessary to review general portfolio composition, investment opportunities, market conditions, potential conflicts, and recent trading activities. The BTOA Investment Committee consists of approximately 14 persons, which is comprised of executive officers of Blackstone, business heads of Blackstone's various investment businesses and selected senior managing directors. BTOA might periodically review on an expedited basis the assets of the Funds following a unique occurrence in the financial industry or market generally. The Investment Committees 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 Funds generally will receive written quarterly reports which will include capital balance and Fund performance statistics. Investors also will receive written annual audited financial statements for the Fund in which they are invested. BTOA makes use of a website, BX Access, available at [www.bxaccess.com](http://www.bxaccess.com) for the distribution of reports and other information to investors in the Funds.

Certain investors in the Funds may request additional information relating to the Funds and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, BTOA 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 Funds that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

## **Item 14 – Client Referrals and Other Compensation**

BTOA has distribution and/or placement agent arrangements with a number of unaffiliated third parties. In a typical distribution or placement agent arrangement, BTOA agrees to pay a third party solicitor for referring investors into a BTOA 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 a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be ultimately paid/borne by BTOA (through a corresponding reduction in the Management Fee by BTOA or otherwise), and none of the investors in the Funds will be subject to any increased or additional fees or charges. Third-party solicitors in the U.S. 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 Funds in the U.S. but is not compensated for such services.

## **Item 15 – Custody**

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

## **Item 16 – Investment Discretion**

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

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

### Proxy Policy

Rule 206(4)-6 under the Advisers Act (the “Proxy Rule”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because BTOA will generally be deemed to have authority to vote proxies relating to the companies in which its clients invest, BTOA has adopted a set of policies and procedures (together, the “Policy”) in compliance with the Proxy Rule. To the extent that BTOA exercises or is deemed to be exercising voting authority over its clients’ securities, the Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, “proxies”) is exercised in a manner that serves the best interest of the Funds, as determined by BTOA in its sole discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, BTOA may not always vote proxies in accordance with the Policy. In addition, many possible proxy matters are not covered in the Policy. Generally, BTOA will vote proxies in favor of management’s recommendations, 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 Inc. 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 BTOA or its affiliates, on the other hand. If BTOA determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BTOA will address matters involving such conflicts of interest on a case-by-case basis by consulting with the Chief Compliance Officer subject to legal, regulatory, contractual or other applicable considerations. The analysis will be documented. BTOA, 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 Proxy Rule by contacting Christopher James; 212-583-5811; jamesc@blackstone.com.

## **Item 18 – Financial Information**

BTOA does not charge fees more than six months in advance, has never been the subject of a bankruptcy petition at any time during the past ten years and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

### **Item 19 – Requirements for State Registered Advisers**

This item is not applicable as BTOA is not registered in any state.