

**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 March 31, 2022

Form ADV, Part 2A; the “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. The oral and written communications BTOA provides to you, including this Brochure, serve as information for you to use to evaluate BTOA and should be considered in your decision whether to invest in an investment vehicle advised by BTOA.

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 31, 2021, other than the addition of any additional Funds (as defined herein).

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 may either send you a copy or offer to send you a copy (either by electronic means (e-mail) or in hard copy form). If you would like another copy of this Brochure, please download it from the SEC's website as indicated on the cover of this Brochure, or you may contact us at (212) 583-5000.

### 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 .....	17
Item 7 – Types of Clients.....	19
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	20
Item 9 – Disciplinary Information .....	32
Item 10 – Other Financial Industry Activities and Affiliations .....	33
Item 11 – Code of Ethics .....	148
Item 12 – Brokerage Practices .....	150
Item 13 – Review of Accounts.....	151
Item 14 – Client Referrals and Other Compensation.....	152
Item 15 – Custody .....	153
Item 16 – Investment Discretion .....	154
Item 17 – Voting Client Securities (i.e., Proxy Voting) .....	155
Item 18 – Financial Information.....	156
Item 19 – Requirements for State Registered Advisers.....	157

## 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. (“Tac Opps I”), Blackstone Tactical Opportunities Fund II L.P. (“Tac Opps II”), Blackstone Tactical Opportunities Fund III L.P. (“Tac Opps III”), and Blackstone Tactical Opportunities Fund IV L.P. (“Tac Opps IV”), 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”), the funds and other vehicles within the Blackstone Tactical Opportunities Stable Income Program (“Stable Income”), Blackstone PTI Fund L.P. (together with its feeder funds and any other related vehicles, “PTI”) 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 and anticipated related vehicles, 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, PTI 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. 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. PTI seeks to invest in communications infrastructure, leasing sites to wireless carriers across high growth markets globally. 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 Blackstone Inc. (together with its affiliates, “Blackstone”), which is a publicly traded corporation listed on the New York Stock Exchange and which trades under the ticker symbol “BX”. Blackstone is a leading global alternative investment manager with investment vehicles focused on private equity, real estate, hedge fund solutions, credit, secondary funds, tactical opportunities, infrastructure, insurance solutions and life sciences.

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

BTOA’s regulatory assets under management (“RAUM”) were \$38,336,462,280 as of December 31, 2021.

### Description of Advisory Services

BTOA serves as investment adviser 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. BTOA may agree to waive Management Fees for a specified period of time following a Fund’s effective date with respect to investors in such Fund that have certain characteristics, such as if such investor participates prior to a specified closing of such Fund or makes a commitment to such Fund above a certain threshold or is a returning investor from a prior Fund and makes a commitment to such Fund above a certain threshold. 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) and the Partnership Agreement and Advisory Agreements (collectively, 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, officers, directors, personnel and/or other key advisors/relationships (including operating partners, executives, founders and entrepreneurs) of Blackstone, Portfolio Entities of the Funds and Other Blackstone Clients (as defined herein), including the BTAS Funds, BPE Funds and BIS Funds (each as defined herein) and any other existing or future Other Blackstone Clients, personnel of PJT Partners Inc. 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, trusts and other related persons or entities), and other persons related to Blackstone (“Blackstone Investors”) will not pay Management Fees or performance-based carried interest in connection with their investment in or alongside the Funds. For the avoidance of doubt, in the case of an affiliated Fund limited partner that is an Other Blackstone Client with its own underlying investors, such underlying investors are generally subject to carried interest and/or management fees in

connection with their investment in such Other Blackstone Client. Notwithstanding the foregoing, such investors will either directly pay for their pro rata share of certain Fund expenses, or the pro rata amount of such expenses will be allocated to BTOA or its affiliates. Such pro rata allocation of Fund expenses will, in certain circumstances, be calculated based on capital commitments, invested capital, available capital or other metrics as determined by BTOA in its sole discretion. Any such methodology (including the choice thereof) involves inherent conflicts and will, in certain circumstances, not result in perfect attribution and allocation of expenses. In addition, to the extent current and/or former partners, employees, advisors and other persons referred to above, including their charitable programs, endowment funds and related entities established by or associated with any of the foregoing (any trusts, family members, family investment vehicles, estate planning vehicles, descendants, trusts 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 Blackstone's sole discretion, be treated as satisfying the applicable portion of any required capital commitment of Blackstone and/or its affiliates to the Funds (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.

#### *Blackstone Strategic Relationships*

In addition, 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 (but is not required to) incorporate one or more strategies (including, but not limited to, a different sector and/or geographical focus within the same or a different Blackstone business unit) in addition to the Funds' strategies ("Strategic Relationships"). A Strategic Relationship often involves (but is not required to involve) 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 (and, for the avoidance of doubt, it is not expected that any further disclosure or reporting information will be shared with the limited partners about any Strategic Relationship). Specific examples of such additional rights and benefits have included and can be expected to include, among others, specialized reporting, discounts or reductions on and/or reimbursements or rebates of management fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone vehicles (including, without limitation, preferential or favorable allocation of co-investment, and preferential terms and conditions related to co-

investment or other participation in Blackstone vehicles (including any carried interest and/or Management Fees to be charged with respect thereto, as well as any additional discounts, reductions, reimbursements or rebates thereof or other penalties that would 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 can be expected to include co-investment in investments made by the Funds. To the extent any allocations are made pursuant to the Organizational Documents based on unused capital commitments, any such discount or reduction of Management Fees will cause the unused capital commitments of the applicable investor to fluctuate disproportionately as compared to the unused capital commitments of any other Fund investor without such Management Fee discount or reduction (and the same consequences will result from the different Management Fee terms amongst investors in the Funds as indicated in its Organizational Documents). Blackstone, including its personnel (including Blackstone Tactical Opportunities personnel), can be expected to 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 will therefore, in certain circumstances, result in fewer co-investment opportunities (or reduced allocations) being made available to limited partners. 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. (See “Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment” in Item 10 below.)

#### *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), BTOA and its affiliates from time to time receive a variety of other fees as part of the investment activities of the Funds, including from or with respect to Portfolio Entities of the Funds and other persons (including co-investors and joint venture partners). Such fees include, without limitation, 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; advisory services; investment



banking and capital markets services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement, brokerage solutions and risk management services; data extraction and management products and services; other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organization and financing, and divestment services); other servicing fees; healthcare consulting / brokerage fees; fees relating to group purchasing; financial advisory fees and similar fees for arranging acquisitions, other major financial restructurings and other similar operational and financial matters; operations fees; title insurance fees; fees associated with aviation management including origination fees, servicer fees (e.g., services relating to lease collections/disbursements, maintenance, insurance, lease marketing and sale of aircraft/parts), asset and property management fees (including, for example, services relating to the preparation of monthly cash flow models and industry research reports and sourcing, diligence and underwriting and other similar services provided pursuant to investment management arrangements) and aircraft disposition fees; data management and services fees or payments; aviation asset management fees; incentive fees and other similar fees; and annual retainers (whether in cash or in kind). Such fees, including in the form of management fees, incentive fees, incentive allocations, carried interest or other form of management promote or performance-based compensation and other incentive 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.

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 fees that result in an offset of the Management Fee only apply to the extent it is made as part of the Funds' investments in such Portfolio Entities, and without regard to the nature of the fees, there will be no offset for Management Fees with respect to any fees paid to Blackstone after a Fund has exited an investment. For example, a Portfolio Entity may retain or continue to retain the Blackstone Capital Markets Group (including with respect to fees for services described herein) or continue to work with Blackstone in connection with group purchasing arrangements when and after a Fund exited its investment therein. Conflicts of interest may arise when a Portfolio Entity enters into arrangements with Blackstone on or about the time a Fund exits an investment. 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 continue to serve as a director after

the Fund has exited (or is in the process of exiting) the applicable Portfolio Entities and/or following the termination of such employee's employment with Blackstone.

Certain of the Funds bear the cost of fund administration and accounting (including, without limitation, maintenance of the Funds' books and records, preparation of net asset value and other valuation support services, as applicable (e.g., valuation model and methodology review, review of third-party due diligence conclusions and sample testing), preparation of periodic investor reporting and calculation of performance metrics, central administration and depositary oversight (e.g., periodic and ongoing due diligence and coordination of investment reconciliation and asset verification); audit support (e.g., audit planning and review of annual financial statements); risk management support services (e.g., calculation and review of investment and leverage exposure), regulatory risk reporting, data collection and modeling and risk management matters, and tax support services (e.g., annual tax and VAT returns and FATCA and CRS compliance)), in-house attorneys to provide transactional legal and related tax advice, tax planning and other related services (including, without limitation, entity organization, structuring, due diligence, document drafting and negotiation, closing preparation, post-closing activities (such as compliance with contractual terms and providing advice for investment-level matters with respect to fiduciary and other obligations and issues), litigation or regulatory matters, reviewing and structuring exit opportunities) provided by Blackstone personnel and related parties (including, without limitation, Blackstone Europe Fund Management S.à r.l. ("BEFM")), including all services provided by BEFM to a Luxembourg parallel fund that would be considered costs of fund administration if provided by Blackstone to the Funds (notwithstanding the customary scope of such services by third-party service providers)), to the Funds and their Portfolio Entities, including the allocation of their compensation (including, without limitation, salary, bonus, and benefits), and related overhead otherwise payable by Blackstone, or pay for their services at market rates, and except in certain limited circumstances or with respect to certain Funds, such amounts will not offset Management Fees. In certain circumstances, the Funds may engage a third-party administrator (e.g., as required for a Luxembourg parallel fund) and, in such circumstances, there may be some overlap in the services performed by the third-party administrator and Blackstone personnel, and the Funds will generally bear all such costs. The services of in-house attorneys generally include, without limitation, services with respect to M&A, capital markets or financing transactions, tax structuring, supervision of external counsel and service providers, attending internal and external meetings (including investment committee meetings) and/or communicating with relevant internal and external parties. Fund investors should carefully consult the applicable Fund's offering documents and Organizational Documents to determine the fees, if any, that can be offset and the Management Fee offset percentage, if any, applicable to the Funds in which they are invested (See "Other Blackstone Business Activities" in Item 10 below). In addition, from time to time, BTOA can be expected to also engage and retain on behalf of its

Funds and/or their Portfolio Entities strategic advisors, consultants, senior advisors, operating advisors, industry experts, joint venture and other similar professionals who are not employees or affiliates of BTOA and who, from time to time, can be expected to receive payments from, or allocations with respect to, Portfolio Entities 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 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, for certain funds, compensation costs specifically allocated or attributed by BTOA or its affiliates with respect to in-house attorneys to provide transactional legal and related tax advice and/or services to the Funds and their Portfolio Entities on matters related to potential or actual investments.
- Regulatory filing fees and expenses 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), including amounts required to be paid to the managing general partner of any Funds domiciled in Luxembourg pursuant to local tax law requirements, the European Union Sustainable Finance Disclosure Regulation and any other applicable legislation or regulations related to the European Commission’s Action Plan on Financing Sustainable Growth (“SFDR”) or the Cayman Islands Private Funds Law.
- To the extent permitted by applicable law, expenses related to BTOA’s compliance-related matters such as diligencing placement agents, monitoring their activities for compliance with placement agent agreements and administering and monitoring compliance with side letters entered into with limited partners (including the process of

distributing and implementing applicable elections pursuant to any “most-favored-nations” clauses in side letters), and disclosure 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, SFDR disclosures and the Cayman Islands Private Funds Law) 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 (including in-house administration/accounting costs, expenses and/or charges, including overhead related thereto (see “Other Blackstone Business Activities” in Item 10 below)).
- Organizational expenses associated with operating the Funds, such as filing fees, legal costs and expenses (including expenses of preparing, reviewing and negotiating the partnership agreement, side letters, placement agent arrangements, documentation of third-party sponsored feeders, and other related organizational documents).
- 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) and the expenses of investment bankers.
- Costs, charges, expenses and fees for obtaining and maintaining technology (including, for certain funds, the costs of any professional service providers, subscriptions and related software/hardware, internal expenses, charges and/or related costs incurred, charged or specifically attributed or allocated (based on methodologies determined by Blackstone) by the Funds, BTOA or their affiliates in connection with such provision of technology services, including, without limitation, costs and expenses of technology service providers and related software/hardware (including service providers and related software/hardware that analyze operational improvements as a part of due diligence or otherwise utilized in connection with the Funds’ investments) and market data and research and subscriptions).
- Accounting fees.
- Sourcing fees.
- Taxes and tax-related interest and expenses related to the preparation and delivery of any entity-level taxes, penalties and governmental charges.
- Tax advisor fees, including all expenses in connection with any tax audit, examination or investigation.
- Audit fees.
- Banks and Brokerage commissions.
- Transaction fees.

- The cost of trading (including trading errors).
- Clearing Costs.
- Fees and expenses associated with borrowings, guarantees and other financing or derivative transactions (including interest, fees and related legal expenses).
- Expenses of loan servicers and 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/property management fees, including without limitation fees associated with affiliated aviation management companies including origination fees, servicer fees (e.g., services relating to lease collections/disbursements, maintenance, insurance, lease marketing and sale of aircraft/parts), asset management fees (e.g., services relating to the preparation of monthly cash flow models and industry research reports) and aircraft disposition fees.
- Expenses associated with the development, negotiation, acquisition, holding, monitoring and disposition of investments.
- Fees, costs and expenses related to the organization or maintenance of any entity (including intermediate entities or other vehicles) used to acquire, hold or dispose of any one or more investments or otherwise facilitating a Fund's investment activities, including without limitation any travel and accommodation expenses related to such entity, fees paid to any service providers of such entities (including BEFM, BX Fund Services Luxembourg and any other affiliates of Blackstone) and the salary and benefits of any personnel (including personnel of the General Partners or their affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity (including the salary and compensation of personnel of any Luxembourg, Irish or Cayman Islands entities formed in connection with the Funds' activities and the meetings of officers or directors of such entities or their general partners) and costs associated with the leasing of office space (including, without limitation, rent and refurbishment costs and office space in Luxembourg, Ireland or the Cayman Islands).
- Custodial, depositary, representative and paying agent and other third-party professional fees.
- Research-related expenses, including news and quotation equipment and services and data collection such as market data and research utilized in connection with the Funds' investment and operational activities, which may be allocated based on assets under management, usage rates, proportionate holdings, or a combination thereof, 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 investments structured with one or more “master” vehicles that are formed for co-investors (including Consultants) to participate in such investments through (including organizational and audit expenses).
- 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, Form 200s and other communications or notices relating to the Funds).
- Expenses of the L.P. Advisory Committees (as defined in the Organizational Documents) or board of directors, including director fees, as applicable or any independent client representative (including accommodation, meal, event entertainment and other similar expenses in connection with any meetings of the L.P. Advisory Committee and any legal counsel or other advisors of the L.P. Advisory Committee).
- 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.
- Travel, entertainment and related expenses in connection with the Funds’ organization, 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, social and entertainment events with portfolio entity management, customers, clients, borrowers, brokers and service providers)), including any expenses related to attending trade association and/or industry meetings, conferences or similar meetings. Travel and entertainment expenses in connection with a trip taken by employees of BTOA and/or a General Partner for purposes of multiple matters will generally be allocated to each such matter based on the time spent for each matter and then the resulting expenses will be allocated among the Funds, Other Blackstone Clients and/or BTOA as otherwise set forth herein.
- Expenses related to hedging arrangements and currency conversion and associated with the acquisition, settling, holding, monitoring, and disposition of investments (including without limitation, any brokerage, custody, hedging costs, or currency conversions).
- Insurance (including brokerage and placement thereof and 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 (including travel, accommodation and other related expenses) associated with investor admission/subscription and investor related services and other similar costs (including the cost of space to hold meetings with prospective investors related to capital raising and marketing).
- Arbitration expenses.
- Valuation costs.
- Expenses of third-party advisors (including senior advisors and operating advisors) and advisory committees of the Funds as well as of other goods and services provided by third parties and other third-party professionals.
- Expenses and fees (including compensation costs) charged or specifically attributed or allocated by BTOA or its affiliates for data management and data-related services (e.g., data analytics and statistical modeling) provided to the Portfolio Entities or the Funds (including in connection with prospective investments).
- Expenses related to insurance procurement, brokerage, solutions and risk management services.
- The costs of secondees, including personnel of Portfolio Entities, vendors, service providers (including law firms and accounting firms) and investors of the Funds and Other Blackstone Clients providing services to Blackstone and/or Portfolio Entities.
- Expenses related to certain personnel of Blackstone and its affiliates, including Consultants, seconded to Portfolio Entities, vendors, service providers and vendors or limited partners of the Funds and Other Blackstone Clients to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Funds or other parties (see “Secondments and Internships” in Item 10 below).
- The costs (including attorneys’ fees) with respect to transfers of interests in the Funds, and potential transfers, that are not borne by the parties thereto.

Additionally, as a result of a public health emergency like the COVID-19 pandemic, BTOA has determined in the past, and may in the future determine, in its discretion, that it is most effective and/or efficient to use private air and/or charter travel due to travel restrictions and/or health and safety considerations, including to and from locations where Blackstone personnel are currently living (even if different than where Blackstone has historically had offices). The cost of such private air or charter travel, which may be increased due to the pandemic, will be an expense of the Funds in accordance with Blackstone’s policies. BTOA also

may determine to use alternative methods, including the use of technology, when sourcing and conducting diligence on potential investments and monitoring existing investments.

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 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, related entities and/or other similar arrangements (including those in existence as of the date hereof and those that may be formed in the future, collectively, "Other Blackstone Clients"), on the other hand. Certain expenses may be suitable for only a particular Fund, feeder entity or participating Other Blackstone Client and borne only by such vehicle, or, as is more often the case, expenses may be allocated *pro rata* among each participating Other Blackstone Client and the Funds (or all such Funds in the case of expenses applicable to the Funds generally) even if the expenses relate only to particular vehicle(s) and/or investor(s) therein (including, for the avoidance of doubt, the expenses of any feeder entities and each of their respective alternative investment vehicles). Any entities established in connection with Blackstone's side-by-side co-investment rights and any Other Blackstone Clients that co-invest alongside the Funds in investments (which, for the avoidance of doubt, are not considered "parallel funds" or "parallel vehicles" of the Funds) will generally not be required to bear any portion of the organizational expenses or any other non-investment related partnership expenses (given that those other vehicles generally bear their own non-investment related expenses). BTOA intends to generally allocate partnership expenses, including partnership expenses of a Fund, any feeder entities and other parallel funds and alternative investment vehicles, and organizational expenses of such Fund, any feeder entities and the parallel funds between or among such Fund, any feeder entities, the parallel funds, and each of their respective alternative investment vehicles, as applicable, on a *pro rata* basis based on capital commitments, invested capital or available capital, as applicable, but may in certain circumstances allocate such expenses in a different manner if BTOA determines in good faith that doing so is more equitable or appropriate under the circumstances. This will result in such Fund bearing a portion of certain partnership expenses and/or organizational expenses attributable to feeder entities and/or another parallel fund that are not directly connected to such Fund and its activities, including expenses incurred in connection with either such Fund's or a feeder entity's or parallel fund's legal, tax and regulatory compliance with any U.S. or non-U.S. law or regulation (including, without limitation, reports, disclosures, registration and other filings and notifications prepared in accordance with the laws of any such jurisdiction (including, but not limited to, those expenses for AIFMD and SFDR)). Certain Funds, on an annual basis, bear a flat fee representing technology-related expenses, including fees, costs and expenses charged or specifically attributed or allocated to such Fund or its Portfolio Entities by the relevant General Partner with respect to technology-related products and



services provided to such Fund or its Portfolio Entities (including overhead related thereto). The Organizational Documents of certain Funds do not include as partnership expenses a flat fee for technology-related expenses or have differing methods of allocation of technology-related expenses, including by methods other than a flat fee (or a greater or lower flat fee). The technology expenses relevant to the Funds are allocated to the Funds in accordance with such Funds' Organizational Documents or may not be allocated to Funds that do not have a flat fee even if such Funds have a different method of allocation, in each case, as a General Partner determines is appropriate. There can be no assurance that the flat fee borne by a Fund is an accurate representation of, or is not greater than, the actual quantum of such expenses that would otherwise be allocable to such Fund, or that the Funds and/or Other Blackstone Clients participating in the same Portfolio Entities as such Fund will bear any such technology-related expenses in the same quantum or at all. In addition, while the aggregate amount of capital contributions to be made by the partners for partnership expenses will generally be allocated among the partners based upon each of their capital commitments or with respect to partnership expenses directly and solely attributable to an investment, their interests in such investment, BTOA may in certain circumstances allocate such expenses in a different manner if BTOA determines in good faith that doing so is more equitable or appropriate under the circumstances (for example, if a partnership expense is directly attributable to the status of a particular partner or group of partners). For example, certain expenses may be incurred by or on behalf of a Fund, feeder entities, parallel funds, other Funds and Other Blackstone Clients and will be allocated among such Fund and such feeder entities, parallel funds, other Funds and Other Blackstone Clients by BTOA in its good faith reasonable discretion, including, in the case of travel, based on estimated time spent with respect to the business of the Funds and Other Blackstone Clients. For the avoidance of doubt, any amounts required to be funded by investors participating in feeder entities (or withheld from their distributions by the General Partners) to satisfy their share of expenses of any such feeder entities will not reduce (or be deemed to reduce) limited partners' Unpaid Capital Commitments unless otherwise agreed by the General Partners in their sole discretion. With respect to broken deal expenses, the Funds and Blackstone's side-by-side co-investment vehicles (as applicable) will generally be required to bear their *pro rata* portion of broken deal expenses in accordance with the amount they were expected to invest in the unconsummated deal. Any such broken deal expenses could, in the sole discretion of BTOA, be allocated solely to the applicable Funds and not to Other Blackstone Clients or co-investment vehicles that could have made the relevant investment, even when the Other Blackstone Client or co-investment vehicle commonly invests alongside the Funds in its investments or Blackstone or Other Blackstone Clients 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 Client or a co-investment vehicle, BTOA or applicable Funds will, in certain circumstances, advance such fees

and expenses without charging interest until paid by the Other Blackstone Client or co-investment vehicle, as applicable. (See “Broken Deal Expenses” in Item 10 below.) Certain co-investment vehicles however, or certain potential co-investors who might have invested in a transaction had it been consummated will not be allocated any share of such break-up or topping fees or broken deal expenses, such as potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment are not executed until the time of the deal closing, unless the applicable General Partner determines otherwise in its discretion or as may be set forth in the relevant operative agreements. Further, any fees and expenses incurred in connection with the organization of a co-investment vehicle (including fees and expenses related to negotiating the governing documents of such co-investment vehicle as well as fees and expenses described above) that is expected to invest alongside the Funds in an investment are expected to be borne by the Funds to the extent such co-investment vehicle does not ultimately make such investment, whether or not such investment is consummated by the Funds. The General Partners will make such allocation judgments in its fair and reasonable discretion, notwithstanding its interest in the outcome, and may make corrective allocations should, based on periodic reviews, it determines that such corrections are necessary or advisable. There can be no assurance that a different manner of allocation would not result in the Funds or an Other Blackstone Client bearing less (or more) expenses. The Funds may incur fees, costs and/or expenses that will not always be directly related to a specific potential investment and may be more general in nature and focused on industry sectors. Such fees, costs and/or expenses are initially expected to be allocated to the Funds as partnership expenses, notwithstanding the fact that such fees, costs and/or expenses or related services could directly or indirectly inure to the benefit of Blackstone, its affiliates, their personnel or Other Blackstone Clients and their portfolio entities, in addition to or in lieu of the Funds. To the extent that such fees, costs and/or expenses are specific to a particular investment (such as due diligence), and such investment is ultimately consummated in whole or in part by one or more Other Blackstone Clients, BTOA expects to allocate a portion of such fees, costs and/or expenses attributable to such investment that would otherwise be borne by the Funds to the Other Blackstone Clients ultimately consummating such investment. Additionally, to the extent a potential investment is formally allocated to an Other Blackstone Client by a determination of the Allocation Committee (as defined below) or Investment Committee, as the case may be, instead of the Funds and such investment is not ultimately consummated, such Other Blackstone Client is expected to bear the portion of such fees, costs and/or expenses attributable to such potential investment (it being understood that to the extent no such formal allocation decision has been made, the Funds will bear the portion of the retainer attributable to such potential investment). (See “Broken Deal Expenses” in Item 10 herein.) The formal allocation decision is typically made shortly prior to committing to an investment and may result in substantial amounts of broken

deal expenses being borne by the Funds. 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, and there can be no assurance that BTOA will resolve such conflicts of interest in a manner that is favorable to the limited partners or the Funds.

## **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 with respect to any particular investment (as set forth in the applicable Fund's Organizational Documents). Such allocation of profits is only allocated to such General Partner when specific conditions are met, including, in the case of distributions of disposition proceeds, the return to each of the limited partners of an aggregate amount equal to all capital contributed to the 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 BTAS Funds, Blackstone Harrington Partners L.P., Blackstone Insurance Solutions, the BPE Funds 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 PTI), 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 review and monitoring process—from the initial identification of an investment opportunity, to the final investment decision, through to ultimate monetization—is a disciplined approach designed to screen out transactions with excessive risk, actively monitor investments and capitalize on opportunities to maximize valuation upon exit.

### **Sourcing**

The BTOA investment team proactively screens hundreds of potential investments annually. We anticipate that our team will directly originate investment opportunities arising out of the market. BTOA has extensive relationships with a broad range of market participants, companies, and other counterparties that BTOA expects to yield attractive investment opportunities.

### **Diligence**

The BTOA 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 initiatives. The hallmark of BTOA's approach to investment selection is to rigorously investigate an investment opportunity in order to quantify the potential investment's relative risks and rewards. The process is a thorough and disciplined approach to investment screening and selection that allows the BTOA investment team to allocate its resources only to opportunities with a significant chance of completion and the potential for attractive risk-adjusted returns.

### Review Committee

The BTOA investment team conducts initial due diligence, identifies the opportunity for return, highlights unique angles and sources of competitive advantages and presents the potential investment to the Review Committee. Only those investment opportunities that the senior members of the investment team feel merit closer evaluation are approved to proceed with more extensive due diligence. The Review Committee then provides feedback regarding valuation, key issues to be addressed in future due diligence, advice regarding transaction dynamics and a gating decision prior to the commitment of substantial resources and expense in the further evaluation of the opportunity. This high level of interaction between the Review Committee and investment team from the inception of a transaction to closing helps identify potential issues early on and enables the investment team to streamline resources and workflows more effectively.

If the investment is approved by the Review Committee, the investment team involved in the specific investment conduct an in-depth due diligence analysis, during which time any material findings and new developments are discussed at the weekly meetings. In analyzing potential investments following the Review Committee's approval, the investment team, including any advisors or technical consultants involved in the specific investment, will perform a robust quantitative and qualitative analysis based on, among other things, extensive financial, accounting, tax and legal due diligence as well as the experience and judgment of its investment professionals. This analysis may include technical diligence, diligence on market trends, macro-economic factors, competitors and business fundamentals, analysis of historic and estimated financial information—including books and revenue, cash flows, liquidity, debt capacity, evaluation of intellectual property, trademarks and legal rights—review of capital structure and potential contingent liabilities, review of legal contracts, appraisal of property, an evaluation of management and operating capabilities, and other relevant factors. BTOA also seeks to integrate environmental, social, and governance ("ESG") principles into its investment process and operating philosophy. It has adopted an ESG policy (the "ESG Policy"), which outlines its approach to integrating ESG in its business and investment activities. In addition, extensive analysis is focused on structuring a potential investment and the investment team



seeks to design investment formats and structures that are appropriate in light of an investment's perceived risks. Important issues of a technical nature or a detailed review of a particularly complex topic of business due diligence may be addressed in "Workshop" or "BlueSky" sessions with the Review Committee or Investment Committee well ahead of any final decisions on the deal. In addition, extensive analysis is focused on structuring a potential investment and the investment team seeks to design investment formats and structures that are appropriate in light of an investment's perceived risks. Our investment selection process is expected to allow the investment team to identify relevant value drivers, design an appropriate capital structure and evaluate a comprehensive economic return on investment.

### Investment Committee

The key findings of the investment team's due diligence, investment thesis, concerns, value-added business plan and corresponding detailed financial estimates and key sensitivities are compiled in a comprehensive memorandum that forms the basis for a discussion by the Investment Committee. The Investment Committee then makes the final decision regarding each investment, including the binding bid valuation, key terms, and tactics. The Investment Committee includes select members of Blackstone senior management as well as senior professionals from BTOA. This group assesses the quality of due diligence, business models, valuations and risks on both a deal-specific and comparative basis. The Investment Committee generally meets weekly but can convene on an ad-hoc basis to help ensure that our decision-making process is aligned to the increased pace demands of market dislocations.

The 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. The power to, among other things, grant approval for the Funds to acquire a particular investment, finance or refinance any new or existing investment or dispose of an existing investment may be delegated to a sub-committee of the BTOA Investment Committee and may be further delegated to particular investment professionals and/or other Blackstone professionals.

### 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 (some of which may not apply to a particular Fund):

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 withdrawal from the European Union and related volatility
9. Dependence on BTOA, BTOA's key personnel and portfolio entity management
10. Portfolio and geographic 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 regulation of the private investment fund industry and the financial services industry (including SEC proposals to impose new regulatory restrictions and obligations on private fund advisers)
27. Directives; CFTC registration requirements and maintenance of exemptions therefrom
28. Compliance with the AIFMD, Cayman Islands Private Fund Law and other international law
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. General tax considerations
34. Cyber security breaches, identity theft (including software code protection), denial of service attacks, ransomware attacks and social engineering attempts

35. Technological and scientific innovations
36. Investments in less established companies
37. Platform investments
38. Real estate investments
39. Debt investments
40. Unspecified investments
41. Risks arising from ERISA including potential control group liability
42. Litigation risk
43. Investments managed by third parties
44. Ability to implement a Fund's investment strategy
45. Sharing and use of "big data" and other information
46. Contingent liabilities incurred on dispositions or financings of investments
47. Limited availability of investment opportunities
48. Operating and financial risks of portfolio entities
49. Risks associated with distributions in-kind
50. Risk of fraud
51. Risk of distressed securities being subject to workouts, restructurings or bankruptcy
52. Risk of investing in publicly traded securities
53. Risk of default by limited partners
54. Inflation risk
55. Regional risk; interdependence of markets
56. Trade policy
57. Social and political unrest/terrorist activities/war
58. Natural disasters
59. Corruption risks
60. Privatization risks
61. Foreign investment controls
62. Foreign capital controls
63. Legal framework and corporate governance
64. Accounting, disclosure and regulatory standards
65. Investments in emerging markets and the Asia Pacific region
66. Potential collapse of the Euro
67. Chinese growth slowdown and economy
68. Bankruptcy
69. Convertible securities
70. Future investment techniques and instruments
71. Governmental action risks
72. Force majeure

73. Availability of insurance against certain catastrophic losses
74. Volatility of commodity prices
75. Catastrophe risks
76. Regulatory approvals
77. Adequacy of reserves; participation in follow-on investments
78. Failure to make payments
79. Risks in effecting operating improvements
80. Expedited transactions
81. Volatility of credit markets affecting ability to finance and consummate investments
82. Risks related to bridge financings
83. Leverage and subscription line of credit
84. Documentation and legal risks
85. Permits, approvals and licenses
86. Compliance with CFIUS and other foreign investment regimes
87. Uncertainty regarding the future utilization of LIBOR and other “IBOR” rates
88. Subscription credit facility
89. GDPR/Privacy
90. Growth investments
91. Investments in junior securities
92. Placement agents
93. Certain healthcare reform measures
94. Technical risk
95. Renewable energy policy risk
96. Sovereign risk
97. Dependence on patents, trademarks and other intellectual property
98. Charitable and political contributions
99. Intermediate entities
100. Access to information from portfolio entities
101. European Commission Action Plan on Financing Sustainable Growth/SFDR
102. Climate change and sustainability risks
103. Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments
104. Weather and climatological risks
105. Disruptions and innovations
106. Outsourcing
107. Participation arrangements for subsequent closers (and dilution)
108. Electronic delivery of certain documents
109. European market infrastructure regulation
110. MiFID II obligations; access to research

- 111. EU risk retention requirements
- 112. Base erosion, profit shifting and related measures
- 113. Anti-tax avoidance directives
- 114. U.S. tax reform
- 115. Hong Kong national security law
- 116. Investments in portfolio companies of Blackstone and Other Blackstone Clients
- 117. Russia/Ukraine Conflict

**Investors are advised to review the applicable Fund offering materials for a more extensive description of the applicable investment strategies and 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 as part of an overall investment strategy, and only 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.

Inflation and rapid fluctuations in inflation rates have recently had, and may continue to have, negative effects on the economies and financial markets (including securities markets) of various countries, including those with emerging economies. For example, if a Portfolio Entity is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected, including, without limitation, as a result of a significant increase to such Portfolio Entity's operating cost. Portfolio Entities may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. As inflation rises, a Portfolio Entity may earn more revenue but incur higher expenses. As inflation declines, a Portfolio Entity may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, certain countries have imposed wage and price controls at times and certain central banks have raised interest rates.

Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries

where such measures were employed, and similar governmental efforts could be taken in the future to curb inflation and could have similar effects. Certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on a Fund's returns.

***Epidemics/Pandemics.*** Certain countries have been susceptible to epidemics or pandemics, most recently a novel and highly contagious form of coronavirus ("COVID-19"). The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and thereby is expected to adversely affect the performance of the Funds' investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

***Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments.*** There is currently an ongoing outbreak of COVID-19, which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak has been evolving over the course of the pandemic, and at different points in time, many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, vaccine mandates (e.g., for certain public sector employees) and other restrictive measures designed to help slow the spread of COVID-19. Businesses have also implemented at different times and to different degrees similar precautionary measures. In addition, state, federal and non-U.S. laws and regulations have been implemented (and other laws and regulations are being considered) that place restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, certain jurisdictions have implemented debt payment relief packages or suspended the enforcement of residential and commercial evictions. Countries across Europe have also instituted similar protections, including residential and commercial protections for non-payment of rent, payment holidays and increased notice periods prior to evictions. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are having a material adverse impact on tenants, real estate lenders and commercial property owners, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact

on transportation, hospitality, tourism, entertainment, healthcare, consumer and other industries. Moreover, with the continued spread of COVID-19, governments and businesses have taken, and may continue to take, increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 has continued to spread and could, in the future, continue to spread, the potential impacts, including global, regional or other economic recessions or adverse market impacts, have already occurred, and the likelihood of ongoing or exacerbated impact is uncertain and difficult to assess.

Any public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their Portfolio Entities and could meaningfully adversely affect the Funds' ability to fulfill its investment objectives. See also "Epidemics/Pandemics" above.

The extent of the impact of any public health emergency on the Funds' and their Portfolio Entities' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, in addition to restrictions implemented to protect borrowers in the real estate and other industries, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints and chip shortages may not fully be reflected until future periods and may have an adverse impact on the Funds and their Portfolio Entities at a future point when COVID-19 may not be as prevalent in the public. For this reason, valuations in such environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' Portfolio Entities, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve their investment objectives, all of which could result in significant losses to the Funds. In particular, a public health emergency may have a greater impact on leveraged assets.

Any such disruptions may continue for an extended period of time. The full impacts of this pandemic on markets, business activity and the U.S. and global economy, as well as potential changes in economic and fiscal policies that may be adopted to address the current pandemic or the possibility of a similar future event, price shocks and related externalities, are not yet fully identified or understood, and the situation continues to evolve. In implementing a Fund's investment strategy, BTOA will make a number of assumptions, including as to the severity of the consequences of COVID-19 to the U.S. and global economies as well as prospective Portfolio Entities, and the likelihood of a similar future event and any possible impacts thereof. There can be no assurances that such assumptions will be correct, and unexpected events and developments, including the severity of this or any other pandemic on economies and specific Portfolio Entities, may be detrimental to the Funds and their investments. Additionally, restrictions on immigration and processing of visas and other work permits may affect the work force of the Funds' Portfolio Entities, some of which may rely on foreign talent as an important part of its work force and which could have a material adverse impact on their ability to implement their business plans. The impact to businesses in such circumstances has been and may continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, the Funds are expected to incur heightened legal expenses which could similarly have an adverse impact to the Funds' returns. For example, but not by limitation, the Funds or Portfolio Entities may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Funds and/or Portfolio Entities. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to the Funds or the Portfolio Entities in the form of economic harm, data loss or other negative outcomes.

While the U.S. Food and Drug Administration and other similar regulators globally have approved COVID-19 vaccines (some for emergency use only) and these vaccines are currently available to the general public in the United States and in some non-U.S. jurisdictions, due to limited supply, they are not yet widely available to the general public in many other jurisdictions. To date, a substantial proportion of the population has chosen to "wait and see" before getting vaccinated, which is believed to be prolonging the effects of COVID-19. In addition, the vaccines have been found to be less than 100% effective, which means a portion of the population that receives such vaccinations has not been protected against the disease. Furthermore, such vaccines have shown reduced efficacy against certain existing or emerging variants of COVID-19, and emerging variants may continue to be more transmissible or deadly than existing variants of COVID-19. Other jurisdictions are encountering similar issues with respect to COVID-19 vaccines. COVID-19 is likely to continue to affect the economy generally, and the pandemic and/or its economic impact may affect the Funds and the Funds' ability to



achieve its investment objectives to a degree that is not currently known, given the situation continues to evolve. In addition, multiple jurisdictions have adopted, or are considering to adopt, vaccine mandate legislation or regulations that require certain public sector employees and/or private sector employees to obtain vaccines (subject to certain exceptions, which vary per jurisdiction). Employee attrition and turnover resulting from such mandates could adversely affect, both directly and indirectly, the business operations of Portfolio Entities that operate within those jurisdictions (e.g., by requiring them to discontinue their employment of critical personnel who are not vaccinated).

In addition, the operations of the Funds, their Portfolio Entities, and BTOA may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings (including office attendance), forwarding of and otherwise delayed receipt of mail, and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly its key persons, or the personnel of any such entity's key service providers.

***Russian Invasion of Ukraine.*** On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Brochure, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which a Fund invests), and therefore could adversely affect the performance of a Fund's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to a Fund and the performance of its investments and operations, and the ability of a Fund to achieve its investment objectives. Similar risks will exist to the extent that any Portfolio Entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

***Regulatory Proposals with respect to Private Fund and their Advisers.*** In recent years, the SEC staff's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, terms agreed to in side letters and similar arrangements with investors, consistency of firms' practices with disclosures, handling of material non-public information and insider trading,

purported waivers or limitations of fiduciary duties and the existence of, and adherence to, policies and procedures with respect to conflicts of interest.

In early 2022, the SEC proposed various new rules and amendments to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds (including proposed amendments to Form PF). Among these proposals, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; prohibit certain types of clawback provisions; require reporting (including in reduced timeframes) by private funds to investors concerning performance, fees and expenses and to the SEC regarding certain transactions and other fund and portfolio events and information; require registered advisers to obtain an annual audit for private funds and also require such fund's auditor to notify the SEC upon the occurrence of certain material events; enhance requirements in connection with adviser-led secondary transactions, including requirements to obtain a fairness opinion and make certain disclosures; prohibit advisers from engaging in certain other practices, such as, without limitation, charging private fund clients fees for unperformed services or fees, expenses associated with an SEC examination and regulatory and compliance expenses of the adviser; and impose prohibitions on certain types of preferential treatment of investors in private funds via side letters or other arrangements with an adviser and new disclosure requirements for other types of preferential treatment.

The scope and timing of any final rules and amendments with respect to these proposals is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs and complexity and reduce the ability to receive certain expense reimbursements or indemnification in certain circumstances. This, in turn, would be expected to increase the need for broader insurance coverage by fund managers and increase the costs and expenses charged to the Funds and their limited partners. In addition, these amendments could increase the risk of exposure of the Funds, the General Partners and BTOA to additional regulatory scrutiny, litigation, censure and penalties for non-compliance or perceived non-compliance, which in turn would be expected to adversely (potentially materially) affect BTOA's and the Funds' reputation, and to negatively impact BTOA in conducting its business (thereby materially reducing returns to Limited Partners) by, for example, diverting time, attention and resources of BTOA and its personnel away from managing the Funds' investment activities and discouraging behavior that generates high returns for the Funds (e.g., by driving senior investment personnel to be more risk-averse in their decision-making with respect to the Funds). Further, as described above, as these amendments could impose limitations regarding preferential treatment of investors in private funds, the General Partners and their affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive limited partners of the previously negotiated benefits of such agreements.

## **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 website 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 Clients, the Portfolio Entities of the Funds and Other Blackstone Clients and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included below, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. 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.

BTOA will take such actions as may be required by the Organizational Documents of the applicable Funds to handle conflicts.

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 Clients, 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 an actual conflict of interest to an L.P. Advisory Committee (or other L.P. representatives) and/or the limited partners of the Funds 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, consulting with limited partners or an L.P. Advisory Committee (or L.P. representatives) of the Funds or Independent Client Representatives (if any) regarding the conflict of interest and either obtaining advice, waiver or consent as to the conflict from limited partners, an L.P. Advisory Committee (or L.P. representatives) or such Independent Client Representative or acting in a manner, or pursuant to standards or procedures, approved by limited partners, an L.P. Advisory Committee (or L.P. representatives) or such Independent Client Representative with respect to such conflict of interest; (vi) disclosing the conflict to the limited partners or an L.P. Advisory Committee (or L.P. representatives) (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications); (vii) validating the arms-length nature of the transaction by referencing participation by unaffiliated third parties; (viii) in the case of conflicts among clients, creating groups of personnel within Blackstone separated by information barriers (which can be expected to 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; (ix) implementing policies and procedures reasonably designed to mitigate the conflict of interest or (x) otherwise handling the conflict as determined appropriate by BTOA in its 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, and the Funds' investors may not be entitled to receive notice or disclosure of the actual occurrence of these conflicts or have any right to consent to them as they arise. Any specific consent to certain conflicts of interest described below in no way limits the generality of the foregoing, which is applicable to all conflicts of interest described, implied or alluded to herein.

For purposes of this section, (a) "BCEP Funds" shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Core Equity Advisors L.L.C.; (b) "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.; (c) "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.; (d) "BPP Funds" shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Property Advisors L.P.; (e) "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.; (f) "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.; (g) "BAAM Funds" shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Alternative Asset Management LP or any other Blackstone Alternative Asset Management ("BAAM") advisors including, but not limited to, Blackstone Strategic Capital Advisors L.L.C.; (h) "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.; (i) “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. or Blackstone ISG-I Advisors L.L.C.; (j) “Blackstone Credit Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Alternative Credit Advisors LP (formerly known as GSO Capital Partners LP) or Blackstone Structured Products Advisors LP or its affiliated advisory entities that operate as part of the credit-focused business of Blackstone; (k) “Strategic Partners” shall mean Strategic Partners Fund Solutions Advisors L.P.; (l) “BXLS” shall mean the Life Sciences private investment platform and its related vehicles/entities and successor funds managed by Blackstone Life Sciences Advisors L.L.C.; (m) “Clarus” shall mean Clarus Ventures, LLC and its related vehicles/entities and successor funds; (n) “BSOF” shall mean Blackstone Strategic Opportunities Fund and its related vehicles/entities and successor funds; (o) “BXMT Funds” shall mean accounts, clients, funds, vehicles or any other similar arrangements managed by BXMT Advisors L.L.C.; (p) “BSCH” shall mean Blackstone Strategic Capital Holdings and its related vehicles/entities and successor funds; (q) “Horizon” shall mean Blackstone Horizon Fund and its related vehicles/entities and successor funds; (r) “BXG” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Growth Advisors L.L.C; and “BPE Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Private Investments Advisors L.L.C. (“BPIA”).

***Performance-Based Compensation.*** A General Partner’s performance-based compensation 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 such General Partner receives a disproportionate share of profits (above the preferred return hurdle, where applicable under the Organizational Documents). 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 related guarantees 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 and in a manner motivated by the personal interests of Blackstone personnel. The General Partner clawback and performance-based compensation potentially creates other misalignments of interests between the General Partners and limited partners, such as an incentive for the General Partners to defer disposition of an investment that would result in a realized loss (or a return on investment that was less than the preferred return, where applicable under the Organizational Documents) and trigger the clawback, or delay the dissolution and liquidation of a Fund if doing so would trigger a clawback obligation. In addition, the Tax Reform Bill enacted in 2017 provides for a lower capital gains tax rate on performance-based compensation from

investments held for at least three years, which can be expected to 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 the limited partners from a Fund in certain circumstances and upon the liquidation of a Fund or as otherwise permitted by the Organizational Documents, 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 and therefore conflicts of interest may arise in making decisions on behalf of the relevant Fund (including the timing of the disposition of investments). In addition, the General Partners are incentivized to make certain determinations under the Organizational Documents in a manner that results in its receipt of a greater amount of, or earlier payment of, carried interest. For example, unlike disposition proceeds, distributions of current income will not take into account a return of capital from the respective investment or allocable fees or expenses thereto, which creates an incentive for such General Partner to determine that a recapitalization, refinancing or other similar transaction was not a "disposition" (in whole or in part) for purposes of the Organizational Documents (including for purposes of calculating such General Partner's carried interest). Additionally, regardless of whether a recapitalization, refinancing or other similar transaction is treated as a "disposition" (in whole or in part) for purposes of determining the General Partner's carried interest, such recapitalization, refinancing or other similar transaction are not expected to be treated as a "disposition" (in whole or in part) for purposes of calculating invested capital under the Organizational Documents.

**Management Fee.** The Management Fee is payable through the complete liquidation of a Fund. In instances where a Fund's Management Fee is calculated (in part) based on invested capital (which will, for the avoidance of doubt, include certain borrowings by the Fund, among other

items, as indicated in the Advisory Agreements) rather than capital commitments, there would be an incentive for BTOA to defer realization of investments, make more speculative investments than it otherwise would have made if Management Fees were based on capital commitments, seek to deploy the capital commitments (and borrowings and guarantees secured by capital commitments) in investments at an accelerated pace and/or hold investments longer, in each case, than it otherwise would have if Management Fees were based solely on capital commitments. BTOA may waive the Management Fee otherwise payable to it, in whole or in part (whether by a flat discount or a percentage discount, or otherwise), with respect to one or more investments, extend and/or otherwise amend the “fee holiday” described in the Advisory Agreement or reduce the rates on which Management Fees are charged to Fund limited partners under the Organizational Documents, in each case, in its sole discretion. For purposes of the Management Fee, the calculation of a limited partner’s “invested capital,” where applicable, will include any capitalized deal-specific expenses incurred in connection with unrealized investments. Potential investors in a Fund should note that acquisition costs for unrealized investments will include, and the Management Fee will accrue on, costs for investments that are capitalized into the related investment for U.S. GAAP purposes notwithstanding that such amounts are eligible to be treated as “partnership expenses” under the Organizational Documents rather than as capital contributions for the making of investments.

***Allocation of Personnel.*** BTOA will devote such time and attention 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 (including boards of directors) and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients and their Portfolio Entities, including other investment programs to be developed in the future. Certain members of the BTOA investment team are also members of the BXG, BPIA and Blackstone Insurance Solutions (“BIS”) investment teams and will continue to serve in those roles (which may be their primary responsibility) and as a result, not all of their business time will be devoted to BTOA. Certain non-investment professionals are not dedicated solely to BTOA and are permitted to work for Other Blackstone Clients, which is expected to detract from the time and attention such persons devote to BTOA. Even some key personnel of the relevant Funds who devote substantially all of their time to investment programs within the Blackstone Tactical Opportunities group do not devote their time and attention predominantly, or solely, to the Funds, as the Blackstone Tactical Opportunities group is one of various programs within Blackstone’s private equity business, which includes the Funds, BIS, BXLS, BCP, BXG and the BPE Funds, and such personnel will, in certain circumstances, also be shared with the BXG, BIP, BXLS, BCP and BPE Funds. 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 Clients. These and other factors create conflicts of interest in the allocation of time and attention by Blackstone personnel. A General Partner's determination of the amount of time and attention 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 will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to the Funds, Other Blackstone Clients and their respective Portfolio Entities, and their outside personal or business activities, including 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 would 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, venture capital funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interest. Such personal or other securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by other Blackstone clients, including the Funds, or otherwise relate to companies or issuers in which the Funds have or acquire a different principal investment (including, for example, with respect to seniority), which may give rise to conflicts of interest related to misaligned interests between the Fund and such persons, it being understood that where Blackstone personnel make investments in alternative investment funds and other investment vehicles with the intent to source investments for the Funds or Other Blackstone Clients, there is a greater likelihood that the Funds or such Other Blackstone Clients will invest in companies in which Blackstone personnel hold an indirect interest. There could be situations in which such alternative investment funds invest in the same portfolio companies as the Funds and there may be situations in which such alternative investment funds purchase securities from, or sell

securities to, the Funds. There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor 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 and may not receive notice should the Funds make investments in which such persons hold indirect interests.

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 can be expected to 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. These relationships have the potential to influence Blackstone, including the General Partners, in deciding whether to select, recommend or create such service providers to perform services for the Funds or a Portfolio Entity (the cost of which will generally be borne directly or indirectly by the Funds or such Portfolio Entity, as applicable) and to incentivize Blackstone to engage such service provider over another third party. The fees for services provided by such service providers may or may not be at the same rate charged by other third parties and a General Partner undertakes no obligations to select service providers who may have lower rates. A General Partner undertakes no minimum amount of benchmarking. To the extent a General Partner does engage in benchmarking, it cannot be assured that such benchmarking will be accurate, comparable, or relate specifically to the assets or services to which such rates or terms relate. Whether or not a General Partner has a relationship with, or receives financial or other benefit from recommending, a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. In most such circumstances, the Organizational Documents will not preclude the Funds from undertaking any of these activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies can be expected to 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), will, in certain circumstances, be seconded to one or more Portfolio Entities, service providers and vendors or limited partners of the Funds and Other Blackstone Clients to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Funds or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne 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) and limited partners of the Funds and Other Blackstone Clients will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to, Blackstone and Portfolio Entities of the Funds and Other Blackstone Clients. While often the Funds, Other Blackstone Clients and their Portfolio Entities are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the personnel, vendor or service provider or otherwise also provides services to the Funds and Other Blackstone Clients or Blackstone in the ordinary course. Blackstone, the Funds, Other Blackstone Clients or their 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 relevant Fund or Other Blackstone Client. If Blackstone pays salaries or covers expenses associated with such secondees and interns, it may seek reimbursement from the Funds for such amounts. Blackstone, the Funds, Other Blackstone Clients or their Portfolio Entities could receive benefits from these arrangements at no cost, or

alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements and if a Portfolio Entity pays the cost it will be borne directly or indirectly by a Fund. If Blackstone pays salaries or covers expenses associated with such secondees and interns, it may seek reimbursement from a Fund for such amounts. Blackstone, the Funds, Other Blackstone Clients or their Portfolio Entities could receive benefits from these arrangements at no cost, or alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements and if a Portfolio Entity of a Fund pays the costs or Blackstone seeks reimbursement from a Fund or its Portfolio Entity for such secondment costs, all or a portion of such costs would be borne directly or indirectly by the Fund. To the extent such fees, compensation or other expenses are borne by a Fund, including indirectly through its Portfolio Entities or reimbursement of Blackstone for such cost, the Management Fee will not be offset or reduced as a result of these arrangements 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, the Funds, Other Blackstone Clients, Portfolio Entities, each of their respective affiliates and related parties, and any costs of such personnel may be allocated accordingly. Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to Blackstone, the Funds, Other Blackstone Clients, Portfolio Entities and other parties based on time spent by the personnel or another methodology Blackstone deems appropriate in a particular circumstance.

***Other Benefits.*** BTOA, its affiliates and their personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Funds, the value of 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, its affiliates or its personnel or related parties receiving it, even though the cost of the underlying service is borne by the Funds as partnership expenses and/or by Portfolio Entities (see also “Service Providers, Vendors and Other Counterparties Generally” herein). Similarly, BTOA, its affiliates and their 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.

***Advisors, Consultants and Partners.*** BTOA, its affiliates and their respective personnel and related parties engage and retain strategic advisors, consultants, senior advisors, operating 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 its affiliates or Portfolio Entities of the Funds or Other Blackstone Clients (collectively, “Consultants”), to provide a

variety of services. Similarly, the Funds, Other Blackstone Clients and their Portfolio Entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by the Funds or a Portfolio Entity to Consultants in connection with the above services, including cash fees, profits, or equity interests in a Portfolio Entity, discretionary bonus awards, 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 partners' 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, including potentially after the termination of their engagement by or other status with Blackstone, 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 will, in certain circumstances, 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 advises Blackstone on transactions, 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 can be expected to 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 can be expected to make use of offices at Blackstone, receive administrative support from Blackstone personnel, participate in certain 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 arrangements typically reserved for Blackstone employees (e.g., the side-by-side investment program), 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, including Other Blackstone Clients, as described below. In particular, in some cases, Consultants, including those with a “Senior Advisor” or “Operating Advisor” title, will be engaged with the responsibility to source and recommend transactions to BTOA potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of BTOA under the Organizational Documents, the compensation to such Consultants may be borne fully by the Funds and/or Portfolio Entities (with no reduction or offset to Management Fees) and not BTOA. 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. Additionally, from time to time, Consultants provide services on behalf of both the Funds and Other Blackstone Clients, and any work performed by Consultants retained on behalf of the Funds may benefit such Other Blackstone Clients (and alternatively, work performed by Consultants on behalf of Other Blackstone Clients may benefit the Funds), and BTOA shall have no obligation to allocate any portion of the costs to be borne by the Funds in respect of such Consultant’s work on behalf of the Funds to such Other Blackstone Clients, except as described below.

In addition, the Funds will, in certain circumstances, enter into an arrangement from time to time 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 Clients, may have experience or capability in sourcing or managing investments, and may form a management team) to undertake a new business line or 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 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 new

business line 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.

In addition, the General Partner will, in certain circumstances, engage third parties as Consultants (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such Consultants may receive reimbursement of reasonable related expenses by Portfolio Entities or the Funds and may have the opportunity to invest in a portion of the equity available to the Funds for investment which may be taken by the General Partner and its affiliates. If such Consultants generate investment opportunities on the Funds' behalf, such Consultants may receive special additional fees or allocations comparable to those received by a third party in an arm's length transaction and such additional fees or allocations would be borne fully by the Funds and/or Portfolio Entities (with no reduction or offset to Management Fees) and not BTOA.

***Multiple Blackstone Business Lines.*** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Funds, Other Blackstone Clients, Portfolio Entities of the Funds and Other Blackstone Clients and third parties will, in certain circumstances, 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 Clients can be expected to enter into covenants that restrict or otherwise limit the ability of the Funds or their Portfolio Entities and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Blackstone or an Other Blackstone Client could have entered into a non-compete in connection with a sale or other transaction or agreed to other restrictions that could impact the Funds' ability to consummate investments. These types of restrictions may negatively impact the ability of a Fund to implement its investment program. (See also "Other Blackstone Clients; Allocation of Investment Opportunities" herein.) Finally, Blackstone personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other

reasons, including other business activities, 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 may have or transactions or investments that Blackstone 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. (See “Other Blackstone Clients; Allocation of Investment Opportunities” and “Portfolio Entity Relationships Generally” herein.) 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 Clients; Allocation of Investment Opportunities” herein.)

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

***Charitable and Political Contributions.*** To the extent permitted by applicable law, BTOA may, from time to time, require, cause or invite the Funds and/or a Portfolio Entity to make contributions to charitable initiatives, or other non-profit organizations that BTOA believes could, directly or indirectly, enhance the value of the Funds’ investments, assist in completing an acquisition of a Portfolio Entity or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Funds or their Portfolio Entities. Such contributions could be designed to benefit employees of a Portfolio Entity, the community in which a Portfolio Entity operates or a charitable cause essential to, or consistent with, the business purpose of a Portfolio Entity. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of Blackstone, portfolio entity management teams, advisors, operating partners, service providers, vendors, joint venture partners, and/or other persons or organizations associated with Blackstone, the Funds, Other Blackstone Clients or the Portfolio



Entities. These relationships could influence BTOA's decision whether to require, cause or invite the Funds or Portfolio Entities to make charitable contributions. Further, from time to time, such charitable contributions by the Funds or the Portfolio Entities could supplement or replace charitable contributions that Blackstone would have otherwise made. Also, in certain instances, BTOA may, from time to time, select a service provider or other counterparty to the Funds or their investments based, in part, on the charitable initiatives of such person where BTOA believes such charitable initiatives could, directly or indirectly, enhance the value of the Funds' investments or otherwise be beneficial to the Portfolio Entities.

A Portfolio Entity and/or, less commonly, the Funds on behalf of a Portfolio Entity may, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in U.S. or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. Portfolio Entities are not subject to relevant policies of BTOA and such activities may be undertaken by a Portfolio Entity without the knowledge or direction of BTOA. In other circumstances, there may be initiatives where such activities are coordinated by Blackstone for the benefit of one or more Portfolio Entities. In certain circumstances, interests of a Portfolio Entity may not align with or be adverse to the interests of other Portfolio Entities, the Funds, Other Blackstone Clients or the limited partners. While the costs of such activities will typically be borne by the Portfolio Entity (and indirectly the Funds) undertaking such activities, such activities could also directly or indirectly benefit other Portfolio Entities, Other Blackstone Clients or Blackstone.

Any such charitable contributions or political contributions made by the Funds or the Portfolio Entities, if material, could affect the Funds' performance in respect of the relevant investment and will not offset Management Fees payable by the Funds. There can be no assurance that any such activities will actually be beneficial to or enhance the value of the Funds or the Portfolio Entities, or that BTOA will be able to resolve any associated conflict of interest in favor of the Funds.

***Minority Investments in Asset Management Firms.*** Blackstone and Other Blackstone Clients, including BSCH and its related parties, regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, the Funds, Other Blackstone Clients and their respective Portfolio Entities, and which may from time to time engage in similar investment transactions, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and Portfolio Entities. Typically, the Blackstone related party with an interest in the asset management firm would be entitled to receive a share of carried interest/performance based incentive compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts

managed by that third party asset management firm that are included in the transaction or activities of the third party asset management firm, or a subset of such activities such as transactions with a Blackstone-related party. In addition, while such minority investments are generally structured so that Blackstone does not “control” such third party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. Although Blackstone, the Funds and Other Blackstone Clients, including BSCH, do not intend to control such third party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone, the Funds, and Other Blackstone Clients, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third party asset managers will not be deemed “affiliates” of Blackstone under the Organizational Documents for any other 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. The Funds may from time to time participate in such investments alongside Other Blackstone Clients, including BSCH. 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. Furthermore, it is expected that from time to time the Funds, their affiliates and their respective Portfolio Entities will engage in transactions with, and buy and sell investments from, any such third party asset managers and their sponsored funds, and make investments in vehicles sponsored by such third party asset managers, which may result in the Blackstone-related party earning carried interest/performance-based incentive compensation and/or fee income in respect of any such transactions. Such transactions and other commercial arrangements between the Funds and/or their Portfolio Entities, on the one hand, and such third party asset managers, on the other, are not subject to the consent of the limited partners. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and the Funds and their Portfolio Entities, on the other hand, will be at arm’s length or that Blackstone will not receive a benefit from such transactions, which can be expected to incentivize Blackstone to cause these transactions to occur. Such conflicts related to investments in and arrangements with other asset management firms will not necessarily be resolved in favor of the Funds. Investors will not be entitled to receive notice or

disclosure of the terms or occurrence of either the investments in alternative asset management firms or transactions therewith and will not receive any benefit from such transactions.

***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. Specified policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will reduce the synergies across Blackstone's various businesses that the Funds expects to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, including, but not limited to, private equity, a credit business, a secondary funds business, an infrastructure business, an insurance solutions business, a hedge fund business, a capital markets group, a life sciences business and a real estate advisory business, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses and to protect against the inappropriate sharing and/or use of information between the Funds and the other business units at Blackstone, Blackstone has implemented certain policies and procedures (e.g., Blackstone's information wall policy) regarding the sharing of information that may reduce the positive synergies that the Funds expect to utilize for purposes of identifying and managing attractive investments. For example, Blackstone will from time to time come into possession of material non-public information with respect to companies in which Other Blackstone Clients may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to a Fund, might become restricted to those other respective businesses and otherwise be unavailable to such Fund. There can be no assurance, however, that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of the Funds to effectively achieve their investment objective by unduly limiting the investment flexibility of the Funds and/or the flow of otherwise appropriate information between BTOA and other business units at Blackstone. Personnel of Blackstone may be unable, for example, to assist with the activities of a Fund as a result of these walls. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally. In addition, due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to arrange for the sale and liquidation of all or any portion of an investment that it otherwise might have sold.

In addition, to the extent that Blackstone is in possession of material non-public information or is otherwise restricted from trading in certain securities, the Funds and BTOA may also be deemed to be in possession of such information or otherwise restricted. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone fund has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of the Funds and/or their Portfolio Entities and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for the Funds, may require the Funds to share such opportunities or otherwise limit the amount of an opportunity the Funds can otherwise take.

**Data.** Blackstone receives, generates or obtains various kinds of data and information in connection with the Funds, Other Blackstone Clients, their Portfolio Entities, and, at their election, certain investors in the Funds and investors in Other Blackstone Clients, and service providers, including but not limited to data and information relating to or created in connection with business operations, financial results, trends, budgets, plans, suppliers, customers, employees, contractors, ESG, carbon emissions and other metrics, financial information, commercial and transactional information, customer and user data, employee data, supplier and cost data, and other related data and information, some of which is sometimes referred to as alternative data or “big data”. Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes or identify specific investment, trading or business opportunities, as a result of its access to (and rights regarding, including ownership and distribution rights over) this data and information from the Funds, Other Blackstone Clients, their Portfolio Entities and investors in the Funds and in Other Blackstone Clients. Blackstone has entered and will continue to enter into information sharing and use, measurement and other arrangements, which will give Blackstone access to (and rights regarding, including use, distribution and derived works rights over) data that it would not otherwise obtain in the ordinary course, with the Funds, Other Blackstone Clients, their Portfolio Entities, and, at their election, certain investors in the Funds and investors in Other Blackstone Clients, as well as with related parties and service providers. Although Blackstone believes that these activities improve Blackstone’s investment management and other business activities on behalf of the Funds and Other Blackstone Clients, information obtained from the Funds, their Portfolio Entities and, at their election, certain investors in the Funds and investors in Other Blackstone Clients also provides material benefits to Blackstone, Other Blackstone Clients or Portfolio Entities, typically without compensation or other benefit accruing to the Funds, their investors or Portfolio Entities of the Funds. For example, information from Portfolio Entities owned by the Funds can be expected to enable Blackstone to better understand a particular industry, enhance Blackstone’s ability to provide advice or direction to a company’s

management team on strategy or operations and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Clients that do not own an interest in the Portfolio Entity, typically without compensation or benefit to the Funds or their Portfolio Entities. Further, this alternative data is expected to be aggregated across the Funds, Other Blackstone Clients and their respective Portfolio Entities and, in connection therewith, Blackstone is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. Blackstone may also share data from a Portfolio Entity (on an anonymized basis) with a portfolio entity of an Other Blackstone Client, which may increase a competitive disadvantage for, and indirectly harm, such Portfolio Entity (although the opposite may be true as well, in which case a Portfolio Entity of a Fund may receive data from a portfolio company of an Other Blackstone Client). In addition, Blackstone may have an incentive to pursue an investment in a particular company based on the data and information expected to be received or generated in connection with such investment.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use or distribution, and regulatory limitations on the use of material non-public information, Blackstone is generally free to use and distribute data and information from the Funds' activities to assist in the pursuit of Blackstone's various other activities, including but not limited to trading activities or use for the benefit of Blackstone or an Other Blackstone Client. Any confidentiality obligations in the Organizational Documents do not limit Blackstone's ability to do so. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a Portfolio Entity in the same or related industry. Such trading or other business activities is expected to provide a material benefit to Blackstone without compensation or other benefit to the Funds or their investors.

The sharing and use of "big data" and other information presents potential conflicts of interest and the Fund investors acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not be subject to the Management Fee offset provisions or otherwise shared with the Funds or their investors. 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 Clients. (See also "Blackstone Affiliated Service Providers" and "Data Management Services" herein.)

**Data Management Services.** Blackstone or an affiliate of Blackstone formed in the future will provide data management services to Portfolio Entities and to certain investors in the Funds and in Other Blackstone Clients, and will provide such services directly to the Funds and Other Blackstone Clients and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Clients make investments, and Portfolio Entities

thereof) (collectively, “Data Holders”). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, distributing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to the limitations in the Organizational Documents and any other applicable contractual limitations, with the Funds, Other Blackstone Clients, Portfolio Entities, investors in the Funds and in Other Blackstone Clients, and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Clients make investments, and Portfolio Entities thereof). If Blackstone enters into data services arrangements with Portfolio Entities and receives compensation from such Portfolio Entities for such data services, Funds will indirectly bear their share of such compensation based on their pro rata ownership of such Portfolio Entities. Where Blackstone believes appropriate, data from one Data Holder may be aggregated or pooled with data from other Data Holders. Any revenues arising from such aggregated or pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by Blackstone in its sole discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation is also expected to include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)) will not be subject to the Management Fee offset provisions or otherwise shared with the Funds or Fund investors. Additionally, Blackstone is also expected to determine to share and distribute the products from such Data Management Services within Blackstone or its affiliates (including Other Blackstone Clients or their Portfolio Entities) at no charge and, in such cases, the Data Holders may not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone may create incentives for Blackstone to cause the Funds to invest in Portfolio Entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain on behalf of such Funds. (See also “Data” herein.)

***Buying and Selling Investments or Assets from Certain Related Parties.*** The Funds and their Portfolio Entities can be expected to purchase investments or assets, including seasoned investments and interests in Other Blackstone Clients, from or sell investments or assets, including seasoned investments and interests in Other Blackstone Clients (including their Portfolio Entities), to Fund limited partners, Portfolio Entities of other Funds or Other Blackstone Clients or their respective related parties, including parties which such Fund limited partners or Portfolio Entities, or Other Blackstone Clients, own or have invested in. In certain

circumstances, it can be expected that the proceeds received by a seller from the Funds in respect of an investment or asset will be distributed, in whole or in part, to a related party (i.e., a Fund limited partner, Other Blackstone Clients and/or portfolio companies thereof) of the Funds when such related party indirectly holds interests in such underlying investment or asset through the seller (including, for example, in such related party's capacity as an investor in such seller). In such circumstances, Fund limited partners, Other Blackstone Clients, Portfolio Entities of Other Blackstone Clients or their respective related parties, may also have limited governance rights in respect of such seller or such investment or asset. Blackstone will generally rely upon internal analysis to determine the ultimate value of the applicable investment or asset, though it could also obtain third-party valuation reports in respect thereof. Such purchases and sales could occur on a programmatic basis. In each such circumstance, it can be expected that the proceeds received by a seller from a Fund (or its Portfolio Entities) in respect of an investment or asset could be distributed, in whole or in part, to a related party (i.e., a limited partner or Portfolio Entity of a Fund or Other Blackstone Client, another Fund or an Other Blackstone Client when such related party indirectly holds interests in such underlying investment or asset through the seller (including, for example, in such related party's capacity as an investor in such seller)). In other circumstances where a Fund or a related party of a Fund (i.e., a limited partner or Portfolio Entity of a Fund or Other Blackstone Client, another Fund or an Other Blackstone Client) holds publicly traded securities in a Portfolio Entity and a Fund or such related party has entered into a privately negotiated transaction with such Portfolio Entity, a Fund or such related party can be expected to receive (directly or indirectly) proceeds from such related party or a Fund, as applicable, upon the consummation of such privately negotiated transaction. In each such circumstance, limited partners of the Funds or Other Blackstone Clients, Other Blackstone Clients, Portfolio Entities of other Funds or Other Blackstone Clients or their respective related parties may also have limited governance rights in respect of such seller or such investment or asset. Purchases and sales, directly or indirectly, of investments or assets of the Funds between the Funds or their Portfolio Entities, on the one hand, and limited partners and/or Portfolio Entities of other Funds or Other Blackstone Clients or their respective related parties, on the other hand, are not subject to the approval of any L.P. Advisory Committee, limited partner (or L.P. representative or Independent Client Representative (if any)), or any board of directors, as applicable, except as expressly required under the partnership agreement or unless otherwise required under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or other applicable laws or regulations. A Fund may originate or initially acquire an investment (or portfolio of related investments) in circumstances where it expects that certain portions or tranches thereof (which may be of different levels of seniority or credit quality) will be syndicated to one or more Other Blackstone Clients or when such Other Blackstone Clients provide equity or debt financing to the Funds or third party purchasers in connection with the disposition of such assets as described above (in

which case Blackstone will have conflicting duties in determining the tranching thereof). Blackstone will have conflicting duties to the Fund and Other Blackstone Clients when the Fund (or their Portfolio Entities) buys or sells assets from or to Other Blackstone Clients (and, potentially, when the Fund buys, sells or redeems interests in Other Blackstone Clients) or when such Other Blackstone Clients provide equity or debt financing to a Fund or third party purchasers in connection with the disposition of such assets, including as a result of different financial incentives Blackstone may have with respect to such Fund and such Other Blackstone Clients. In addition, certain financings between a Fund and Blackstone affiliates may involve structuring that in form is a transaction between such Fund and an affiliate, but will not be treated as the sale of an investment from a Blackstone affiliate to a Fund, or from a Fund to a Blackstone affiliate, for purposes of the Organizational Documents, as determined by a General Partner in good faith. For example, where the Funds, in anticipation of a take private transaction, purchase publicly traded securities of an issuer in which an Other Blackstone Client holds a *de minimis* interest, such take private transaction, if structured as a merger between the issuer and one or more subsidiaries of the Funds would generally not be treated as the sale of an investment in such issuer from such Other Blackstone Clients to the Funds for purposes of the Funds' Organizational Documents, including in a situation where holders of the securities of the issuer automatically receive each consideration in exchange for their interest when the merger becomes effective. There can be no assurance that any assets sold by the Funds or their Portfolio Entities to an Other Blackstone Client or Portfolio Entities thereof will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third-party rather than to an Other Blackstone Client or a Portfolio Entity thereof. Further, a Portfolio Entity may sell its data to limited partners, Portfolio Entities of other Funds or Other Blackstone Clients or their respective related parties (see also "Data" and "Data Management Services" herein). These transactions involve conflicts of interest, as Blackstone may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction, including different financial incentives Blackstone may have with respect to the parties to the transaction. For example, there can be no assurance that any investment or asset sold by the Funds to a limited partner, Portfolio Entity of Other Blackstone Clients or any of their respective related parties will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to a limited partner, Portfolio Entity of Other Blackstone Clients or any of their respective related parties. In addition, the Funds may "rent" a license of an Other Blackstone Client or a portfolio entity of an Other Blackstone Client or Comparable Fund, which may involve the Funds transferring investments or assets to such licensor, for a fee. Blackstone will not be required to solicit third-party bids or obtain a third-party valuation prior to causing the Funds or any of their Portfolio Entities to purchase or sell any asset or investment from or to a limited partner, Portfolio Entity of Other Blackstone Clients or any of their respective related parties as



provided above (or to purchase, sell or redeem any interests in an Other Blackstone Client). These conflicts relating to buying or selling investments or assets to or from certain related parties will not necessarily be resolved in favor of the Funds, and investors therein may not be entitled to receive notice or disclosure of the occurrence of these conflicts. In the event Blackstone does solicit third-party bids in a sale process of any such assets, the participation of an Other Blackstone Client through the financing of a third party purchase, could potentially have a negative impact on the overall process. For example, a bidder that is not or has otherwise chosen not to work with an Other Blackstone Client for such financing, may perceive the process as favoring parties that are doing so. While Blackstone will seek to develop sale procedures that mitigate conflicts for the Funds, there can be no assurance that any bidding process will not be negatively impacted by the presence of any Other Blackstone Clients or that any such conflicts will be resolved in a manner that is favorable to the Funds.

***Blackstone's Relationship with Pátria.*** Blackstone owns a non-controlling equity interest in Pátria Investments 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). On January 26, 2021, Pátria completed its initial public offering ("IPO"), pursuant to which Blackstone sold a portion of its interest and no longer has representatives or the right to designate representatives on Pátria's board of directors. As a result of Pátria's pre-IPO reorganization transactions (which included Blackstone's sale of 10% of Pátria's pre-IPO shares to Pátria's controlling shareholder) and the consummation of the IPO, Blackstone is deemed to no longer have significant influence over Pátria due to its decreased ownership and lack of board representation. Blackstone does not control the day-to-day management of Pátria or the investment decisions of Pátria's funds, all of which reside with the local Brazilian partners of Pátria.

***Other Blackstone Clients; Allocation of Investment Opportunities.*** Blackstone invests its own capital and third-party capital throughout the world, including on behalf of its other investment funds, investment vehicles, permanent capital vehicles, accounts (including certain BIS managed accounts and certain portfolio entities of the Funds) and related entities (including Other Blackstone Clients), which includes a number of existing Other Blackstone Clients that have an investment strategy or objective that is adjacent to or overlaps with those of the Funds. 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 Clients although the investment objectives of such Other Blackstone Clients 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, and allocations of relevant investment opportunities may be made to such Other Blackstone Clients

on a priority basis. Moreover, Blackstone may establish Other Blackstone Clients or other vehicles that would otherwise be a Fund but for the fact that the vehicles will not target multiple investments and/or are publicly-offered (*e.g.*, a special purpose acquisition vehicle), and this is the case even though the initial target company may make additional add-on acquisitions. Such Other Blackstone Clients 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).

It is expected that some activities of Blackstone (including BXi, as defined below), the Other Blackstone Clients 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 would otherwise be appropriate for the Funds, and as a result such investment opportunities may only be available on a limited basis, or not at all, to the Funds. Blackstone or its personnel may also from time to time make and hold investments of various types with or in lieu of Other Blackstone Clients. Although such investments would be limited or restricted by the Organizational Documents or the agreements for Other Blackstone Clients, to the extent Blackstone or its personnel do make or hold such investments, many of the conflicts of interest associated with the activities of Other Blackstone Clients also apply to such investment activities of Blackstone or its personnel. BTOA has conflicting loyalties in determining whether an investment opportunity should be allocated to the Funds, Blackstone or an Other Blackstone Client, and these conflicts may not necessarily be resolved in favor of the Funds. The fact that BXG, BIS and BPIA sit inside of the Blackstone Tactical Opportunities group furthers this conflict given the overlap in senior leadership. Blackstone has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

In circumstances in which any Other Blackstone Clients 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 (including follow-on investments) between or among one or more of the Funds and/or such Other Blackstone Clients on a fair and reasonable basis in good faith according to guidelines and factors determined by it. However, the application of those guidelines and factors may result in the Funds not participating, or not participating to the same extent, in investment opportunities (including follow-on investments) in which they would have otherwise participated, or participated to a greater extent had the related allocations been determined without regard to such guidelines. Among the factors that BTOA considers in making investment allocations among the Funds and Other Blackstone Clients are the following: (x) any applicable investment strategies, investment mandates, objectives, focus, parameters, guidelines, investor

preferences, limitations, guidelines and other contractual provisions, obligations and terms relating to the Funds and such Other Blackstone Clients and the duration of their respective investment periods and holding periods, (y) available capital of the Funds and such Other Blackstone Clients, (z) legal, tax, regulatory, accounting and other considerations deemed relevant by BTOA, including, without limitation, (i) primary and permitted investment strategies, guidelines, liquidity positions and requirements, mandates, focus and objectives of the Funds and the Other Blackstone Clients, including, without limitation, with respect to Other Blackstone Clients that expect to invest in or alongside other funds or across asset classes based on expected return (such as BTAS Funds, BREP Funds, BPP Funds, BREDS Funds, BIP Funds, Blackstone Credit Funds, Strategic Partners, BIS Funds, BAAM Funds (including BSOF, a fund which also participates in investments alongside other sponsors and/or funds), Blackstone Horizon Fund L.P. and its related vehicles and successor funds (the “Horizon Funds”), BCEP Funds, BCP Funds, BSCH, BXLS, Legacy Clarus Funds, BXMT Funds, BXG, BPE funds, one or more vehicles for retail investors (including multi-strategy vehicles) and certain managed accounts or other investment vehicles (whether now in existence or which may be established in the future) with similar investment strategies and objectives), (ii) sourcing of the investment (including by a particular Blackstone business unit) 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, remaining investment periods, 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 and concentration concerns (including, but not limited to, whether a particular fund already has its desired exposure to the investment, sector, industry, geographic region or markets in question), (xi) relation to existing investments in a fund, if applicable (e.g., “follow on” to existing investment, joint venture or other partner to existing investment, or same security as existing investment), (xii) avoiding allocation that could result in de minimis or odd lot investments, (xiii) co-investment arrangements, (xiv) anticipated tax treatment of the investment (xv) timing expected to be necessary to execute an investment and (xvi) 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 Clients or Portfolio Entities of Other Blackstone Clients, or Blackstone. The allocation of investments to Other Blackstone Clients, including as described above, may result in fewer investment opportunities for the Funds and fewer co-investment opportunities (or reduced allocations) being made available to the limited partners.

Investment opportunities that BTOA makes a good faith determination are not expected to yield the Funds' targeted return profile or are otherwise inappropriate for a Fund given considerations described in Organizational Documents or as otherwise determined by BTOA, will generally not be allocated to a Fund.

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, "energy" investments, "preferred" investments, risk and return characteristics for defining "core" or "core+" investments and "infrastructure", 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 will, in certain circumstances, prove inaccurate and such determinations require it to make subjective judgment regarding application of the guidelines and arrangements described herein. 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 will, in certain circumstances, fail to achieve or exceed them. Any such judgments and application involves inherent conflicts and risks that assumptions regarding investment opportunities may not ultimately prove correct. As such, there can be no assurance that the subjective judgments made by Blackstone will prove correct in hindsight. Furthermore, in certain circumstances where a Fund is participating alongside one or more Other Blackstone Clients in an investment opportunity, BTOA is expected to be required to make initial investment allocation decisions at the time of the signing of the related purchase agreement (or equivalent) and/or funding of the deposit in respect thereof. BTOA could change the applicable investment allocations as between a Fund and such Other Blackstone Clients between such signing and/or funding of the deposit and the closing of such investment opportunity as it determines appropriate based on factors BTOA deems relevant in its sole discretion. In such circumstances, the Fund's and such Other Blackstone Clients' respective obligations related to any deposit and transaction costs (including broken deal fees and expenses) would be expected to change accordingly, provided that any such adjustments,

particularly in respect of funded deposits, are expected to occur at the time of the closing of the investment and interest or other additional amounts will not be due or payable in respect of any such adjustments. In addition, BTOA could determine at any point prior to the closing of an investment opportunity that any such investment opportunity that was initially allocated to a Fund based on information available to BTOA at the time the allocation decision is made should subsequently be reallocated in whole or in part to one or more Other Blackstone Clients (and vice versa) based on subsequent information received by BTOA in respect of such investment opportunity. In such circumstance, BTOA could determine to reallocate all or any portion of any such investment opportunity from a Fund to such Other Blackstone Client (or vice versa) (such fund from which an investment opportunity is being reallocated, a “Reallocating Fund”), including in circumstances where such Reallocating Fund has entered into an exclusivity arrangement or other binding agreement with one or more third parties (any such reallocated investment opportunity, a “Reallocated Investment”). In such cases, if the non-Reallocating Fund agrees to pursue the investment, Blackstone will determine, in its sole discretion, whether and to what extent the non-Reallocating Fund will reimburse the Reallocating Fund for any deferred acquisition costs (including non-refundable or refundable deposits, breakage fees, due diligence costs and other fees and expenses) incurred by the Reallocating Fund relating to such Reallocated Investment, and any such reimbursement would be made without the consent of the L.P. Advisory Committee (or L.P. representatives), the limited partners, or otherwise, as applicable.

To the extent the Funds jointly hold securities with any other Fund or Other Blackstone Client that has a different expected duration or liquidity terms, conflicts of interest will arise between the Funds and such Other Blackstone Client with respect to the timing and manner of disposition of opportunities. For example, Blackstone Multi-Strategy Vehicles (as defined and described below) that invest alongside the Funds are expected to have terms that will differ significantly from some or all of the Funds and therefore are expected to result in such conflicts of interest. 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 Client. If the Other Blackstone Client 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 Clients, which may adversely impact the Funds. (See also “Other Blackstone Clients; Allocation of Investment Opportunities” herein.) Even if the Funds and such Other Blackstone Clients 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 Clients and vehicles may not be the same. Additionally, the Funds and/or such Other Blackstone Clients and/or

vehicles will generally have different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, the Funds and/or such Other Blackstone Clients may dispose of any such shared investment (or choose whether to invest in related investments (such as follow-on investments)) at different times and on different terms. In addition, investments alongside Other Blackstone Clients in public securities may also result in conflicts of interest that do not apply to other joint investments. Following an IPO or subsequent public offering of a Portfolio Entity in which the Funds and any Other Blackstone Client hold an investment or otherwise if at any time the Funds and an Other Blackstone Client both hold public securities in the same Portfolio Entity, the Funds and such Other Blackstone Client are generally permitted to exit such public securities at different times and on different terms through sales on the public markets. Blackstone may reach different conclusions for each such vehicle on the decision of whether, when and at what price to sell such securities based on the different expiration dates and/or investment objectives of the Funds and such Other Blackstone Clients or for other reasons, and this may result in Other Blackstone Clients exiting earlier or at a higher price than the Funds (or vice versa). It is also possible that a Fund and one or more Other Blackstone Clients will buy certain investments or assets at or about the same time that certain Other Blackstone Clients are selling the same or related investments or assets. Such circumstances can be expected to arise from time to time for a number of reasons and may depend on various factors including the respective amounts of available capital, expiration dates, investment objectives and/or return profiles of the Funds and/or Other Blackstone Clients. The General Partners of the applicable Fund(s) will not be required to provide notice or disclosure of the terms or occurrence of any such transactions to investors or to obtain any consent or approval from the applicable investors, any Independent Client Representative or any L.P. Advisory Committee, and there can be no assurance that conflicts of interest arising out of such transactions will be resolved in favor of the applicable Fund(s).

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 Clients 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 Institutional Client Solutions, Operations 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. All or a portion of certain investments may be allocated to Blackstone

and Other Blackstone Clients, and Other Blackstone Clients 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 Clients 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 can be expected to 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 Clients, their respective Portfolio Entities or Blackstone. In addition, BTOA will, in certain circumstances, 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 insufficient capital to pursue the investment, the Funds have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by BTOA in its 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 Clients or Portfolio Entities or limited partners of the Funds or Other Blackstone Clients, 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 Clients, Blackstone, including its personnel (including BTOA personnel), can be expected to receive compensation from the Other Blackstone Clients, including BSOF and BPE Funds, whether or not in respect of a particular investment, including an allocation of carried interest, referral fees or revenue share, and any such compensation could be greater than amounts paid by the Funds to BTOA. As a result, BTOA (including BTOA personnel who receive such compensation) could be incentivized to allocate investment opportunities away from the Funds to or source investment opportunities for Other Blackstone Clients, which could result in fewer opportunities (or reduced allocations) being made available to the Funds or to the investors in the Funds as co-investment. In addition, in some cases, Blackstone can be expected to earn greater fees when Other Blackstone Clients participate alongside or instead of the Funds in an investment. For example, BSOF, a multi-strategy hedge fund focused on sourcing, diligencing, and executing special situation investments, pursues investments across asset classes and geographies, operating under a flexible, opportunistic mandate which is expected to overlap with the

investment objective of the Funds and the Blackstone Tactical Opportunities Program. Blackstone, including the Blackstone Tactical Opportunities Program and its personnel, is expected to receive compensation, including an allocation of carried interest and/or referral fees, as a result of certain investment allocation-related arrangements with BSOF and certain Other Blackstone Clients, and any such compensation could be greater than amounts paid by the Funds to BTOA and may result in investments that fit within the primary investment mandate of the Funds being wholly or partially allocated to one or more Other Blackstone Clients, including BSOF. Certain Other Blackstone Clients may contractually or legally limit the investment opportunities available to the Fund. For example, certain Other Blackstone Clients 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, the limited partners will be deemed to have acknowledged that Other Blackstone Clients, including, without limitation, the BCP Funds, the BCP Funds, the BREP Funds, the BPP Funds, the BREDS Funds, the BTAS Funds, the Blackstone Real Estate Income Trust, Blackstone Infrastructure Partners, Blackstone Insurance Solutions, BPE Funds and various investment vehicles sponsored or managed by Blackstone Credit, BAAM, Strategic Partners, BXLS, BXG, 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 and 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 Clients 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 Blackstone 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 Clients. Such Other Blackstone Clients will from time to time (i) make or receive priority allocations of certain investments that are appropriate for a Fund and (ii) participate in investments alongside a Fund, provided that any such allocation may be subsequently adjusted at Blackstone's discretion. Any such Other Blackstone Clients may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than 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, will, in certain



circumstances, receive compensation from any such party that makes the investment, including an allocation of carried interest or referral fees or revenue share, 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 Clients participate alongside or instead of the Funds in an investment.

Blackstone has launched an infrastructure investment program, which consists of Blackstone Infrastructure Partners L.P. and potentially 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 (such funds, vehicles and accounts, including any successors thereto, collectively, “BIP”). 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 certain Blackstone Credit Funds (“Credit Energy Funds”), which focus 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 Credit Energy Funds, such as energy and natural resources-related debt and/or equity investments, may be allocated in whole or in part to the Credit Energy Funds, 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 Clients may be allocated in whole or in part to such Other Blackstone Clients. For example, it can be expected

that investments in companies with substantial real estate holdings may be allocated to Blackstone's real estate funds. Additionally, it can be expected that growth equity investments will be allocated to BXG. 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 Credit Energy Funds, the Harvest Funds, the Blackstone Energy Partners funds or any other existing or future Other Blackstone Clients.

BXG operates inside the Blackstone Tactical Opportunities business unit and will share personnel (including Investment Committee members, Review Committee members and investment team members) and resources with BTOA. BTOA has a history of investing in growth companies and will continue to invest in such companies, however the launch of BXG may result in BTOA participating to a lesser degree or not at all in such investments that are allocated to BXG. BTOA has conflicting loyalties in determining whether an investment opportunity should be allocated to the Funds, BXG, Blackstone or an Other Blackstone Client, and these conflicts may not necessarily be resolved in favor of the Funds. The fact that BXG sits inside of the Blackstone Tactical Opportunities group furthers this conflict given the overlap in senior leadership.

Furthermore, BXLS was initiated with Blackstone's acquisition in November 2018 of Clarus, which sponsors and manages funds, vehicles and accounts ("Legacy Clarus Funds"). The active Legacy Clarus Funds invest opportunistically in the life sciences, health care and pharmaceutical industry 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 ("Defined Exit Investments"). Blackstone has also established new investment funds under the BXLS platform (the "BXLS Funds") whose investment objective is largely consistent with that of Legacy Clarus 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 Clients 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 (or any similar future Blackstone investment program) may, in addition to their investments through one or more Funds, nonetheless participate in investments alongside the Funds and certain Other Blackstone Clients 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 (or any similar future Blackstone investment program) receiving a share of a substantial portion of investments by the Funds. The overlapping objectives of the BTAS Funds (or any similar future Blackstone investment program) 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. (See also “Liability Arising From Transactions Entered into Alongside Blackstone and/or Other Blackstone Clients” herein).

Blackstone intends to establish one or more additional investment vehicles (including one or more vehicles for retail investors) and accounts which, like the BTAS Funds, invest in multiple investment strategies engaged in by Blackstone (“Blackstone Multi-Strategy Vehicles”), and the foregoing generally apply to the activities of Blackstone Multi-Strategy Vehicles as well. For example, Blackstone intends to establish the BPE Funds, which are expected to invest in or alongside investment funds, vehicles or accounts managed by Blackstone affiliates (including one or more Funds) and third parties and in other appropriate investment opportunities selected by BPIA, the investment adviser to the BPE Funds. The BPE Funds will seek to provide access to and leverage the talent and investment capabilities of Blackstone’s private equity platform to create a portfolio of diversified, alternative investments. The key strategies of such platform include buyouts, income-oriented investments, secondaries and growth equity. Blackstone expects to establish other multi-strategy vehicles in the future.

Blackstone Multi-Strategy Vehicles that include Blackstone Tactical Opportunities within their investment objectives are expected to invest generally alongside Blackstone Tactical Opportunities Program and other included Blackstone strategies when the Blackstone Tactical Opportunities Program and/or the other included Blackstone strategies determine there is additional capacity available in such investments, taking into account the factors outlined above and those specified in “Co-Investment Opportunities” with respect to considerations regarding the allocation of co-investment opportunities. Additionally, such Blackstone Multi-Strategy Vehicles are expected to invest alongside the Blackstone Tactical Opportunities Program and other included Blackstone strategies in a programmatic or otherwise formulaic manner (e.g., based on the relative available capital of such Blackstone Multi-Strategy Vehicles and Blackstone Tactical Opportunities Program), including through participation in Blackstone’s side-by-side program, and any such methodology will be subject to adjustment on both a case-by-case and general basis from time to time (and no Blackstone Multi-Strategy Vehicle shall be deemed a Comparable Fund (as defined in the relevant Organizational Documents), and any amounts allocated from time to time thereto will not in any way be included in limitations on funds raised for Blackstone Tactical Opportunities Program at any given time). For certain open-ended Blackstone Multi-Strategy Vehicles, such a vehicle’s “investment period,” for purposes of applying any such allocation methodology that is based on each participating vehicle’s

“available capital” (where a vehicle’s “available capital” is determined based in part on the remaining duration of the vehicle’s “investment period”), will be determined by Blackstone in good faith taking into account such factors that it deems relevant and appropriate under the circumstances, including but not limited to the relevant vehicle’s inception date, the date of the relevant investment, the vehicle’s pace of deployment, and the expected time horizon of the investment, which determination may result in a Fund participating in a particular investment to a greater or lesser extent than such Blackstone Multi-Strategy Vehicles. It is generally expected that such vehicle’s “available capital” for purposes of applying this allocation methodology will only include “available capital” of the vehicle (including, potentially, capital expected to be contributed to the vehicle in the future) that is expected to be invested in the particular strategy for which such methodology is being used, as determined by Blackstone in its discretion. In determining what a vehicle’s “investment period” and “available capital” are for purposes of applying this allocation methodology, Blackstone will need to make subjective judgments and projections that may not ultimately prove correct in hindsight. These determinations involve inherent conflicts of interest, and there can be no assurance that any such conflicts will be resolved in a manner that is favorable to the Funds.

Blackstone Multi-Strategy Vehicles (such as the BPE Funds) with investment objectives that could overlap with those of the Funds (to varying degrees) may also be allocated certain investment opportunities (in whole or in part) in lieu of Blackstone Tactical Opportunities Program on a case-by-case basis. See above with respect to certain factors BTOA may consider with respect to any allocation determinations, and “Co-Investment Opportunities” below with respect to considerations regarding the allocation of co-investment opportunities. Such vehicles may also be allocated co-investment opportunities alongside Blackstone Tactical Opportunities Program (in a programmatic or formulaic manner, and/or on a case-by-case basis). Any such Blackstone Multi-Strategy Vehicles may grow significantly in size over time, and such vehicles may be allocated a substantial portion of any such investment opportunities (and in some cases, a majority thereof). Therefore, it is expected that to the extent such Blackstone Multi-Strategy Vehicles are formed and are actively pursuing investment objectives that overlap with those of the Funds, the Funds will receive a lower allocation (and potentially, in some cases, no allocation) of investment opportunities that fit within their investment mandates than otherwise would be the case.

Such Multi-Strategy Vehicles (or Other Blackstone Clients) may be regulated under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”) or foreign equivalent (each, a “Regulated Fund”) and may be subject to their respective exemptive orders from the SEC or equivalent from other foreign regulators (as may be amended or superseded, the “Exemptive Orders”). Such Exemptive Orders, if required, have not yet been obtained and may include restrictions and limitations that are not currently foreseen and extend beyond those described

below. As a result, it is generally expected that the Funds investing alongside the Regulated Funds will be subject to the legal, tax, regulatory, accounting, contractual and other similar considerations, including without limitation those related to the 1940 Act (including any Exemptive Orders). The Regulated Funds may receive an Exemptive Order permitting the Regulated Funds to co-invest with certain other persons, including certain affiliates of Blackstone, and certain funds managed and controlled by Blackstone, including the Funds, Other Blackstone Clients, and their affiliates, subject to certain terms and conditions. In order to permit the Funds to co-invest alongside a Regulated Fund, the investment adviser of such Regulated Fund must serve as an investment adviser to the Funds (which may be as a co-adviser or sub-adviser). For so long as any privately negotiated investment opportunity falls within certain established investment criteria of one or more Regulated Funds, such investment opportunity shall also be offered to such Regulated Fund(s). In the event that the Funds co-invest alongside a Regulated Fund, BTOA and the investment adviser to the Regulated Funds will determine a targeted amount of available capital for investment alongside the Funds, in accordance with the allocation considerations described herein. In the event that the aggregate targeted investment sizes of the Funds, such Other Blackstone Clients and such Regulated Fund(s) that are allocated an investment opportunity exceed the amount of such investment opportunity, allocation of such investment opportunity to each of the Funds, such Other Blackstone Clients and any applicable Regulated Fund(s) will typically be reduced proportionately based on their respective “available capital” as defined in the applicable Exemptive Order, if any, which may result in an allocation to the Funds in an amount less than what it would otherwise have been if such Regulated Fund(s) did not participate in such investment opportunity. The Exemptive Order may also restrict the ability of the Funds and Other Blackstone Clients to invest in any privately negotiated investment opportunity alongside a Regulated Fund except at the same time and on the same terms, as described in the respective Exemptive Order, if any. As a result, the Funds may be unable to make investments in different parts of the capital structure of the same issuer in which a Regulated Fund has invested or seeks to invest, and Regulated Funds may be unable to make investments in different parts of the capital structure of the same issuer in which the Funds has invested or seeks to invest. The foregoing restrictions may significantly limit the investment opportunities available to the Funds, particularly with respect to Regulated Funds that include Blackstone Tactical Opportunities within their investment objective and invest alongside the Funds programmatically. The rules promulgated by the SEC under the 1940 Act, as well as any related guidance from the SEC and/or the terms of any Exemptive Order itself, are subject to change, and the investment adviser of the Regulated Fund(s) could undertake to amend the Exemptive Order (subject to SEC approval), obtain additional exemptive relief, or otherwise be subject to other requirements in respect of co-investments involving the Funds, any Other Blackstone Client and any Regulated Funds, any of which may impact the amount of any allocation made

available to Regulated Funds and thereby affect (and potentially decrease) the allocation made to the Funds.

Due to the potential requirements applicable to Regulated Funds under an Exemptive Order, in the event that a Regulated Fund participates in an investment alongside the Funds, the structuring options available for such investment may be more limited than if a Regulated Fund were not participating in such investment, and such structuring may result in increased costs to the Funds that would not otherwise have resulted had a Regulated Fund not participated. The Funds may therefore incur materially higher expenses on an ongoing basis than would otherwise be the case, particularly with respect to Regulated Funds that include Blackstone Tactical Opportunities within their investment objective and invest alongside the Funds. In addition, the Funds may structure investments in which a Regulated Fund participates differently than if a Regulated Fund were not participating, or make or refrain from making certain investments in consideration of the participation by a Regulated Fund, which can in each case give rise to conflicts of interest.

Furthermore, certain Funds will be operated as part of the Blackstone Tactical Opportunities Program, which is comprised of a number of existing Comparable Funds that will generally participate in investments alongside each other. 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 a commingled Fund and having terms as determined by BTOA in its sole discretion and such Comparable Funds may invest alongside this commingled Fund. Comparable Funds have and in the future may be established for investors that are affiliates of Blackstone, including Other Blackstone Clients (such as the BTAS Funds, Blackstone Harrington Partners L.P., Blackstone Insurance Solutions, the BPE Funds and Strategic Partners funds). Blackstone has and in the future expects to establish one or more investment vehicles (including managed accounts or other similar arrangements) that have similar investment objectives as the Funds or may invest generally alongside the Blackstone Tactical Opportunities Program and/or other Blackstone strategies in a programmatic or otherwise formulaic manner (e.g., based on the relative available capital of such investment vehicle and the Blackstone Tactical Opportunities Program), each of which are not themselves Comparable Funds, and the overlap of such vehicles' investment objectives, participation in investments alongside the Comparable Funds and/or existence of advisory or sub-advisory arrangements with the Comparable Funds is not determinative regarding whether such vehicles are "Comparable Funds" for purposes of the relevant Organizational Documents. Such other investment vehicle and any Blackstone Multi-Strategy Vehicle will not be deemed a "Comparable Fund" for such purposes, notwithstanding

such overlapping objectives or programmatic/formulaic allocations, or any advisory or sub-advisory arrangements. 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 a 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 take into account the remaining duration of each account’s investment period. Under this allocation methodology, generally 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 generally calculated by dividing the account’s available capital by a fraction, the numerator of which is the number of days left in the account’s investment period and the denominator of which is the length of the account’s original investment period (*i.e.*, without accounting for any extensions thereof). For purposes of the foregoing determinations, the available capital of a particular Fund may be aggregated with the available capital of one or more other Funds consisting of the same pool of investors, even if each such Fund does not participate in every potential investment. Such determinations and BTOA’s allocation policies generally are subject to change in its sole discretion. 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 (including, for the avoidance of doubt, each follow-on investment), or may be allocated portions of investment opportunities in a manner other than as described above, as a result of legal, tax, regulatory or other considerations, including agreements with the limited partners in such Funds, which will from time to time result in an increase or decrease in the other Funds’ allocable share of such investment (or follow-on investment, notwithstanding the initial or existing ownership proportions thereof). For example, BTOA may agree to allocate a specific portion of certain investment opportunities (e.g. opportunities within a specific geographic area or asset class) to one or more particular Funds (or Other Blackstone Clients). BTOA can also vary the pro rata share of any particular investment and allocations relating thereto to take into account the investment policies and excuse or exclusion provisions applicable to any limited partners or investors in Funds (or Other Blackstone Clients). 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 or Other Blackstone Clients (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. In addition, BTOA will determine in good faith whether any investment opportunity is a follow-on investment, and certain opportunities related to a Fund's existing investments may be deemed to be new investment opportunities, in which case such opportunities will be allocated accordingly, and therefore the Funds may not participate in all investment opportunities related to their existing investments.

BTOA and its affiliates have agreed, and may agree in the future, to address certain legal, tax, regulatory or other considerations applicable to certain limited partners or investors in certain Funds (or Other Blackstone Clients) that will impact the allocation of investment opportunities amongst the Funds and otherwise impact the time and terms of investment and divestment determinations with respect to the Funds in investment opportunities. For example, BTOA and its affiliates have agreed with an investor in a Fund to seek for such Fund to qualify as a "venture capital operating company" within the meaning of United States Department of Labor regulations and BTOA has developed policies and procedures (which are subject to change from time to time) to ensure compliance with such requirements. Compliance with such arrangements may result in greater investment-related expenses (which may be borne in part by one Fund, even if the expenses relate to compliance with such arrangements with investors in other Comparable Funds) than would otherwise be the case. As a result, such Fund may invest in and divest from certain investment opportunities alongside other relevant Funds at different times or on different terms (including different financing terms and/or by way of a syndication from the Funds, but which would not in such case be deemed a syndication of a co-investment opportunity by the Funds for purposes of the Organizational Documents), and may not participate in a substantial portion of investment opportunities alongside the Funds, and therefore the 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 expects to negotiate or assign certain management rights with respect to a Portfolio Entity (including the right to appoint a board member or observer seat) to such Fund, as opposed to the Funds and Other Blackstone Clients as a whole. Certain investment vehicles, managed accounts or similar arrangements may have attributes of a "Comparable Fund" (e.g., because their investment strategy overlaps with that of the Funds) but the General Partner may nonetheless determine not to designate such vehicle a Comparable Fund for purposes of the Organizational Documents.



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 and/or sector focus/limitations, veto rights with respect to investments, diversification parameters and any governance rights, reporting rights or information rights afforded to limited partners 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. For example, one or more Funds may have investment objectives that are more narrowly focused (e.g., focusing on one asset class, sector and/or one geographic region) than the investment objectives of other Funds. Such different terms will from time to time create potential conflicts of interest 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 Clients) 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 will, in certain circumstances, 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 Clients in connection with such investments. Additionally, Other Blackstone Clients and former Blackstone employees and professionals (and their relatives and related endowment funds) will be permitted (or have the preferred right) to participate in Blackstone's side-by-side co-investment rights (and may be allocated a substantial portion of Blackstone's side-by-side co-investment rights (and in some cases, a majority)). In particular, the BTAS Funds and BPE Funds, which invest in, or alongside, multiple Blackstone funds, will participate in investments alongside the Funds pursuant to

Blackstone's side-by-side co-investment rights. Blackstone Multi-Strategy Vehicles are also permitted to participate in Blackstone's side-by-side co-investment rights. In both such cases (as well as other instances in which Other Blackstone Clients participate in Blackstone's side-by-side co-investment rights), Blackstone would be eligible to receive fees and, to the extent applicable to such vehicles, carried interest from the investors in such vehicles (as determined in Blackstone's sole discretion). Additionally, the BTAS Funds and BPE Funds will participate in investments alongside the Funds or funds outside of Blackstone's side-by-side program. The Funds can be expected to lend an amount to Blackstone 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 Clients. Such variation may create an incentive for Blackstone to allocate a greater percentage of an investment opportunity to the Funds or such Other Blackstone Clients, 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 Blackstone (including BXi), Other Blackstone Clients and other Funds (whether now in existence or subsequently established) and that any successor fund of such Fund 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. Additionally, such related portfolio entities may be managed together (including, for example, the use of the same third-party manager(s) or service provider(s)) or otherwise operated as part of the same "platform", combined and/or otherwise sold together as a part of a single transaction or series of related transactions. Such arrangements may result in a Fund's interests in any such investments being subject to dilution and may give rise to other significant risks and conflicts of interest and there can be no assurance that such Fund will not be adversely affected by such arrangements. For example, a Fund, any such platform entities, Portfolio Entities and other vehicles or entities in which one or more affiliates of Blackstone hold an interest (including, but not limited to other Funds, Other Blackstone Clients and their affiliates) may engage in activities that compete with those of such Fund and the other Comparable Funds and otherwise make investments of a type that would be suitable for the same. Such activities may result in allocations of investment opportunities to any such "platform" entities, permanent capital vehicles, accounts or other entities controlled by or in which an affiliate of Blackstone holds an interest and consequently may result in a Fund

and/or other Comparable Funds not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated. Similarly, subject to the express limits (if any) in the Organizational Documents, a Fund may from time to time invest in Portfolio Entities in which Other Blackstone Clients (including portfolio entities of such Fund's predecessors and/or the other Comparable Funds) and/or Blackstone have pre-existing investments. For example, Blackstone, through Blackstone Innovations (BXi), frequently makes minority investments in early-stage companies, and a Fund may later also invest in one or more such companies. Additionally, portfolio entities of a Fund's predecessors and/or the other Comparable Funds and/or Blackstone may raise additional capital in the future at a time when those funds do not have sufficient reserves to take their pro rata share of such capital raise, and in such instances such Fund may take any amount that those funds are unable to participate in. Given the potential benefits to BXi, a Fund's predecessors and/or the other Comparable Funds, and/or Blackstone and/or such Other Blackstone Clients (including, for example, higher valuations on its investment, the potential receipt of proceeds from a Fund's investment or, if the company is distressed, the potential for additional financial support), BTOA and/or its affiliates may be incentivized to cause the applicable Fund to invest in such companies and there can be no assurances that the related conflicts of interest (including as it relates to the valuation at which such Fund invests) will be resolved in a manner favorable to the Funds. In instances where a Fund invests at a significantly higher (or lower) valuation than BXi, such Fund's predecessors and/or the other Comparable Funds, and/or Blackstone and/or such Other Blackstone Clients, such Fund and such other vehicle(s) will potentially have conflicting interests in the event the value of the company declines (or increases) following the time of such Fund's investment (see "Liability Arising From Transactions Entered into Alongside Blackstone and/or Other Blackstone Clients" herein for additional information). Additionally, the Funds, BXi and such Other Blackstone Clients will generally have different investment periods or expiration dates and/or investment objectives (including return profiles), which differences may be heightened as a result of their investments being made at different times and valuations from the Funds, and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities. As such, the Funds and/or such other parties may dispose of any such shared investment at different times and on different terms. Except as expressly provided in the Organizational Documents, consent of an L.P. Advisory Committee or the limited partners of the Funds is not required in connection with such investments in which Blackstone or Other Blackstone Clients has a pre-existing interest.

Blackstone has also entered into certain investment management arrangements whereby it provides investment management services (including sourcing, diligence and underwriting and other similar services) for compensation (which, for example, may be in the form of a management fee, incentive fee, incentive allocation, carried interest or other form of management promote) to insurance companies including (i) Everlake Life Insurance Company

and certain of its affiliates (“Everlake”) and (ii) the insurance companies comprising American International Group Inc.’s life and retirement business (“AIG L&R”). In connection with providing such services, insurance companies or their affiliates or subsidiaries will likely invest from time to time in the Funds and/or Other Blackstone Clients. As of the date of this Brochure, Everlake is a portfolio entity of Other Blackstone Clients and invests across a variety of asset classes (including investments that may otherwise be appropriate for the Funds), and Blackstone has acquired a 9.9% equity interest in the parent company of AIG L&R. As a result, in addition to the compensation Blackstone receives for providing investment management services to insurance companies in which Blackstone or an Other Blackstone Client owns an interest, in certain instances, Blackstone receives additional compensation in its capacity as an indirect owner of such insurance companies and/or Other Blackstone Clients. In the future, Blackstone will likely enter into similar arrangements with other portfolio entities of the Funds, Other Blackstone Clients or other insurance companies and other types of companies. 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. The Funds and the limited partners therein will not share in any of the compensation provided to Blackstone in connection with such investment management arrangements, including from Portfolio Entities of the Funds.

***Holding Entities and Tracking Interests.*** BTOA may determine that for legal, tax, regulatory, accounting, administrative or other reasons the Funds should hold an investment (or a portion of a portfolio or pool of assets) through a single holding entity through which one or more Other Blackstone Clients (including a similar fund) hold different investments (or a different portion of such portfolio or pool of assets, including where such portfolio or pool has been divided and allocated among the Funds and such Other Blackstone Clients as described in “Allocation of Portfolios”) in respect of which the Funds do not have the same economic rights, obligations or liabilities. In such circumstances, it is expected that the economic rights, liabilities and obligations in respect of the investment (or portion of a portfolio or pool) that is indirectly held by the Funds would be specifically attributed to the Funds through tracking interests in such holding entity or back-to-back or other similar contribution or reimbursement agreements or other similar arrangements entered into with such Other Blackstone Clients, and that the Funds would be deemed for purposes of the Organizational Document to hold its investment (or portion of a portfolio or pool) separately from, and not jointly with, such Other Blackstone Clients (and vice versa in respect of the investments (or portion of a portfolio or pool) held indirectly through such holding entity by such Other Blackstone Clients). The use of such investment structures in connection with a Fund’s investment activities could have an adverse impact on the Fund. For example, liabilities could arise in relation to a specific investment held

indirectly through such holding entity by an Other Blackstone Client, but not the Fund, and a counterparty could seek recourse against the holding entity from a different investment that is held indirectly through such holding entity by the Fund, but not the Other Blackstone Client. A Fund's investment made through such a holding entity will therefore be subject to risks by virtue of other investments owned by the holding entity in which the Fund does not have a tracking interest, and such risks would not be present if separate holding entities were used for the separate investments made by the Fund and the Other Blackstone Client.

***Allocation of Portfolios.*** Blackstone will, in certain circumstances, 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 Clients. Such allocations generally would be based on Blackstone's assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool may have a higher return profile, while others may have a lower return profile not appropriate for the 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 or received from a buyer would be allocated among the multiple assets, securities and instruments in the pool and therefore among the Funds and Other Blackstone Clients acquiring any of the assets, securities and instruments, in accordance with the allocation of value in respect of the transaction (e.g., accounting, tax or different manner), although Blackstone could, in certain circumstances, allocate value to a Fund and such Other Blackstone Client on a different basis than the contractual purchase price. Similarly, there will likely be circumstances in which the Funds and Other Blackstone Clients will sell assets in a single or related transactions to a buyer. In some cases, a counterparty will require an allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not appropriate 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 Clients when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an investment of the 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 Clients. In certain cases, a Fund could purchase an investment or an entire portfolio or pool from a third party seller and promptly thereafter sell the portion of the investment or portfolio or pool allocated to an Other Blackstone Client to that Other Blackstone Client pursuant to an agreement entered into between the Fund and such Other Blackstone Client prior to closing of the transaction (or vice

versa), and any such sell down of assets will not be subject to the approval of the L.P. Advisory Committee (or L.P. representatives), any limited partner, or otherwise, as applicable.

***Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally.*** A Fund can be expected to hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by Other Blackstone Clients (and in certain circumstances BTOA will be unaware of an Other Blackstone Client's participation or the size of the Other Blackstone Client's investments, as a result of information walls or otherwise). There are generally no limitations in the Organizational Documents with respect to such investments (including with respect to terms, price, quantity, frequency, percentage interest therein or otherwise). 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 Clients, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the actions described below that Blackstone may take to mitigate the conflict, Blackstone will, in certain circumstances, be required to take action when it will have conflicting loyalties between its duties to such Fund and such Other Blackstone Clients, which will, in certain circumstances, adversely impact such Fund. In that regard, actions may be taken for Other Blackstone Clients that are adverse to such Fund (and *vice versa*). 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. In addition, under certain circumstances, a Fund may be prohibited (or refrain) from decision-making or exercising other rights it would otherwise have with respect to a Portfolio Entity, as a result of such Fund's affiliation with Other Blackstone Clients that own different interests in such Portfolio Entity. While BTOA will seek, where applicable, to have a third party exercise rights on behalf of the Funds for purposes of exercising voting rights and/or managing any conflicts of interest related to such investments (which may include third-party co-investors or independent representatives), in certain instances such investments may be made without any such third-party participation (for example, because the Funds own or acquire the entirety of the relevant instrument or tranche), and in such circumstances the absence of any such third party could adversely affect a Fund or its interest in the Portfolio Entity (or the applicable Other Blackstone Client(s)) or its ability to effectively mitigate such conflicts of interest. Except to the extent expressly subject to the Management Fee offset provisions of the Organizational Documents, the limited partners will in no way receive any benefit from fees paid to BTOA or its affiliates from a Portfolio Entity in which any Other Blackstone Client also has an interest (including, for greater certainty, any fees Blackstone received as a result of the provision of services by such affiliates).

With respect to debt securities acquired or sold in a secondary transaction or syndication between Other Blackstone Clients and a third party in particular (following the issuance or origination of any financing or refinancing), such investments and transactions will give rise to potential or actual conflicts of interest, and BTOA and/or such Other Blackstone Clients may determine that no mitigation of such potential or actual conflicts of interest is required. There can be no assurance that any such conflict will be resolved in favor of the Funds.

***Simultaneous Transactions.*** There may be instances where Blackstone negotiates transactions with counterparties that involve a Fund, an Other Blackstone Client and/or Blackstone in different capacities. For example, a Fund may sell or purchase an interest in a portfolio company to a counterparty (such as another sponsor's fund), while the same counterparty acquires or sells an interest in a portfolio company of an Other Blackstone Client or Blackstone. While these transactions may be separate or non-contingent, due to the simultaneous or closely related timing of these transactions, there may be actual or perceived conflicts of interest in connection with such transactions due to Blackstone's duties to the applicable Fund on one hand, and such Other Blackstone Client or Blackstone participating in the related transaction on the other, for example with respect to ensuring each transaction is separately in the best interest of the applicable Other Blackstone Client and/or such Fund and that the valuations are fair and reasonable to each respective fund, among other things. To the extent Blackstone believes that such transactions rise to the level of a conflict where mitigation would be appropriate, Blackstone may, for example, negotiate each such transaction independently and ensure there is not a cross-conditioned closing of the two transactions, to ensure that the terms of each such transaction stand on their own, but is not required to do so or to engage in any other conflict mitigation techniques with respect to such transactions.

***Related Financing Counterparties.*** A Fund can be expected to invest in companies or other entities in which Other Blackstone Clients make an investment in a different part of the capital structure (and vice versa). 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 Funds, Other Blackstone Clients (such as the Blackstone Credit Funds, BREDS Funds and BXMT Funds) and investors therein, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Clients and their Portfolio Entities, as well as by Blackstone itself in accordance with the terms of the Organizational Documents. Blackstone could have incentives to cause the Funds and their Portfolio Entities to accept less favorable financing terms from a limited partner, Other Blackstone Clients, their Portfolio Entities, Blackstone itself, investors therein and other parties with material relationships with Blackstone than it would from a third party. The same concerns apply when any of these other parties invest in a more senior position in the capital structure of a Portfolio Entity than the 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 Client, 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 Clients 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 Client or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a joint venture partner, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Blackstone related vehicle impacts the market terms and Blackstone may have influence on such third parties. 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 Client has agreed to participate on terms negotiated by a third party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if such Other Blackstone Client had not participated; it is also possible that the frequent participation of Other Blackstone Clients in such syndicates could dampen interest among other potential financing providers, thereby lowering demand to participate in the syndicate and increasing the financing costs to the 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, any independent client representative or the L.P. Advisory Committee in the case of any of these conflicts.



Blackstone could cause actions adverse to a Fund to be taken for the benefit of Other Blackstone Clients or other Funds that have made an investment more senior in the capital structure of a Portfolio Entity than such Fund (e.g., provide financing to a Portfolio Entity, the equity of which is owned by such Fund) and, *vice versa*, actions will, in certain circumstances, be taken for the benefit of such Fund and its Portfolio Entities that are adverse to Other Blackstone Clients or other 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 such Fund or relevant Other Blackstone Client or other Funds (or their respective Portfolio Entities, as the case may be) by, for example, causing such Other Blackstone Client to decline to exercise certain control- and/or foreclosure-related rights with respect to a Portfolio Entity by agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to both normal course ongoing matters (such as consent rights with respect to loan modifications in intercreditor agreements) and also decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing such Fund or relevant Other Blackstone Client or other Funds (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 such Fund or relevant Other Blackstone Client or other Funds (or their respective Portfolio Entities, as the case may be), or (iv) create groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise one of the clients that has a conflicting position with other clients. As an example, to the extent an Other Blackstone Client holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by the 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 Client. In these cases, Blackstone would generally act on behalf of one of its clients, though the other client would generally retain certain control rights, such as the right to consent to certain actions taken by the trustee or administrative or other agent of the investment, including a release, waiver, forgiveness or reduction of any claim for principal or interest; extension of maturity date or due date of any payment of any principal or interest; release or substitution of any material collateral; release, waiver, termination or modification of any material provision of any guaranty or indemnity; subordination of any lien; and release, waiver or permission with respect to any covenants. The efficacy of following the vote of third-party creditors will be limited in circumstances where a limited partner acquires all or substantially all of a relevant instrument, tranche or class of securities.

In connection with negotiating loans and bank financings in respect of Blackstone-sponsored transactions, Blackstone will generally obtain the right to participate (for its own account or an

Other Blackstone Client) in a portion of the financings with respect to such Blackstone-sponsored transactions on the same terms negotiated by third parties with Blackstone or other terms 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 certain circumstances, the Funds may be required to commit funds necessary for an investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, Other Blackstone Clients and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. Such bridge financing and/or commitment would not be considered “co-investment” under the Organizational Documents and would be sold down ahead of equity invested by the Funds. Similarly, the Funds and/or Other Blackstone Clients may seek to initially acquire investments (including all or part of the relevant tranche of securities) for the purpose of syndicating a portion thereof to one or more Other Blackstone Clients, co-investors or third parties. The terms of any such acquisition and syndication will be determined by BTOA in its sole discretion, and may involve a client initially acquiring all or substantially all of an instrument or relevant tranche or class of securities with a view towards syndication. In any such circumstance, third parties may not be available for purposes of mitigating any potential conflicts of interest (as described above) and the Other Blackstone Clients and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of Management Fees payable by the limited partners. The conflicts applicable to Other Blackstone Clients who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations. (See also “Securities and Lending Activities” and “Syndication; Warehousing” herein.)

In addition, the Organizational Documents allow the General Partners or their affiliates to make short-term advances to the Funds, which advances will accrue interest comparable to those received by a third party in an arm’s length transaction and will be repaid from capital contributions or other funds of the Funds. If a General Partner or any of its affiliates lends funds to a Fund, the terms of such lending will be disclosed to the limited partners if the accrued interest thereon is allocated to the limited partners; *provided*, that such disclosure is not required for advances for partnership expenses in the ordinary course.

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 Clients with ownership positions that are more senior to those of such Fund. For example, an Other Blackstone Client 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 Clients, such as the Blackstone Credit Funds, can be expected to provide financing to the Funds and their Portfolio Entities, there can be no assurance that any Other Blackstone Client will indeed provide any such financing with respect to any particular investment of the Funds. Participation by Other Blackstone Clients such as the Blackstone Credit 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 Clients do not participate, as it may serve as a negative signal to market participants.

Any financing provided by the limited partners or an affiliate to the Funds or a Portfolio Entity is not a capital contribution to the Funds and does not reduce the unpaid Capital Commitment of such limited partner. To the extent the limited partners (or any limited partner in any Other Blackstone Client) or any of their affiliates provide 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 Clients include funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments, including any of the investment funds or vehicles sponsored or managed by Blackstone Credit, an affiliate of Blackstone. As discussed above, it is expected that these Other Blackstone Clients or investors therein will be offered the opportunity to provide financing to the Funds with respect to investments made by the Funds and their Portfolio Entities. Blackstone owes a fiduciary duty to these Other Blackstone Clients and investors therein as well as to the Funds and will encounter conflicts in the exercise of these duties. For example, if an Other Blackstone Client purchases high-yield securities or other debt instruments of a Portfolio Entity of the 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 Clients with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, among other matters. For example, in a bankruptcy proceeding, in circumstances where a Fund holds an equity investment in a Portfolio Entity, the holders of such Portfolio

Entity's debt instruments (which may include one or more Other Blackstone Clients) may take actions for their benefit (particularly in circumstances where such Portfolio Entity faces financial difficulties or distress) that subordinate or adversely impact the value of such Fund's investment in such Portfolio Entity. In addition, a Fund could hold an investment that is senior in the capital structure, such as a debt instrument, to an Other Blackstone Client. Although measures described above in "Related Financing Counterparties" could mitigate these conflicts, they cannot completely eliminate them.

Similarly, certain Other Blackstone Clients, including, but not limited to, the BREDS Funds, BXMT Funds, Blackstone Credit Funds and BAAM Funds can be expected to 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 Clients 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 Clients.

**Joint Investments.** The Funds will enter into joint investments with Other Blackstone Clients and may do so where such funds have certain governance rights for legal, regulatory or other reasons. Any such Other Blackstone Client may sell any such investment to any Person at any time and the Funds may or may not participate with such Other Blackstone Client in such sale.

**Related Financing of Counterparties to Acquire Assets from, or Sell Assets to, the Funds and their Portfolio Entities.** In certain transactions, Other Blackstone Clients will commit to and/or provide financing to third parties that bid for and/or purchase assets from the Funds and their Portfolio Entities. Generally, there are no limitations in the Organizational Documents with respect to such investments (including with respect to terms, price, quantity, frequency, percentage interest therein or otherwise). In addition, the Funds and their Portfolio Entities will from time to time purchase assets or portfolio companies from third parties that obtain, or currently have outstanding, debt financing from Other Blackstone Clients. See "Related Financing Counterparties" herein. Although Blackstone believes that the participation by Other Blackstone Clients in such debt financings could be beneficial to the Funds by supporting third parties in their efforts to bid on the sale of assets by, and to sell assets to, the Funds and their Portfolio Entities, Blackstone will have an incentive to cause the Funds or relevant Portfolio Entity to select to sell an asset to, or purchase an investment or asset from, a third party that obtains debt financing from an Other Blackstone Client to the potential detriment of the Funds. For example, although the price is often the deciding factor in selecting from whom to acquire, or whom to sell, an asset, other factors at times influence the buyer or seller, as the case may be. BTOA could thereafter cause the Funds or a Portfolio Entity to sell an investment or asset of

the Funds to, or buy an asset from, a third-party that has received financing from an Other Blackstone Client, even when such third-party has not offered the most attractive price. Limited partners rely on BTOA to select in its sole discretion the best overall buyer in sales of, and the best overall seller in the acquisition of, Funds' investments or assets despite any conflict related to the parties financing the buyer or seller, as applicable.

***Co-Investment Opportunities.*** The Funds will allocate co-investment opportunities to limited partners of the Funds, the Other Blackstone Clients and their investors, Blackstone affiliates and other parties with whom Blackstone has a material relationship. The offering and allocation of co-investment opportunities is entirely and solely in the discretion of BTOA, and it is expected that many investors who will, in certain circumstances, have expressed an interest in co-investment opportunities (including the limited partners) will not be allocated any co-investment opportunities (notwithstanding any agreement by Blackstone to consider a Fund investor for co-investment opportunities) or will, in certain circumstances, 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 can be expected to differ amongst co-investors with respect to the same co-investment, and Blackstone will determine in its sole discretion whether to offer co-investment opportunities (based on, among other factors, whether there has been sufficient allocation of an investment to the Funds and whether a potential co-investor would offer a strategic benefit to the investment, including, but not limited, to the consummation, operation or monitoring thereof). In addition, the performance of Other Blackstone Clients 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, leverage limitations and maximum hold period. Blackstone, as a result of the foregoing, 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 has established and may in the future establish 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 (whether established in connection with such limited partner's investment in the applicable Fund or otherwise) and/or Other Blackstone Clients), including "standing", dedicated or committed co-investment vehicles (the "Other Co-Invest Vehicles"), which may or may not be subject to more favorable rights and/or terms than the Funds and to which Blackstone, in its capacity as general partner of the Other Co-Invest

Vehicles, may make a capital commitment for tax or regulatory purposes. Certain Other Co-Invest Vehicles may be fully committed and provide the investors therein with no discretion regarding the deployment of capital. The use of such vehicles may have the impact of blending the investor's effective management fee rate (and/or carried interest rate) down and BTOA may be incentivized to allocate co-investment opportunities to discretionary vehicles with higher effective fees, carried interest or other performance-based compensation rates. BTOA may also provide certain Other Co-Invest Vehicles with priority rights to participate in co-investment opportunities alongside the Funds, or BTOA may agree to allocate co-investment opportunities to one or more Other Co-Invest Vehicles in a programmatic manner. The terms of any Other Co-Invest Vehicle agreed to with a limited partner will not be subject to any "most favored nations" rights, notwithstanding that such terms may have been agreed to simultaneously with such limited partner's investment in the Funds, and that such Other Co-Invest Vehicle may invest alongside the Funds periodically or programmatically, effectively modifying the economic terms of such limited partner's participation in such shared investments. The amount and frequency of co-investment by any Other Co-Invest Vehicles would be at the discretion of BTOA, subject to the terms of such Other Co-Invest Vehicles. 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 investment opportunities for the Funds and fewer co-investment opportunities being made available to the limited partners. The number and scale of co-investment opportunities made available to the limited partners (if any) 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 Other Blackstone Clients, limited partners or limited partners of Other Blackstone Clients, and may include Blackstone affiliates and/or third parties) or supplemental capital vehicles, and there is no guarantee that any limited partner will be offered any particular co-investment opportunity. As a general matter, the allocation of co-investment opportunities is entirely discretionary on the part of Blackstone and/or 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. Blackstone and/or 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 can be expected to also include, among others and without limitation, the size of a potential co-investor's commitments to the Funds, Other Blackstone Clients and strategic third-party investors; whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone; whether a potential co-investor has committed to a Fund or an Other Blackstone Client; 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, other affiliated funds and/or co-investments (including size of commitment), and/or Other Blackstone Clients (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to the Funds or Other Blackstone Clients and their Portfolio Entities, or whether the co-investor has significant capital under management by Blackstone or intends to increase such amount); whether the potential co-investor has an overall strategic relationship (including a Strategic Relationship) with Blackstone that provides it with more favorable rights with respect to co-investment opportunities; whether the potential co-investor is considered "strategic" to the investment because it is able to offer the 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; the ability of a potential co-investor to hold investments for longer periods of time or indefinitely; any concerns or issues the potential co-investor may have with respect to governance rights; whether Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential co-investor; whether a potential co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the familiarity Blackstone has with the personnel and professionals of the potential co-investor in working together in investment contexts in the Funds, its predecessor funds or Other Blackstone Clients (which may include such potential co-investor's history of investment in the Funds or Other Blackstone Clients and/or other Blackstone co-investment opportunities); whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Funds, its predecessor funds or an Other Blackstone Client (i.e., a stapled co-investment opportunity); 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 potential co-investor would be willing to defer to Blackstone and assume a more passive role in governing the Portfolio Entity); any interests a potential co-investor may have in any competitors of the underlying Portfolio Entity; the tax profile of the potential co-investor and the tax characteristics of the investment (including whether or not the potential co-investor would require particular structuring implementation or covenants that would not otherwise be required but for its participation or whether such co-investor's participation is beneficial to the overall structuring of the investment); whether a potential co-investor's participation in the transaction would subject the Funds and/or any of their Portfolio Entities to additional regulatory requirements, review and/or scrutiny, including any necessary governmental approvals required to consummate the investment; the potential co-investor's relationship 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 potential co-investor; and such other factors that Blackstone may in good faith deem relevant and believe to be appropriate 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 (and may also be incentivized to offer such co-investment opportunities on more favorable terms than other potential co-investors) 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-investors' participation in the Funds and/or Other Blackstone Clients, may depend on, among other things, the extent to which such co-investors participate or have been offered the opportunity to participate in co-investments (which participation may be in such co-investors' discretion). Blackstone has established, and can be expected to in the future establish, co-investment vehicles (including dedicated or "standing" co-investment vehicles, which include both "opt-out" or "opt-in" vehicles where the co-investor determines whether to participate in co-investment opportunities presented to it either through affirmative or negative consent as well as committed vehicles where Blackstone (in some or all circumstances), and not the co-



investor, has discretion in determining whether the co-investment vehicle will participate in co-investment opportunities) 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. These co-investment vehicles may nevertheless only participate in co-investment opportunities after the initial acquisition of an investment. 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 will, in certain circumstances, agree with investors (including limited partners, Blackstone strategic relationships (including Strategic Relationships) and third party investors) to more favorable rights or pre-negotiated terms with respect to co-investment opportunities, including with respect to targeted, preferential or favorable allocation of co-investment opportunities and discounts or rebates of performance-based compensation or Management Fees. To the extent any such arrangements are entered into, they can be expected to result in fewer co-investment opportunities being made available to the limited partners. In addition, the allocation of investments to Other Blackstone Clients (including, for the avoidance of doubt, Blackstone Multi-Strategy Vehicles), including as described under “Other Blackstone Clients; Allocation of Investment Opportunities” herein, can be expected to result in fewer co-investment opportunities to investors who do not participate therein and allocations to the co-investment vehicle can be expected to 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 and its affiliates will in certain circumstances be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship (including a Strategic Relationship) with Blackstone) opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation or Management Fees or other fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor with respect to such co-investor’s participation in the Funds and/or any Other Blackstone Clients) 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 can be expected to 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 can be expected to 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 can be expected to differ materially, and in some instances can be expected to be more favorable to Blackstone, than the

terms of the Funds, and such different terms can be expected to 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 give rise to conflicts of interest, and there can be no assurance that such conflicts of interest will be resolved in favor of the Funds or that any investment opportunities that would have otherwise been offered to the Funds or limited partners through co-investment will be made available. In circumstances where the Funds are investing alongside Other Blackstone Clients, BTOA and its affiliates may be incentivized to cause the Funds, on the one hand, or such Other Blackstone Clients, on the other hand, to offer co-investment opportunities depending on the economic and other terms each may be permitted to offer co-investors.

There may be circumstances, including in the case where there is a seller who is seeking to dispose of a pool or combination of assets, properties, securities or instruments, where the Funds and Other Blackstone Clients participate in a single or related transactions with a particular seller where certain of such assets, properties, securities or instruments are specifically allocated (in whole or in part) to any of the Funds and such Other Blackstone Clients. The allocation of such specific items generally would be based on BTOA's determination of, among other things, the expected returns and risk profiles for such items (e.g., specific items with lower expected returns and a lower risk profile may be allocated to the Funds whereas those with higher relative expected returns and a higher relative risk profile may be allocated to an Other Blackstone Client, or *vice versa*), and in any such case the combined purchase price paid to a seller would be allocated among the multiple assets, properties, securities or instruments based on a determination by the seller, by a third party valuation firm and/or by BTOA and its affiliates.

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 will, in certain circumstances, pay management fees and performance-based compensation in connection with such arrangements. Blackstone will, in certain circumstances, 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 such reimbursements can be expected to 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/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Funds would instead be referred (in whole or in part) to such third party, either as a contractual obligation or

otherwise, resulting in fewer opportunities (or reduced allocations) being made available to the Funds and/or limited partners. Some co-investment vehicles, including some Other Co-Invest Vehicles, may not bear broken deal expenses from time to time unless Blackstone determines otherwise in its discretion. Such determinations will be made on a case by case basis by Blackstone and may result in differing treatment of co-investment vehicles under certain circumstances. The foregoing will under certain circumstances result in a Fund bearing more than its pro rata share of broken deal expenses. This may give rise to conflicts of interest in connection with the Funds' investment activities, and, while BTOA will seek to resolve any such conflicts in a fair and equitable manner, there is no assurance that any such conflicts will be resolved in favor of the Funds.

***Liability Arising From Transactions Entered into Alongside Blackstone and/or Other Blackstone Clients.*** 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 Clients (including co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such Other Blackstone Clients) or Blackstone (including BXi) in investments that are suitable for both the Funds and such Other Blackstone Clients and/or Blackstone. Participating in investments alongside Funds and Other Blackstone Clients and/or Blackstone will subject the Funds to a number of risks and conflicts (and in certain circumstances BTOA will be unaware of an Other Blackstone Client's and/or Blackstone's participation, as a result of information walls or otherwise). 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 Clients and/or Blackstone may not be the same. Additionally, the Funds and such Other Blackstone Clients 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 (including follow-on investments related to earlier investments made by the Funds, Blackstone and Other Blackstone Clients). Such Other Blackstone Clients and/or Blackstone may also have certain governance rights for legal, regulatory or other reasons that the Funds will not have. As such, a Fund, Blackstone and/or such Other Blackstone Clients may dispose of any such shared investment at different times and on different terms, and investors therein may receive different consideration than is offered to any one particular limited partner in the Fund (e.g., some or all limited partners of the Fund may receive cash whereas other limited partners and investors in other Comparable Funds or Other Blackstone Clients may be provided the opportunity to receive distributions in kind in lieu thereof, or vice versa).

At times, a transaction counterparty will, in certain circumstances, require facing only one fund entity, which can be expected to 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 Clients' 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 Clients. 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 Clients 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 Client, or vice versa, the applicable parties would generally enter into a back-to-back or other similar contribution or reimbursement agreement.

Likewise, for certain investment-related hedging transactions, it can be expected to 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 Clients. The party owing under such an arrangement may not have resources to pay its liability, however, in which case the other party will bear more than its *pro rata* share of the relevant loss. In certain circumstances where a Fund participates in an investment alongside any Other Blackstone Client, such Fund could bear more than its *pro rata* share of expenses relating to such investment, including, but not limited to, as the result of such Other Blackstone Client not having resources to bear such expenses (e.g., as a result of the Other Blackstone Client's insufficient reserves or inability to call capital contributions to cover such expenses). It is not expected that the Funds or Other Blackstone Clients will be compensated for agreeing to be primarily liable vis-à-vis a third party counterparty. Moreover, in connection with the divestment of all or part of a Portfolio Entity (e.g., an initial public offering), Blackstone will seek to track the ownership interests, liabilities and obligations of the Funds and any Other Blackstone Clients owning an interest in the Portfolio Entity comprising such operating business, but it is possible that the Funds and applicable Other Blackstone Clients will, in certain circumstances, 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 Clients, it is possible that one or more of them will have greater exposure to legal claims and that they will have conflicting goals with respect to the price, timing and manner of disposition opportunities.

Additionally, 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 Clients. While Blackstone would expect any such financing arrangements to generally be non-recourse to the Funds and the Other Blackstone Clients, 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 Clients.

**Syndication; Warehousing.** Blackstone, the Funds, Other Blackstone Clients, joint venture partners, or affiliates or related parties of the foregoing could, subject to the limitations in the applicable Organizational Documents, acquire an investment as principal and subsequently sell some or all of it to other Funds, Other Blackstone Clients and/or co-investment vehicles, including co-investment vehicles formed to co-invest alongside the Funds and/or Other Blackstone Clients, such as BXG, and/or third parties in an affiliate or related party transaction. Similarly, subject to the limitations in the applicable Organizational Documents, the Funds may acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, other Funds, Other Blackstone Clients, co-investment vehicles (including co-investment vehicles managed outside the Blackstone Tactical Opportunities Program or committed co-investment vehicles), joint venture partners, or affiliates or related parties of the foregoing or other third parties, notwithstanding the availability of capital from the limited partners thereof or applicable credit facilities. If any such intended syndication is not ultimately consummated, Blackstone, the Funds or the other party that initially acquires such portion will be expected to retain it. 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), or may participate in a syndication alongside the Funds but at a different interest rate, due to legal, regulatory, accounting, administrative or other considerations. BTOA reserves the right to 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 also reserves the right to determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, BTOA will, in certain circumstances, charge fees on these transfers to either or both of the parties to them. 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 potential conflict of interest when BTOA receives fees, including carried interest, from a Fund or an Other Blackstone Client acquiring from or transferring to the Funds all or a portion of an investment. Furthermore, BTOA and its affiliates have the right to commit to or initially acquire a portion of an investment alongside the Funds if it intends to syndicate such amounts to Other Blackstone Clients or third parties (which may include one or

more investors in Other Blackstone Clients), and to retain such amounts not ultimately syndicated after having used reasonable efforts to syndicate. The equity committed/used in any such underwriting by BTOA and its affiliates may come from Blackstone's own balance sheet and/or from one or more third parties that enter into arrangements with Blackstone with respect thereto, and may come from an Other Blackstone Client. In such circumstances, Blackstone will have the right to earn underwriting and/or syndication fees from the Funds, the Portfolio Entities, or the purchasers of such equity, and the Funds and the limited partners will not be entitled to share in or receive the benefit of any such underwriting and/or syndication fees. As a result, BTOA may be incentivized to underwrite and/or syndicate amounts of equity in investments due to the right to earn fees not subject to offset in favor of the limited partners, even if the capital used to underwrite such amounts do not come entirely from the Blackstone's own balance sheet as described above, and Blackstone may share such fees with one or more third parties that commit to such equity investments and may charge purchasers of the equity fees and carried interest with respect thereto. (See also "Securities and Lending Activities" herein.)

More specifically, the Funds could initially acquire a portion of certain investments (including through borrowings on a subscription based credit facility or from Blackstone itself) intended as co-investments as described herein and to syndicate all or part of such co-investments to one or more co-investors (and a Fund may similarly acquire a portion of certain investments with the intent to syndicate such portion to one or more other Comparable Funds or, potentially, Other Blackstone Clients). The value of the investment during such period could increase, but the Funds will not receive the full benefit of any such increase.

***Secondary transfers of LP transactions.*** In addition, to the extent BTOA has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, BTOA will do so in its sole discretion, taking into account the following factors, among others:

- BTOA's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- BTOA's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or BTOA and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject BTOA, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;

- A potential purchaser's investment into a Fund or Other Blackstone Client (including any commitment, or agreement to make a commitment, into an existing or future Blackstone fund);
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

***Continuation Vehicles and Continuation Transactions.*** BTOA could, subject to the requirements of the Organizational Documents, from time to time establish other investment vehicles for the purpose of purchasing one or more investments from a Fund (sometimes, but not always, where the selling Fund is approaching the end of its term), which may be made in connection with, or alongside, another Fund making the investment (such vehicles, "Continuation Vehicles", and such transactions, "Continuation Transactions"). In such circumstances, BTOA is acting on behalf of, and making the investment decision for, both a Fund and the applicable Continuation Vehicle. As a result, Continuation Transactions implicate the conflicts of interest described herein in "Buying and Selling Investments or Assets from Certain Related Parties" between the Fund and the Continuation Vehicle more generally. Further, because BTOA and/or its affiliates will have the opportunity to earn additional management fees and/or receive additional carried interest and other benefits in respect of such Continuation Transactions, and because each purchaser's commitment to acquire interests in a Continuation Vehicle will ordinarily be conditioned upon completion of the Continuation Transaction, BTOA will have a potential conflict of interest in determining transaction terms and participants. While certain conflicts of interest related to Continuation Transactions often require approval by the L.P. Advisory Committee of a Fund, certain Continuation Transactions may be able to be completed at the initiation of BTOA without any such approval.

***Break-up and other Similar Fees.*** Break-up or topping fees and other similar 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 (or other similar fees, as applicable) attributable to a potential investment by the Funds, but not to any amount attributable to a potential investment by Other Blackstone Clients, Blackstone's side-by-side co-investment vehicles, permanent capital vehicles, and/or accounts (including Everlake and AIG L&R) 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 (or other similar fees) directly, in which case there will be no Management Fee offset. BTOA will generally receive a greater economic benefit by structuring the break-up or topping fee (or other similar fee) to be paid to it directly, subject to the Management Fee offset, and may do so in its sole

discretion. Break-up or topping fees (or other similar fees) paid to BTOA or the Funds in connection with a transaction could be allocated, or not, to Other Blackstone Clients or co-investment vehicles and other investment vehicles participating in investments 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 (or other similar fees) with respect to a potential investment to the Funds, an Other Blackstone Client 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 the fees giving rise to such offset are paid as part of and during the course of the Funds' investment in such company, and without regard to the nature of the fees, there will be no offset for Management Fees with respect to any fees paid to Blackstone after a Fund has exited an investment. For example, a Portfolio Entity may retain or continue to retain the Blackstone Capital Markets Group (including with respect to fees for services described herein) or continue to work with Blackstone in connection with group purchasing arrangements when and after a Fund exited its investment therein. Conflicts of interest may arise when a Portfolio Entity enters into arrangements with Blackstone on or about the time a Fund exits an investment. 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. To the extent any investment banking fees, consulting (including management consulting) fees, syndication fees, capital markets syndication and significant sums in 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, other major financial restructurings and other similar operational and financial matters, loan servicing and/or other types of insurance fees, operations fees, financing fees, fees for asset services, title insurance fees, fees associated with aviation management including origination fees, servicer fees (e.g., services relating to lease collections/disbursements, maintenance, insurance, lease marketing and sale of aircraft/parts), asset and property management fees (including, for example, services relating to the preparation of monthly cash flow models and industry research reports and sourcing, diligence and underwriting and other similar services provided pursuant to investment management arrangements) and aircraft disposition fees, data management and services fees or payments, aviation asset management fees, incentive fees and other similar fees and annual retainers (whether in cash or in kind) are received by Blackstone, such fees,



including in the form of management fees, incentive fees, incentive allocations, carried interest or other form of management promote or performance-based compensation and other incentive fees, will not be required to be shared with the Funds or the limited partners therein and will not result in any offset to the Management Fee payable by the limited partners.

In connection with certain investments in certain jurisdictions, the Funds may contribute capital contributions made by the limited partners for the payment of Management Fees to a holding vehicle formed in connection with such investment to enable such holding vehicle to pay management fees to an affiliate of BTOA. To the extent the Funds makes such contributions to any such holding vehicle, the Funds will be credited with such amounts as if they had been paid by the Funds to BTOA under the Organizational Documents (and such amounts paid to an affiliate of BTOA by such holding vehicle will not, for greater certainty, constitute an additional fee that would offset the Management Fee, as such amounts do not result in an increase in the total amount of Management Fee paid to BTOA and its affiliates had the Funds paid the entirety of the Management Fee to BTOA).

***Broken Deal Expenses.*** Any expenses that may be incurred by the Funds for actual investments as described herein or in the Organizational Documents may also be incurred by the Funds with respect to broken deals (i.e., investments that are not consummated). 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 and/or Other Blackstone Clients). Moreover, expenses related to the organization of co-invest vehicles formed to invest in broken deals may be borne by the Funds, and not the proposed co-investors thereof. Examples of such broken deal expenses include, but are not limited to, reverse termination fees, extraordinary expenses such as litigation costs and judgments, meal, travel and entertainment expenses incurred, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, legal, tax, accounting and consulting fees and expenses (including all expenses incurred in connection with any tax audit, investigation settlement or review of the Funds, and any expenses of the Funds' partnership representative or its designated individual), printing and publishing expenses, and legal, accounting, tax and other due diligence and pursuit costs and expenses (including, for the avoidance of doubt, any Consultant expenses), which may include expenses incurred prior to the commencement of a Fund's effective date. Any such broken deal expenses could, in the sole discretion of Blackstone, be allocated solely to the applicable Funds and not to other Funds or Other Blackstone Clients or co-investment vehicles

(including committed co-investment vehicles) that could have made the investment (including any situation where an Other Blackstone Client was initially allocated an investment opportunity and incurred such expenses before such investment opportunity was reallocated to a Fund), even when the Other Blackstone Client or co-investment vehicle commonly invests alongside the Funds in its investments or Blackstone or other Funds or Other Blackstone Clients in their investments (including such standing co-invest vehicles). In such cases the Funds' shares of expenses would increase. As a general matter, BTOA expects that until a potential investment of a Fund is formally allocated to an Other Blackstone Client (it being understood that final allocation decisions are typically made shortly prior to closing an investment), such Fund is expected to bear the broken deal expenses for such investment, which may result in substantial amounts of broken deal expenses. In the event broken deal expenses are allocated to another Fund or an Other Blackstone Client or a co-investment vehicle, BTOA or applicable Funds will, in certain circumstances, advance such fees and expenses without charging interest until paid by the other Fund or Other Blackstone Client or co-investment vehicle, as applicable. In addition, certain Portfolio Entities will provide transaction support services (including identifying potential investments) to the Funds, Other Blackstone Clients and their respective Portfolio Entities in respect of certain investments that are not ultimately consummated. Blackstone will endeavor in good faith to allocate the costs of such services to the Fund and such Other Blackstone Clients as it deems appropriate under the particular circumstances. Any methodology used to determine such allocation (including the choice thereof) involves inherent conflicts and may not result in perfect attribution and allocation of such costs, and there can be no assurance that a different manner of allocation would result in the Funds and their Portfolio Entities bearing less or more of such costs. Further, any of the foregoing costs, although allocated in a particular period, could be allocated based on activities occurring outside such period. Additionally, the allocation of any of the foregoing costs can be expected to be based on any of a number of different methodologies, including, without limitation, the aggregate value or number of, or invested capital in, transactions consummated in the applicable prior quarter, and therefore the Funds could pay more than its pro rata portion of such cost based on its actual usage of such services.

***Other Blackstone Business Activities.*** Blackstone, the Funds, Other Blackstone Clients, 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 management (including management fees and carried interest/incentive arrangements), development 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; advisory services; investment banking and capital markets services; treasury and valuation services; placement agent services; fund administration; internal legal and tax

planning services; information technology products and services; insurance procurement, brokerage, solutions and risk management services; data extraction and management products and services; and other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organization and financing, and divestment services). Other than as expressly set forth in the Organizational Documents, such fees shall not be applied to offset Management Fees and Fund investors will not share therein. Such parties will also provide products and services for fees to Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities, and their personnel and related parties, as applicable, as well as third parties. Further, such parties could provide products and services for fees to the Funds, Other Blackstone Clients and their portfolio entities in circumstances where third-party service providers are concurrently providing similar services to the Funds, Other Blackstone Clients and their portfolio entities. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to the Funds and Other Blackstone Clients and their Portfolio Entities, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, the 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 Clients and their Portfolio Entities, and their personnel and related parties will, in certain circumstances, 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. In addition, a General Partner may receive fees associated with capital invested by co-investors relating to investments in which a Fund participates or otherwise, in connection with a joint venture in which a Fund participates or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which a General Partner performs services. Finally, Blackstone and its personnel and related parties will, in certain circumstances, also receive compensation for origination activities and unconsummated transactions.

The Funds will, as determined by BTOA, and as permitted by the Organizational Documents, bear the cost of fund administration, accounting (including, without limitation, maintenance of the Funds' books and records, preparation of net asset value and other valuation support services, as applicable (e.g., valuation model and methodology review, review of third-party due diligence conclusions and sample testing), preparation of periodic investor reporting and calculation of performance metrics, central administration and depositary oversight (e.g., periodic and ongoing due diligence and coordination of investment reconciliation and asset verification); audit support (e.g., audit planning and review of annual financial statements); risk

management support services (e.g., calculation and review of investment and leverage exposure), regulatory risk reporting, data collection and modeling and risk management matters and tax support services (e.g., annual tax and VAT returns and FATCA and CRS compliance)), in-house attorneys to provide transactional legal and related tax advice, tax planning and other related services (including, without limitation, entity organization, structuring, due diligence, document drafting and negotiation, closing preparation, post-closing activities (such as compliance with contractual terms and providing advice for investment-level matters with respect to fiduciary and other obligations and issues), litigation or regulatory matters, reviewing and structuring exit opportunities) provided by Blackstone personnel and related parties (including, without limitation, BEFM, including all services provided by BEFM to a Luxembourg parallel fund that would be considered costs of fund administration if provided by Blackstone to a Fund, (notwithstanding the customary scope of such services by third-party service providers)) to the Funds and their Portfolio Entities, including the allocation of their compensation (including, without limitation, salary, bonus, and benefits) and related overhead otherwise payable by Blackstone, or pay for their services at market rates, and except in certain limited circumstances or with respect to certain Funds, such amounts will not offset Management Fees. In certain circumstances, the Funds may engage a third-party administrator (e.g., as required for a Luxembourg parallel fund) and, in such circumstances, there may be some overlap in the services performed by the third-party administrator and Blackstone personnel and the Funds will bear all such costs. The services of in-house attorneys may include, without limitation, services with respect to M&A, capital markets or financing transactions, tax structuring, supervision of external counsel and service providers, attending internal and external meetings (including investment committee meetings) and communicating with relevant internal and external parties. 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 Clients, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the person if the market rate for services is clearly higher than allocable salary and overhead. However, the provision of such services by Blackstone personnel and related parties and any such methodology (including the choice thereof and any benchmarking, verification or other analysis

related thereto) involves inherent conflicts. Any amounts paid to Blackstone and/or its affiliates for such services, as well as the expenses, charges and costs of any benchmarking, verification or other analysis related thereto, will be borne by the Funds as partnership expenses, will not result in any offset to the Management Fee and will, in certain circumstances, 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, the Funds, Other Blackstone Clients and their Portfolio Entities, and their affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to investments sold by the 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, the Funds, Other Blackstone Clients and their Portfolio Entities, and their affiliates, personnel and related parties may acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

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

Except as set forth above, the 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, its affiliates or their personnel and related parties (see also “Service Providers, Vendors and Other Counterparties Generally” and “Other Blackstone Business Activities” herein). BTOA and its affiliates and their personnel and related parties will receive fees attributable to the Funds, Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to the Funds, Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of the Management Fees payable by the limited partners or otherwise be shared with the Funds, their Portfolio Entities or the limited partner, even if (i) such other Funds or Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) provide for lower or no Management Fees for the investors or participants therein (such as the vehicles established in connection

with Blackstone's side-by-side co-investment rights, which generally do not pay a Management Fee or carried interest) or (ii) such fees result in an offset to Management Fees or carried interest payable by any of such Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties). As noted in "Co-Investment Opportunities" herein, this creates an incentive for Blackstone to offer co-investment opportunities and can be expected to result in other fees being received more frequently (or exclusively) with investments that involve co-investment.

In addition, to the extent Blackstone receives any of the fees described above in kind, instead of in cash, in whole or in part, Blackstone would in certain circumstances elect to become a co-investor (or otherwise hold an interest) in such investments alongside the Funds, the Blackstone Tactical Opportunities Program and/or Other Blackstone Clients, which may give rise to potential or actual conflicts of interest, including with respect to the timing and manner of sale by Blackstone, on the one hand, and other participating funds, including the Funds, on the other hand. Blackstone's receipt of such interests in kind generally would not be at the same time or on substantially the same terms, price and conditions as the Funds, the Blackstone Tactical Opportunities Program and/or the Other Blackstone Clients, as applicable. With respect to any dispositions of securities or investments held by Blackstone resulting from receiving such fees in kind, since the Funds and/or Other Blackstone Clients, as applicable, are not necessarily similarly situated and may have different terms affecting the timing of their respective dispositions, there may be certain situations where Blackstone would not dispose of its securities or interests at the same time and/or on substantially the same terms, price and conditions as such other funds, which would be evaluated by Blackstone on a case-by-case basis taking into account the circumstances at the relevant time. There can be no assurance that any actual or perceived conflicts will be resolved in favor of the Funds or the limited partners. Blackstone has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on a Fund's behalf involving any such corporations, BTOA will consider those relationships when evaluating the investment opportunity, which may result in BTOA choosing not to make such an investment on a Fund's behalf due to such relationships. Funds may also co-invest with clients of Blackstone in a particular investment, and the relationship with such clients could influence the decisions made by BTOA with respect to such investments.

**Outsourcing.** BTOA is expected to outsource to third parties many of the services performed for the Funds and/or their Portfolio Entities, including services (such as administrative, legal, accounting, tax or other related services) that can be or historically have been performed in-house by BTOA and its personnel. The fees, costs and expenses of such third-party service providers will be borne by the Funds as partnership expenses, even if BTOA would have borne such amounts if such services had been performed in-house (which, for the avoidance of doubt,

would be in addition to any fees borne by the Funds as partnership expenses for similar services performed by BTOA in-house in lieu of or alongside (and/or to supplement or monitor) such third parties, subject to the terms of the Organizational Documents). From time to time, BTOA may provide such services alongside (and/or supplement or monitor) a third-party service provider on the same matter or engagement and in certain cases the cost of BTOA's services are reimbursable under the Organizational Documents.

The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by BTOA in its discretion, taking into account such factors as it deems relevant under the circumstances. Certain third-party service providers and/or their employees (and/or teams thereof) will dedicate substantially all of their business time to the Funds, Other Blackstone Clients and/or their respective Portfolio Entities, while others will have other clients. In certain cases, third-party service providers and/or their employees (including part- or full-time secondees to Blackstone) may spend a significant amount of time at Blackstone offices, make use of offices at Blackstone, have Blackstone e-mail addresses, receive administrative support from Blackstone personnel or participate in meetings and events for Blackstone personnel, even though they are not Blackstone employees or affiliates. BTOA will have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne by the Funds as partnership expenses (with no reduction or offset to Management Fees) and retaining third parties will reduce BTOA's internal overhead and compensation costs for employees who would otherwise perform such services in-house. Such incentives likely exist even with respect to services where internal overhead and compensation are chargeable to the Funds. The involvement of third-party service providers may present a number of risks due to BTOA's reduced control over the functions that are outsourced. There can be no assurances that BTOA will be able to identify, prevent or mitigate the risks of engaging third-party service providers. The Funds may suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them.

Outsourcing and in-house services may not occur uniformly for all Blackstone managed vehicles and accounts and, accordingly, certain costs may be incurred by (or allocated to) certain Funds through the use of third-party (or internal) service providers that are not incurred by (or allocated to) certain other Funds or Other Blackstone Clients.

***Material Non-Public Information.*** By reason of their responsibilities in connection with other activities of Blackstone and potentially by virtue of their activities outside of Blackstone, certain employees of Blackstone may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act

upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

***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 or advising on such transactions. 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 can also be expected to provide, either alone or alongside third parties performing similar services, placement, financial advisory or other similar services to purchasers or sellers of securities (including in connection with primary offerings, secondary transactions and/or transactions involving special purpose acquisition companies), including loans or instruments issued by Portfolio Entities and Other Blackstone Clients. Blackstone’s compensation for such services is expected to be paid by the applicable seller (including the Funds (for example, in the case of secondary sales by the Funds) and Portfolio Entities), one or more underwriters or financing parties (including amounts paid by an issuer and reimbursed by one or more underwriters) and/or other transaction parties. 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 Clients or Portfolio Entities of the Funds and Other Blackstone Clients, or advise on such transactions. 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 fees, advisory fees (including capital markets advisory fees), lending arrangement fees, asset/property management fees, insurance (including title insurance) fees and consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, the Funds, an Other Blackstone Client or their Portfolio Entities are purchasing debt) or other compensation with respect to the foregoing



activities, which are not required to be shared with the Funds or the limited partners, and the Management Fee with respect to limited partners 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 Clients. 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 will, in certain circumstances, 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, venture capital 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.

**PJTP.** On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill Group fund placement businesses, and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving the 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 can be expected to influence BTOA to select or recommend PJT to perform services for Blackstone-managed funds, including the Funds or their Portfolio Entities, the cost of which will generally be borne directly or indirectly by the Funds and investors (to the extent of their ownership therein). Given that PJT is no longer an affiliate of Blackstone, BTOA and its affiliates are able to cause the Funds and Portfolio Entities to transact with PJT generally without restriction under the Organizational

Documents of such Funds, notwithstanding the relationship between Blackstone and PJT. (See also “Service Providers, Vendors and Other Counterparties Generally” herein.) In addition, one or more investment vehicles controlled by Blackstone have been established to facilitate participation in Blackstone’s side-by-side investment program by employees and/or partners of PJT.

***Portfolio Entity Relationships Generally.*** Blackstone, Portfolio Entities of the Funds, including special purpose vehicle Portfolio Entities that may be formed in connection with investments, and Other Blackstone Clients are and will be counterparties or participants in agreements, transactions or other arrangements with the Funds, Other Blackstone Clients and/or Portfolio Entities of the Funds, and other investment funds managed by Blackstone or other Blackstone affiliates for the provision of goods and services, purchase and sale of assets and other matters. In addition, certain Portfolio Entities may be counterparties or participants in agreements, transactions and other arrangements with Other Blackstone Clients for the provision of goods and services, purchase and sale of assets and other matters. For example, from time to time, certain Portfolio Entities of the Funds will provide or recommend goods or services to Blackstone, the Funds, Other Blackstone Clients, or other Portfolio Entities of the Funds and Other Blackstone Clients or other Blackstone affiliates (or *vice versa*) (including “platform” investments of the Funds and Other Blackstone Clients). These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or other benefits to Blackstone, Blackstone affiliates and/or a Portfolio Entity, none of which will result in any offset to the Management Fees, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by BTOA and that certain Portfolio Entities are expected to be special purpose vehicles created by the Funds. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds and/or such Other Blackstone Clients or the consent of the limited partners or the L.P. Advisory Committee or such Other Blackstone Clients (including, without limitation, in the case of minority investments by the Funds in such Portfolio Entities or the sale of assets from one Portfolio Entity to another). This is because, among other considerations, Portfolio Entities of the Funds and of Other Blackstone Clients are not considered “affiliates” of Blackstone, the Funds or BTOA under the Organizational Documents and therefore are not covered by affiliate transaction restrictions included in the Organizational Documents. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to the Funds as otherwise would be the case if the counterparty were not related to Blackstone.

In addition, it is possible that Blackstone (including BXi), certain Portfolio Entities of the Funds, Other Blackstone Clients or entities in which the Other Blackstone Clients have an interest will compete with the Funds or a Portfolio Entity thereof for one or more investment opportunities.

It is also possible that Blackstone (including BXi), Other Blackstone Clients or companies in which Blackstone or the Other Blackstone Clients have or will have an interest will acquire portfolio entities that have or are expected to engage in activities that are direct competitors of the Funds' Portfolio Entities, or will otherwise have adverse consequences on the Funds and/or their Portfolio Entities (including, by way of example only, as a result of such portfolio entities providing the same or similar products and/or services as the Portfolio Entities or 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 Clients, their Portfolio Entities and/or affiliates).

In addition, Portfolio Entities, Blackstone 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, Portfolio Entities with respect to which the Funds may elect members of the board of directors may, as a result, subject the Funds and/or such directors to fiduciary obligations to make decisions that they believe to be in the best interests of any such Portfolio Entity. Although in most cases the interests of the Funds and any such Portfolio Entity will be aligned, this may not always be the case. This may create conflicts of interest between the relevant director's obligations to any such Portfolio Entity and its stakeholders, on the one hand, and the interests of the Funds, on the other hand. 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.

***Portfolio Entity Service Providers and Vendors.*** The Funds, Other Blackstone Clients, Portfolio Entities of each of the foregoing and Blackstone can be expected to engage Portfolio Entities of the Funds and Other Blackstone Clients to provide some or all of the following services: (a) corporate support services (including, without limitation, accounts payable, accounts receivable, accounting/audit (including valuation support services), account management, insurance procurement, placement, brokerage and consulting services, cash management, accounts receivable financing, corporate secretarial services, domiciliation, data management, directorship services, finance/budget, human resources, information technology/systems

support, internal compliance, know-your-client reviews and refreshes, judicial processes, legal, environmental due diligence support (e.g., review of property condition reports), operational coordination (i.e., coordination with JV partners, property managers), risk management, reporting (such as tax reporting, debt reporting or other reporting), tax and treasury, tax analysis and compliance (e.g., CIT and VAT compliance), transfer pricing and internal risk control, treasury and valuation services), and other services; (b) loan services (including, without limitation, administrative services, and cash management); (c) operational services (i.e., general management of day to day operations); and (d) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses and modelling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, marketing and distribution, overseeing brokers, lawyers, accountants and other advisors, providing in-house legal and accounting services, assisting with due diligence, preparation of project feasibilities, site visits, transaction consulting and specification of technical analysis and review of (i) operations and maintenance manuals and (ii) statutory documents). Similarly, Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities can be expected to engage Portfolio Entities of the Funds to provide some or all of these services.

Some of the services performed by Portfolio Entity service providers could also be performed by a General Partner or its affiliates from time to time and vice versa. Fees paid by a Fund or its Portfolio Entities or value created by other Portfolio Entity service providers or vendors do not offset or reduce the Management Fee payable by the limited partners of a Fund and are not otherwise shared with the Fund, unless otherwise required by the Organizational Documents. Furthermore, in certain circumstances, Blackstone can be expected to play a substantial role in overseeing the personnel of Portfolio Entity service providers that provide services to Funds, Other Blackstone Clients and/or their Portfolio Entities on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. For example, Blackstone expects that certain Portfolio Entity service providers, as described herein, with Blackstone's oversight, will establish a team of personnel to provide support services exclusively to a particular Fund and its Portfolio Entities (and/or other investment funds or accounts managed or controlled by Blackstone).

Portfolio Entities of the Funds and Other Blackstone Clients some of which 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:

*BTIG.* BTIG, LLC (“BTIG”) is a global financial services firm in which certain Blackstone entities own a strategic minority investment. BTIG provides institutional trading, investment banking, research and related brokerage services and is expected to perform services for the Funds, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*Optiv.* Optiv Security, Inc. is a portfolio company held by certain Other Blackstone Clients that provides a full slate of information security services and solutions. Optiv is expected to perform services for the Funds and their Portfolio Entities, Other Blackstone Clients and Blackstone.

*PSAV.* PSAV, Inc. is a portfolio company held by certain Other Blackstone Clients that provides outsourced audiovisual services and event production. PSAV is expected to provide services for the Funds, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*Refinitiv.* On October 1, 2018, a consortium led by Blackstone announced that private equity funds managed by Blackstone had completed an acquisition of Thomson Reuters’ Financial & Risk business (“Refinitiv”). Refinitiv operates a pricing service that provides valuation services. Refinitiv is expected to perform services for the Funds, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*Kryalos.* Kryalos is a Portfolio Entity in which Other Blackstone Clients have made a minority investment, which is an operating partner in certain real estate investments made by Other Blackstone Clients. Kryalos is expected to perform services for the Funds, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*Peridot Financial Services (“Peridot”) and Global Supply Chain Finance (“GSCF”).* Peridot and GSCF are Portfolio Entities of certain Other Blackstone Clients that provide supply chain financing and accounts receivable services globally. Peridot and GSCF are expected to perform services for the Funds, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*RE Tech Advisors (“RE Tech”).* RE Tech is a Portfolio Entity of certain Other Blackstone Clients that is an energy audit / consulting firm that identifies and implements energy efficiency programs, calculates return on investment and tracks performance post-completion. RE Tech is expected to perform services for the Funds, their Portfolio Entities and Other Blackstone Clients and Blackstone.

*Therma Holdings (“Therma”).* Therma is a Portfolio Entity of certain Other Blackstone Clients that provides carbon reduction and energy management services. Therma is expected to perform services for the Funds, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*Revantage Corporate Services, Revantage Asia and Revantage Europe (together, “Revantage”).* Revantage is owned by certain Blackstone real estate funds and is expected to provide

corporate support services, including, without limitation, accounting, legal, tax, treasury, information technology and human resources to certain of the Funds' Portfolio Entities and the Funds' investments directly. BTOA or its affiliates may play a substantial role in overseeing the personnel of Revantage providing services to the Funds and/or their Portfolio Entities on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. Further, BTOA or its affiliates may cause Revantage to establish new business lines and provide additional services than those described above. The amount charged is expected to be based on a cost-reimbursement basis, though BTOA and its affiliates may revise such methodology at their discretion. Such expenses are not expected to be benchmarked against the amounts that would be charged by a third-party service provider and will not be offset against management fees otherwise payable by the limited partners or otherwise be reimbursed to limited partners. The provision of services by Revantage could give rise to conflicts of interest and there can be no assurance that any actual or perceived conflicts will be resolved in favor of the Funds or the limited partners therein.

*Ontra (fka InCloudCounsel).* Ontra is a portfolio entity of certain Other Blackstone Clients that provides a contract automation and intelligence platform that utilizes artificial intelligence and a network of attorneys to support processing of routine contracts and tracking of obligations in complex agreements. Ontra performs services for the Funds, its Portfolio Entities, Other Blackstone Clients and Blackstone.

*Sphera.* Sphera is a Portfolio Entity of certain Other Blackstone Clients that provides environmental, health and safety and ESG software services and data. Sphera is expected to perform services for the Funds, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*ASK Investment Management ("ASK").* ASK is a Portfolio Entity of certain Other Blackstone Clients that provides investment management services. ASK may perform placement agent services for the Funds (See also "—Placement Agents") and placement agent or other services for the Funds' Portfolio Entities, Other Blackstone Clients and Blackstone.

The Funds and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Funds or Other Blackstone Clients, including through incentive based compensation payable to their management teams and other related parties. Some of these service providers and vendors owned by the Funds or Other Blackstone Clients 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 or controlled by the Funds or Other Blackstone Clients pass through expenses

on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for the benefit of the 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 (including, without limitation, rent and refurbishment costs and office space in Luxembourg) 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; costs that are of a limited duration or non-recurring (such as start-up or technology build-up costs, one-time technology and systems implementation costs, employee on-boarding and severance payments, and IPO-readiness and other infrastructure costs) taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period (including in prior periods, such as where any such costs are amortized over an extended period), and further will, in certain circumstances, be of a general and administrative nature that is not specifically related to particular services, 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 can be expected to 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, and the particular methodology used to allocate such overhead among the entities and assets to which services are provided is expected to vary depending on the types of services provided and the applicable asset class involved and could, in certain circumstances, change from one period to another. 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. In certain instances, particularly where such service providers and vendors are located outside the U.S., such service providers and vendors will charge the Funds and their Portfolio Entities for goods and services at cost plus a percentage of cost for transfer pricing or other tax, legal, regulatory, accounting or other reasons. Further, the Funds and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Funds or Other Blackstone Clients through incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a Portfolio Entity or asset of the Funds or Other Blackstone Clients will vary from the incentive-based compensation paid with respect to other Portfolio Entities and assets of the Funds and Other Blackstone Clients; as a result, the management team or other related parties can be expected to have greater incentives with respect to certain assets and portfolio entities relative to others, and the performance of certain assets and portfolio entities may

provide incentives to retain management that also service other assets and portfolio entities. 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, or in respect of incentive-based compensation, and will not offset the Management Fee. There can be no assurances that amounts charged by Portfolio Entity service providers that are not controlled by the Funds or Other Blackstone Clients will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. If benchmarking is performed, the related expenses will be borne by the Funds, Other Blackstone Clients and their respective Portfolio Entities and will not offset the Management Fee. A Portfolio Entity service provider will, in certain circumstances, subcontract certain of its responsibilities to other Portfolio Entities. In such circumstances, the relevant subcontractor could invoice the Portfolio Entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The Portfolio Entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above. Similarly, Other Blackstone Clients, their Portfolio Entities and Blackstone 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 or technology build-up costs) relating to such Portfolio Entities incurred prior to such engagement.

Portfolio Entity service providers described in this section are generally owned and controlled by one or more Blackstone funds, such as the Funds and Other Blackstone Clients. In certain instances, a similar company could be owned and controlled by Blackstone directly. Blackstone could cause a transfer of ownership of one of these service providers from the Funds to an Other Blackstone Client, or from an Other Blackstone Client to the Funds. The transfer of a Portfolio Entity service provider between the Funds, other Funds and/or Other Blackstone Clients (where a Fund may be a seller or a buyer in any such transfer) will generally be consummated for minimal or no consideration, and without obtaining any consent from the L.P. Advisory Committee, an Independent Client Representative or the limited partners. BTOA may, but is not required to, obtain a third-party valuation confirming the same, and if it does, BTOA may rely on such valuation. Portfolio Entities of the Funds and Other Blackstone Clients are not considered “affiliates” of Blackstone, BTOA or the Funds under the Organizational Documents and therefore are not covered by affiliate transaction restrictions included in the Organizational Documents, such as the requirement to obtain consent from the L.P. Advisory Committee in certain circumstances.



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

***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, paying agents, depositaries, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms), or their affiliates, are owned by Blackstone, the Funds or Other Blackstone Clients or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Funds, the Other Blackstone Clients (including co-investment vehicles, where applicable) 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 or Other Blackstone Clients, 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 Clients have an investment, and payments by the Funds and/or such entities may indirectly benefit Blackstone, the Funds, the Other Blackstone Clients (including co-investment vehicles, where applicable) 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 Clients (including co-investment vehicles, where applicable) 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 can be expected to 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 can be expected to 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 and their Portfolio Entities to use other Blackstone-affiliated service providers and vendors in connection with the business of the Funds, Portfolio Entities, and unaffiliated entities, and Blackstone has an incentive to use third party services providers who do so as a result of the indirect benefit to Blackstone and additional business for the related service providers and vendors. Fees paid by the Funds or their Portfolio Entities to or value created in these service providers and vendors do not offset or reduce the Management Fee payable by the limited partners 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 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 discounted 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 Clients 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 Clients or their Portfolio Entities. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle

it. Therefore, to the extent the types of services used by the Funds and their Portfolio Entities are different from those used by Blackstone, Other Blackstone Clients and their Portfolio Entities, and their affiliates and personnel, the Funds and their Portfolio Entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Funds, the Other Blackstone Clients and their Portfolio Entities and affiliates can be expected to 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 will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including without limitation the volume of transactions entered into with such counterparty by Blackstone, the Funds and its investments and/or Portfolio Entities in the aggregate or other factors.

The Funds, Other Blackstone Clients and their Portfolio Entities are expected to enter into joint ventures with third parties to which the service providers and vendors described above will, in certain circumstances, 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 Clients and their Portfolio Entities that also use the services of the Portfolio Entity service provider will, directly or indirectly, pay the difference, or the Portfolio Entity service provider will bear a loss equal to the difference.

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

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 will, in certain circumstances, 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 Clients and their Portfolio Entities and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

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

- *BX Fund Services Luxembourg.* BX Fund Services Luxembourg is a Luxembourg-based company established in 2012 to centralize various resources supporting the maintenance and day-to-day management and administration of certain Luxembourg holding companies controlled by certain of the Other Blackstone Clients. BX Fund Services Luxembourg is entirely owned by certain Other Blackstone Clients. In certain cases, the funds which use BX Fund Services Luxembourg's services may contribute capital to fund the costs of BX Fund Services Luxembourg. Key service functions provided by BX Fund Services Luxembourg include domiciliation, accounting, regulatory and tax reporting and compliance. All costs associated with BX Fund Services Luxembourg's services and operations (including any BX Fund Services Luxembourg employee compensation and other general overhead) will be ultimately borne by the Funds and Other Blackstone Clients that own or use BX Fund Services Luxembourg. 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 BX Fund Services Luxembourg based on the type and level of services provided and may include a mark-up, though BX Fund Services Luxembourg is generally intended to operate on a nominal profit basis. The General Partners endeavor to allocate fees and expenses associated with BX Fund Services Luxembourg 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 BX Fund Services Luxembourg is transferred between the Funds and Other Blackstone Clients, 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).

- *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 for themselves on an individual basis. The fees received by Equity Healthcare in connection with such services provided to investments will not offset the Management Fee payable by the limited partners.
- *LNLS*. Lexington National Land Services (“LNLS”) is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters (iii) in certain circumstances, provides courtesy title settlement services and (iv) acts as escrow agent in connection with investments by the Funds, Other Blackstone Clients and their Portfolio Entities, affiliates and related parties, and third parties, including, from time to time, Blackstone’s borrowers. In exchange for such services LNLS earns fees which would have otherwise been paid to third parties. If LNLS is involved in a transaction in which the Funds participate, Blackstone will benchmark the relevant costs to the extent market data is available except when LNLS is providing such services in a state where the insurance premium or escrow fee, as applicable, is regulated by the state or when LNLS is part of a syndicate of title insurance companies where the insurance premium is negotiated by other title insurance underwriters or their agents.
- *Valkyrie*. Valkyrie BTO Aviation LLC (“Valkyrie”) is a Blackstone affiliate that provides asset management and loan servicing solutions for investments in the aviation space, including for investments by the Funds, Other Blackstone Clients and their Portfolio Entities, affiliates and related parties. The asset management services provided by Valkyrie with respect to such investments can be expected to include, without limitation, origination or sourcing of investment opportunities, diligence, negotiation, analysis, servicing, development, management and disposition and other related services (e.g., marketing, financial, administrative, legal and risk management). In exchange for such services, Valkyrie earns fees, including through incentive-based

compensation payable to their management team, which would have otherwise been paid to third parties. As a result of the foregoing and Blackstone's ownership of Valkyrie, BTOA may be incentivized to participate in and pursue more aviation-related transactions due to the prospect of Valkyrie earning such fees. With respect to certain Funds, the fees, compensation and other amounts received by Valkyrie in connection with such services provided to investments will not offset the Management Fee payable by limited partners to the extent provided in the applicable Fund's Organizational Documents. As such, BTOA will have an incentive to engage Valkyrie because the fees, costs and expenses of such services will be borne by the Funds as partnership expenses (with no reduction or offset to Management Fees with respect to certain Funds) and will reduce BTOA's internal overhead and compensation costs for employees who would otherwise perform such services. As a result, while Blackstone believes that Valkyrie will provide services at or better than those provided by third parties, there is an inherent conflict of interest that would incentivize Blackstone to pursue aviation-related transactions and engage Valkyrie to perform such services.

- *TFML*. The Family (Music) Limited ("TFML") is a Tac Opps affiliate that is expected to provide asset management and advisory solutions for investments in the music space, including for investments by the Funds, Other Blackstone Clients, their Portfolio Entities, affiliates and related parties (whether now in existence or subsequently established) and third parties. The asset management services provided by TFML with respect to such investments can be expected to include, without limitation, evaluating, advising and conducting due diligence on possible investment opportunities in music assets, continually monitoring and reporting on music assets, identifying and evaluating opportunities for realizing value from music assets and making refinancing and/or divestment recommendations and other related services. In exchange for such services, TFML earns fees, including through incentive-based compensation payable to their management team. As a result of the foregoing and Blackstone Tactical Opportunities' ownership in part of TFML, BTOA may be incentivized to participate in and pursue more music-related transactions due to the prospect of TFML earning such fees. The fees, compensation and other amounts received by TFML in connection with such services provided to investments will not offset the Management Fee payable by Fund limited partners. As such, BTOA will have an incentive to engage TFML because the fees, costs and expenses of such services will be borne by the Funds as partnership expenses (with no reduction or offset to Management Fees with respect to certain Funds) and will reduce BTOA's internal overhead and compensation costs for employees who would otherwise perform such services. As a result, while Blackstone believes that TFML will provide services at or better than those provided by third parties, there is an inherent

conflict of interest that would incentivize Blackstone to pursue music-related transactions and engage TFML to perform such services.

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 its Portfolio Entities to or value created in Blackstone-affiliated service providers or vendors do not offset or reduce the Management Fee payable by the Fund investors of the Funds and are not otherwise shared with the Funds, unless otherwise required by the Organizational Documents.

In addition, Blackstone has acquired a 9.9% interest in AIG L&R, and in connection therewith has entered into a long-term asset management partnership with certain subsidiaries and/or affiliates of AIG L&R to serve as the exclusive external manager with respect to certain asset classes within their investment portfolio, for compensation. While Blackstone does not control AIG L&R (and AIG L&R is not be an “affiliate” of Blackstone under the Organizational Documents), the aforementioned investment in AIG L&R and asset management arrangements may incentivize Blackstone to cause (and Blackstone will benefit indirectly from causing) the Funds and/or its Portfolio Entities to engage AIG L&R or its affiliates (including American International Group Inc. and its other affiliates and subsidiaries) to provide various services and engage in other transactions and otherwise present conflicts of interests as a result of Blackstone’s interest and relationship therewith. 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 sale or 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 can be expected to 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, and, in certain circumstances, is expected to be in the top of the range) 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 specific characteristics of individual assets then owned or to be acquired by a Fund (such as size or location), or the particular characteristics of services provided. Further, it could be difficult to identify comparable third-party service providers that provide services of a similar scope and scale as the Blackstone-affiliated service providers that are the subject of the benchmarking analysis or to obtain detailed information about pricing of a service comparable to that being provided to the Funds from third-party service providers if such service providers anticipate that Blackstone will not in fact engage their services. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data generally will be borne by a Fund, Other Blackstone Clients and their respective Portfolio Entities and will not offset the Management Fee. Finally, in certain circumstances Blackstone can be expected to determine that third party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law (e.g., title insurance in rate-regulated U.S. states) or because in Blackstone's view no comparable service provider offering such good or service exists (or not enough comparable service providers exist to enable a reasonable comparison) or because Blackstone has access to adequate market data (including from third-party clients of the Blackstone-affiliated service provider that is the subject of the benchmarking analysis) to make the determination without reference to third party benchmarking. For example, in certain circumstances a Blackstone-affiliated service provider or a portfolio entity service provider could provide services to third parties, in which case if the rates charged to such third parties are consistent with the rates charged to the Funds, Other Blackstone Clients and their respective portfolio entities, then a separate benchmarking analysis of such rates is not expected to be prepared. Some of the services performed by Blackstone-affiliated service providers could also be performed by BTOA from time to time and vice versa. Fees paid by the Funds or its portfolio entities to Blackstone-affiliated service providers do not offset or reduce the Management Fee payable by the limited partners of the Funds and are not otherwise shared by the Funds. These conflicts related to Blackstone-affiliated service providers will not necessarily be resolved in favor of the Funds, and limited partners may not be entitled to receive notice or disclosure of the occurrence of these conflicts.



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

***Restrictive Covenants; Restrictions on Fund Activities.*** Blackstone, the Funds, Other Blackstone Clients, joint venture partners and/or their respective portfolio entities and affiliates can be expected to enter into covenants that restrict or otherwise limit the ability of Blackstone, the Funds, Other Blackstone Clients, joint venture partners and/or their respective portfolio entities and affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, the Funds or Other Blackstone Clients could have granted exclusivity to a joint venture partner that limits the Funds and Other Blackstone Clients from owning assets within a certain distance of any of the joint venture's assets. Blackstone, the Funds, an Other Blackstone Client, a joint venture partner and/or their respective portfolio entities and affiliates could have entered into a non-compete or other undertaking in connection with a purchase, sale or other transaction, including, without limitation, that Blackstone, the Funds, Other Blackstone Clients, joint venture partners and/or their respective portfolio entities and affiliates will not make investments or otherwise engage in any business or activity if such investment, business or activity could adversely affect or materially delay obtaining regulatory or other approvals in connection with any such purchase, sale or other transaction. These types of restrictions may negatively impact the ability of the Funds to implement its investment program. (See also "Multiple Blackstone Business Lines" herein)

***Blackstone Insurance Solutions.*** BIS is comprised of two affiliated registered investment advisers. BIS provides investment advisory services to insurers (including insurance companies that are owned, directly or indirectly, by Blackstone, the Funds or Other Blackstone Clients, in whole or in part, such as Everlake and AIG L&R). BIS operates within the Blackstone Tactical Opportunities business unit, shares personnel and resources with Blackstone Tactical Opportunities and ultimately reports to the Global Head of the Tactical Opportunities Group (David Blitzer). As such, the BIS investment team is integrated with Blackstone Tactical Opportunities and will attend Blackstone Tactical Opportunities Review Committee and Investment Committee meetings and otherwise share information regarding investment opportunities with other BTOA personnel (and vice versa). For example, Blackstone Tactical Opportunities has a history of collaborating with BIS on certain insurance investments and is

expected to continue collaborating on such investments in the future. In connection with such investments, BIS may provide asset management or other similar services to Portfolio Entities and the fees attributable to such services will not offset or reduce the Management Fees payable by limited partners or otherwise be shared with the Funds, their Portfolio Entities or limited partners. As a result of the foregoing and the overlap in senior leadership between BIS and Blackstone Tactical Opportunities overall, BTOA will, from time to time, receive compensation based on such fees and may be incentivized to participate in and pursue more insurance-related transactions due to the prospect of earning such fees. Such arrangements may give rise to additional conflicts of interest in relation to the Funds and there can be no assurance they will be resolved favorably for the Funds.

In addition, actual or potential conflicts of interest will likely arise in relation to the funds, vehicles or accounts BIS advises or sub-advises, including accounts where an insurer participates in investments directly and there is no separate vehicle controlled by Blackstone (collectively, “BIS Clients”). BIS Clients will engage in a variety of activities, including participating in transactions related to a Fund and/or its Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Under certain circumstances (e.g., where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client (or any Other Blackstone Clients participating via a similar arrangement) will not be an “Affiliate” under the Organizational Documents of a Fund nor subject to consent of the L.P. Advisory Committee, in which case any limitations or obligations pursuant to such Organizational Documents with respect to transactions with affiliates, including any required consents of the limited partners or the L.P. Advisory Committee, will not apply. BIS Clients have invested and are expected to continue investing in Other Blackstone Clients, and may invest in certain Funds. BIS Clients may have investment objectives that overlap with those of the Funds or their Portfolio Entities, and such BIS Clients may invest alongside the Funds or such Portfolio Entities in certain investments, which will reduce the investment opportunities otherwise available to the Funds or such Portfolio Entities. Other transactions in which BIS Clients will participate include, without limitation, investments in debt or other securities issued by Portfolio Entities or other forms of financing to Portfolio Entities (including special purpose vehicles established by the Funds or such Portfolio Entities) (see “Conflicting Fiduciary Duties to Debt Funds” and “Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally” herein). When investing alongside the Funds or their Portfolio Entities or in other transactions related to the Funds or their Portfolio Entities, BIS Clients may not invest or divest at the same time or on the same terms as the Funds or the applicable Portfolio Entities. BIS Clients will also from time to time acquire investments and Portfolio Entities directly or indirectly from the Funds, including one or more cash-flow assets (e.g., royalty streams), which may be securitized along with other cash-flow assets. In circumstances where BTOA determines in good faith that the conflict of

interest is mitigated in whole or in part through various measures that Blackstone or BTOA implements, BTOA is not required and does not intend to seek approval of the limited partners. In order to seek to mitigate any potential conflicts of interest with respect to such transactions (or other transactions involving BIS Clients), Blackstone may, in its discretion, involve independent members of the board of a Portfolio Entity or a third party stakeholder in the transaction to negotiate price and terms on behalf of the BIS Clients or otherwise cause the BIS Clients to “follow the vote” thereof, and/or cause an independent client representative or other third party to approve the investment or otherwise represent the interests of one or more of the parties to the transaction. In addition, Blackstone or BTOA may limit the percentage interest of the BIS Clients participating in such transaction, or obtain appropriate price quotes or other benchmarks, or, alternatively, a third-party price opinion or other document to support the reasonableness of the price and terms of the transaction. BIS will also from time to time require the applicable BIS Clients participating in a transaction to consent thereto (including in circumstances where BTOA does not seek the consent of the L.P. Advisory Committee or the limited partners). There can be no assurance that any such measures or other measures that may be implemented by Blackstone will be effective at mitigating any actual or potential conflicts of interest.

***Transactions with Portfolio Entities.*** Blackstone and Portfolio Entities of the Funds and Other Blackstone Clients operate in multiple industries and provide products and services to or otherwise contract with the Funds and their Portfolio Entities, among others. In connection with any such investment, Blackstone, the Funds and Other Blackstone Clients and their respective Portfolio Entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to Portfolio Entities of the Funds or Other Blackstone Clients. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a Portfolio Entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, ongoing account services (e.g., interacting and coordinating with banks generally and with regard to their know your client requirements), risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services) to such Portfolio Entities that are referred to the joint venture or business by Blackstone. Such referrals may be made by Blackstone 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 Clients) or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, participation in revenue share 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 Clients, accruing to the party making the introduction.

Such joint venture or business could use data obtained from such Portfolio Entities (see “Data” and “Data Management Services” herein). The Funds and the limited partners typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, other Funds, Other Blackstone Clients 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, cash payments, additional equity ownership, participation in revenue share and/or milestones) 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, cash payments, additional equity ownership, participation in revenue share and/or milestones) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, cash payments, equity ownership, participation in revenue share and/or milestones) may be similarly shared with the participating Funds, Other Blackstone Clients or their respective Portfolio Entities.

With respect to transactions or agreements with Portfolio Entities (including, for the avoidance of doubt, long-term incentive plans) occurring at times when unrelated officers of a Portfolio Entity are not appointed, Blackstone can be expected to negotiate and execute agreements on behalf of the Portfolio Entity with Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities and affiliates and other related parties. These negotiations would not be arm’s length and would entail conflicts of interest. Among the measures Blackstone can be expected to 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 will, in certain circumstances, lease property to or from Blackstone, other Funds, Other Blackstone Clients and their Portfolio Entities and affiliates and other related parties. The leases are generally expected to, but may not always, be at market rates. Blackstone can be expected to confirm market rates by reference to other leases it is aware of in the market, which Blackstone expects to be generally indicative of the market given the scale of Blackstone’s real estate business. Blackstone can be expected to, but may not always, nonetheless have conflicts of interest in making these determinations, and with regard to other decisions related to such assets and investments. 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.

**Asset Pooling.** A Fund may pool certain or all investments with one or more other Funds or Other Blackstone Clients (any such pool, an “Asset Pool”), including for the purposes of obtaining leverage or other financing, or seeking a full or partial exit from one or more investments including through securitization. In such circumstances an Asset Pool may be managed or controlled by BTOA or any of its affiliates (or Other Blackstone Client) and securities or other interests in the Asset Pool will be owned by such Fund, other Funds and other affiliated funds. The consummation of any such transaction will generally not require the consent of the L.P. Advisory Committee and will involve the exercise of BTOA’s and its affiliates’ discretion with respect to a number of material matters, which may give rise to actual or potential conflicts. For example, in connection with such transactions, BTOA will have broad discretion to determine whether and to what extent such a transaction constitutes a disposition of the contributed assets under the terms of the applicable Organizational Documents, to determine the proportionate interest of such Fund, the other Funds and the Other Blackstone Clients (as applicable) in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), which will require BTOA and its affiliates to determine the relative value of assets contributed to the Asset Pool and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool, and to determine how interests in or proceeds from the Asset Pool are attributed to limited partners or the Funds, each of which may have a material impact on limited partners’ returns in respect of such investments or the Funds more generally. In making these determinations, BTOA and its affiliates may, but are not required to, engage or seek the advice of any third party independent expert. However, even if such advice were sought, valuing such assets and interests and, therefore, the value of a Fund’s interest in, or proceeds received from, any Asset Pool, will be subjective. A Fund will generally be exposed to the performance of all assets in an Asset Pool and those investments contributed to the Asset Pool by the other Funds or Other Blackstone Clients (as applicable) may not perform as well as those investments contributed by such Fund. Accordingly the returns of such Fund of in respect of investments contributed by it may be lower than if they had not been contributed to the Asset Pool. The receipt, use and recontribution by such Asset Pools of any such proceeds shall not be considered distributions received by, or contributions made by, a Fund or its limited partners for purposes of the applicable Organizational Documents (including, for example, that such proceeds would not reduce or increase, as the case may be, the unpaid capital commitment of the limited partners, will not be subject to the investment limitations applicable to such Fund’s investments, will not be subject to the carried interest waterfall, will not be subject to any preferred return and will not be subject to any requirements under the Organizational Documents with respect to the timing of distribution of proceeds) and may result in higher or lower reported returns than if such proceeds had otherwise been distributed (or deemed distributed) to the Funds or the limited partner.

**Cross-Guarantees and Cross-Collateralization.** In certain circumstances, the Funds and their Portfolio Entities can be expected to enter into cross-collateralization or any cross-guarantee or similar arrangements (including with respect to Asset Pools) with other Funds, Other Blackstone Clients (including co-investment vehicles) and their Portfolio Entities, particularly in circumstances in which better financing terms are available through such arrangements. 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 Funds or Other Blackstone Clients could result in the Funds losing their interests in otherwise performing investments or other assets of the Funds due to poorly performing or non-performing investments or other assets of other Funds or Other Blackstone Clients in the collateral pool or such persons otherwise defaulting on their obligations under the terms of such arrangements (and for the avoidance of doubt, the Funds’ obligations under such cross-collateralization arrangements are expected to apply to investments in which the Funds have not participated). The Fund investors may also be required to fund capital contributions to cover the Funds’ obligations under such a default. A Fund can, in certain circumstances, be exposed to risks associated with borrowings or other indebtedness of other Funds and/or Other Blackstone Clients when such other entities are not in turn exposed to risks associated with such Fund’s borrowing for a similar purpose if, for example, such other entities or the partners thereof are excused from cross-collateralizing certain partnership expenses, management fees or other obligations of such Fund and other Funds. Through cross-collateralization, such other Funds may nevertheless be indirectly exposed to risks associated with leverage on fees, expenses and/or other obligations of the Fund. (See also “Liability Arising From Transactions Entered into Alongside Blackstone and/or Other Blackstone Clients” herein.)

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

**Joint Venture Partners.** The Funds will from time to time enter into one or more joint venture arrangements with third party joint venture partners. Investments 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 Clients, or their respective portfolio entities, or any affiliate, personnel, officer or agent of any of the foregoing.

**Valuation Matters.** The fair value of all investments or of assets received in exchange for any investments will ultimately be determined by BTOA in accordance with the Organizational Documents. The valuation of an investment does not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of such investments will be determined by BTOA in accordance with procedures set forth in the Organizational Documents and the General Partner's valuation policy for the applicable Fund and will generally be valued on a quarterly basis. The valuation methodologies used to value any investment will involve subjective judgments and projections and will, in certain circumstances, not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. For example, BTOA could believe that capitalization rates will be lower upon sale of an investment than they ultimately are, or that interest rates will decline during the hold period of an investment thereby creating attractive value even though rates do not decline. Valuation methodologies may permit reliance on a prior period valuation of particular investments. Ultimate realization of the value of an investment depends to a great extent on economic, market and other conditions beyond the BTOA's control. There will be no retroactive adjustment in the valuation of any investment, the offering price at which interests in the applicable Fund were purchased by limited partners or repurchased by such Fund, as applicable, or the fees and/or performance-based compensation paid to BTOA to the extent any valuation proves to not accurately reflect the realizable value of an asset in such Fund (subject to any clawback mechanism described in the applicable Organizational Documents). In addition, the valuation of certain types of investments such as early-stage companies may be less predictable than later-stage companies or companies in other sectors with more observable valuation inputs or readily available market pricing. Moreover, certain financial challenges specific to these types of investments, such as the inherent uncertainty in the evaluation of the cost, risk and time of research and development, the outcomes of marketing testing, receipt of regulatory approvals (if applicable), and achievement of key milestones, may further adversely affect the reliability of BTOA's valuations of the Funds' Investments. The

valuation of investments will affect the amount and timing of the General Partner's carried interest and, under certain circumstances and following the Fund's investment period, the amount of Management Fees (and servicing fees, as applicable) payable to BTOA. The valuation of Fund investments will, in certain circumstances, also affect the ability of Blackstone to raise a successor fund to the Funds and to form and attract capital to Other Blackstone Clients. As a result, there may be circumstances in which BTOA is incentivized to defer realization of investments, make more speculative investments, seek to deploy the Capital Commitments in investments at an accelerated pace, hold investments longer and/or determine valuations that are higher than the actual fair value of investments, which generally remains in the sole discretion of Blackstone.

In addition, in the event that the Funds make any distribution in-kind to their limited partners, the fair market value of such property is expected to be determined by the General Partners (who at times may receive input from a third-party valuation expert), subject to the terms and conditions of the Organizational Documents. As there is no guarantee that such valuations will reflect the value for such assets that would be achieved if such assets were sold to a third party rather than distributed in-kind, investors in each Fund may not receive the price for such assets that they may otherwise have received if such assets were sold in a third-party sale. If the valuations made by the General Partners in connection with the distribution-in-kind and used to calculate performance and carried interest distributions are higher than what could have been received if such investments were instead disposed of to third parties, held to maturity, or otherwise disposed of in another manner, the amount of carried interest distributions received by the General Partners, or the timing of receipt of carried interest distributions, could be higher and earlier in time than it would have been if such assets were sold in a third-party sale. Additionally, because the amount of proceeds Fund limited partners are deemed to receive in connection with potential distributions in-kind of marketable securities utilizes an average of the trading prices both prior to and after the date of distribution (as more fully described in the partnership agreement of the applicable Fund), the General Partners' carried interest distributions may be based on a valuation that is higher than the price of the securities actually distributed to the limited partners or that the General Partners would have received had such securities been sold for cash, in each case at the time of distribution.

Furthermore, Blackstone may determine to undertake a distribution in-kind of securities to Fund limited partners from some but not all Funds and Other Blackstone Clients that are invested in the same securities or instruments, with the result that limited partners of such Funds and Other Blackstone Clients invested in the same securities will have a different return on their investment, which may include any committed co-investment vehicle, or an individual limited partner co-investor, receiving a distribution through a distribution in-kind of securities at a different time than a disposal or distribution in-kind of the same class of securities by a



Fund or cash where such other funds are offered distribution in-kind. In such instance, the Funds and/or Other Blackstone Clients may receive a lower price for the same securities than the price received by such other funds.

**Group Procurement; Discounts.** The Funds and their Portfolio Entities will enter into agreements regarding group procurement (including, but not limited to, CoreTrust, an independent group purchasing organization), benefits management, purchase of title and/or other insurance policies (which can be expected to 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 Clients and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone, its personnel or other Funds and Other Blackstone Clients 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 can be expected to also receive consulting, usage or other fees from the parties to these group procurement arrangements. To the extent that a Portfolio Entity of an Other Blackstone Client is providing such a service, such Portfolio Entity and such Other Blackstone Client will benefit. Further, the benefits received by the particular Portfolio Entity providing the service will, in certain circumstances, 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 Partners Group.** The limited partners of the Funds 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, and investor personnel may have incentives or conflicts with respect to their investments in the Funds or Other Blackstone Clients, including matters Blackstone is not aware of, such as interests in Blackstone Inc. 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 will, in certain circumstances, as a result have conflicts in making these decisions, which can be expected to be more beneficial for one or more (but not all) Fund investors than for other Fund investors. In addition, the Funds can be expected to make investments that will, in certain circumstances, 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 Funds and other investment vehicles managed or advised by Blackstone that participate in the same investments as the Funds), and not the investment, tax or other objectives of any investors individually. As a result of disparate tax considerations applicable to certain investors in the Funds and Other Blackstone Clients, but not other investors therein, not all such investors will participate in Portfolio Entity investments through the same investment structures and vehicles, and the securities indirectly held by such investors (or consideration ultimately distributed to such investors) may differ as a result of the foregoing, and there can be no assurance that the foregoing considerations will not impact (positively or negatively) the returns achieved by any investor, as compared to other investors. Additionally, BTOA will, in certain circumstances, elect to limit certain Fund investors' participation in particular investments or exclude the limited partners from particular investments (in whole or in part), including, for the avoidance of doubt, follow-on investments (or such limited partners of the Funds will benefit from excuse rights or investment limitations with respect to particular investments or follow-on investments), taking into account ERISA, legal, tax, regulatory, policy or other similar considerations (including established investment policies of a limited partner) and/or limitations with respect to any Fund investor (or category of Fund investor) or to such investments (including, for example, ensuring that certain ownership thresholds are not exceeded with respect to investors that are affiliated with governmental entities or similar organizations), as determined by BTOA in good faith, in which case non-limited or excluded investors in the Funds shall generally be allocated a greater proportionate interest in such investment (or a follow-on investment related thereto, notwithstanding the initial or existing ownership proportions thereof). In addition, for certain Funds, reductions in unpaid Capital Commitments for capital contributions in respect of Management Fees are based on the actual amounts paid by the Fund investors. Therefore, to the extent a Fund investor is entitled to a discounted or reduced Management Fee arrangement (including as set forth in the Organizational Documents or one of more side letters or other agreements (including any agreement governing a Strategic Relationship)) such Fund investor's capital contributions in respect of Management Fees will be disproportionate as compared to any Fund investor without such arrangement, and as a result, its unused capital commitment will be proportionately higher than such other Fund investor, which among other things, will cause it to have a greater proportionate interest in investments made (and expenses incurred) than would be the case absent such Management Fee arrangement. In addition, the limited partners can be expected to 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 can be

expected to also include affiliates of Blackstone, such as Other Blackstone Clients (including Strategic Partners, via a primary investment or secondary acquisition), 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, which funds or persons can be expected to 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, including not bearing in-house administrative, accounting, legal and/or technology-related expenses that are allocable to the Funds), 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. 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 investors will have equivalent rights to vote and withhold consents as non-related investors in the Funds, unless otherwise provided by the terms of the applicable governing agreements. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related investors. It is also possible that the Funds or the Funds' Portfolio Entities will, in certain circumstances, be counterparties (such counterparties dealt with on an arm's-length basis) or participants in agreements, transactions or other arrangements with the investors in the Funds or their affiliates (which may occur in connection with such investors or affiliates making a capital commitment to the Funds or Other Blackstone Clients), including with respect to one or more investments (or types of investments). 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 investors described in the previous sentences can be expected to therefore have different information about Blackstone and the Funds than the limited partners and other investors not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealings with any such investors, and BTOA may be motivated to enter into agreements, transactions or arrangements with the limited partners or their affiliates in order to secure capital commitments from investors in a Fund or Other Blackstone Clients and may otherwise be motivated by factors other than the interests of the Funds (see also "Other Blackstone Business Activities" herein). Moreover, there is an increasing trend in the private equity industry of fund sponsors offering liquidity to investors in existing funds through a structured secondary process where purchasing investors would, as a condition to participating in such purchase from existing investors, also make a commitment to a new fund being raised. Blackstone could be

incentivized to engage in such a process for one or more of its existing Funds (or any investments therein) to the extent doing so could be expected to improve Blackstone's ability to raise a successor fund to the Funds and to form and attract capital to existing or future Other Blackstone Clients (e.g., by securing an agreement from the purchasing investors participating in the process to make commitments to such funds or, more generally, by positively impacting the performance information for the relevant Funds that is presented to prospective investors in Blackstone fundraise materials). In addition, not all investors monitor their investments in vehicles such as the Funds in the same manner. For example, certain investors in the Blackstone Tactical Opportunities Program can be expected to periodically request from BTOA information regarding the Funds and/or 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 investors—for instance, pre-quarterly reporting valuation. In such circumstances, BTOA may provide such information to such Fund investors and not to other Fund investors and BTOA will not be obligated to affirmatively provide such information to all Fund investors simply because it has provided such information to certain Fund investors upon their request. In addition, certain Fund investors can be expected to be joint venture partners with or co-investors alongside the Funds in one or more investments, which status may include rights (such as voting or observer seats on the board of directors of a Portfolio Entity) that provide such Fund investors with information about such investment that will not be made available generally to all Fund investors. As a result, certain investors can be expected to receive more information from BTOA about the Blackstone Tactical Opportunities Program, the Funds and their Portfolio Entities, or can be expected to receive information about the Funds, the Blackstone Tactical Opportunities Program and their Portfolio Entities at an earlier time, than the limited partners, and BTOA will have no duty to ensure the limited partners receive the same information regarding the Blackstone Tactical Opportunities Program, the Funds and Portfolio Entities. Therefore, certain investors can be expected to be able to take actions on the basis of such information which, in the absence of such information, the limited partners do not take. Furthermore, at certain times Blackstone will, in certain circumstances, 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 Client 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, can be expected to also be Fund limited partners or limited partners of Other Blackstone Clients. These institutions and personnel are a potential source of information and ideas that could benefit the Funds, and can be expected to 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.

***The Limited Partners' Outside Activities.*** The limited partners shall be entitled to and can be expected to 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 will, in certain circumstances, 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, the limited partners 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 partners, 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. Leverage by entities other than the Funds (including a facility collateralized or otherwise secured by the Funds' holdings in multiple or all investments, whether through wholly-owned subsidiaries and/or through special purpose vehicles formed by the Funds to make or hold such investments and/or to serve as a borrower under an asset-backed facility for the Funds) do not count towards the limitations on borrowing set forth in the Organizational Documents. 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 and may update or adopt from time to time policies or guidelines relating to the use of such credit facilities. Generally and without limiting the foregoing, the Funds can be expected to 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), organizational expenses and other Fund obligations, making distributions to partners (to the extent permitted under the Organizational Documents) and providing permanent financing or refinancing or providing interim financing to consummate the purchase of investments of the Funds. The Funds will generally 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. Examples of when the longer-term fund-level financing will typically be used include, but are not limited to, (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 General Partner may be incentivized to cause a Fund or Portfolio Entities to borrow (whether from such Fund's subscription credit facility or otherwise) for distributions as it will result in the General Partner receiving carried interest earlier than it would otherwise. Such borrowings by the Funds and/or Other Blackstone Clients or Portfolio Entities under any subscription credit facility also increases their leverage without any corresponding acquisition of assets. The amount of credit available to the Funds and Other Blackstone Clients under any subscription credit facility may be determined by the credit quality of the limited partners and the limited partners of the Other Blackstone Clients (including co-investment vehicles) party thereto (collectively, "Credit Party LPs") as determined by the lender (and the lender may determine that certain investors or Other Blackstone Clients have little or no credit quality). Moreover, the credit quality of the Credit Party LPs may be negatively impacted (or disregarded completely by a lender) as a result of contractual agreements between the Credit Party LPs and Blackstone (in a side letter for example). For this reason, Credit Party LPs with a higher credit quality, as determined by the lender, generate more credit for the Funds or the Other Blackstone Clients, as applicable, than Credit Party LPs with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality Credit Party LPs to the others. While BTOA expects to generally utilize credit facilities for the Funds in a consistent manner, the use of such credit facilities may differ based on available credit facility capacity and the contractual terms applicable to each Fund and such credit facilities, among other factors, and the subscription credit facility used by the Funds may differ. Therefore, as the subscription credit facilities utilized by the Funds have different terms, such as with respect to hedging, currency limitations and interest rates, while the Funds may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant Organizational Documents, the investment return can, in certain circumstances, differ among the Funds as a result.

Calculations of net and gross internal rates of return ("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. In respect of investment and performance data referred as reported to limited partners from time to time, (A) for purposes of gross IRR calculations, (i) cash outflows are calculated when capital is invested by a Fund, (ii) cash inflows for investment realizations and current income are calculated upon receipt by a Fund and (iii) cash inflows for unrealized investments are based on the fair value at the end of the period determined by Blackstone, and (B) for purposes of net IRR calculations, IRR is based on the due date and

amount of capital contributions from limited partners, not the timing or amount of fund-level borrowings such as the subscription line of credit. Because this treatment also applies in instances where a fund utilizes borrowings under a fund's subscription-based credit facility, use of a subscription-based credit facility will typically result in a higher reported IRR than if the facility had not been utilized. Use of a subscription-based credit facility may present conflicts of interest as a result of certain factors and the General Partners may make distributions prior to the repayment of outstanding borrowings. As a result, use of a subscription credit facility (or other long-term leverage) will impact calculations of returns and will typically result in a higher 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 Clients. For example, use of leverage arrangements can be expected to 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 can be expected to receive a greater amount of Management Fees and servicing fees by utilizing borrowings under the facility 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 Other Blackstone Clients, as applicable, 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 the 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 Clients, including Blackstone side-by-side arrangements, which invest alongside the Funds in one or more investments. For example, the Funds can be expected to borrow to fund a joint venture partner's, co-investor's, or Other Blackstone Clients *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 other co-investor 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. However, any such co-investors, joint venture partners and Other Blackstone Clients, although they benefit from the Funds' subscription credit facilities, will generally not bear any portion of the costs of establishing and maintaining the Funds' subscription credit facilities, which will be borne entirely by the Funds. BTOA will, in certain circumstances, receive direct and indirect benefits

from such uses as well, including as a result of the facilitation of co-investment by other Funds and Other Blackstone Clients. The Funds will pay interest expenses and other expenses incurred in relation to the line of credit.

The Funds' use of credit facilities will be used and managed in the manner described above independently from any Other Blackstone Client's use of credit facilities (and the contractual restrictions applicable to such Other Blackstone Clients 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 Client, which may result in different expenses related to borrowings and investment IRRs reported by multiple Blackstone funds for the same investment.

***Failure to Make Payments.*** If a limited partner fails to pay when due installments of its capital commitment to a Fund or its portion of Management Fees, organizational expenses or any amount otherwise due under the Organizational Documents, and the contributions and/or payments made by non-defaulting limited partners and borrowings by such Fund are inadequate to cover the defaulted capital contributions or other payments, such Fund may be unable to pay its obligations when due. As a result, such Fund may be subjected to significant penalties that could materially adversely affect the returns to the limited partners (including non-defaulting limited partners). If a limited partner defaults, such limited partner may be subject to various remedies as provided in the Organizational Documents, including, without limitation, reductions in its capital account balance and percentage interest, a forced sale of its interest in a Fund at a discount and preclusion from participation in any further investments made by such Fund. A default by a limited partner may also limit a Fund's ability to incur borrowings and avail itself of what would otherwise have been available credit. The General Partner may, subject to certain limitations, require an additional funding of capital contributions from the non-defaulting limited partners to fund the shortfall caused by the defaulting limited partner(s). A default by a limited partner may also limit a Fund's availability to incur borrowings and avail itself of what would otherwise have been available credit.

***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 of the Funds 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", group or other insurance policies maintained by Blackstone that cover one or more of the Funds, Other Blackstone Clients, 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”, group or other insurance policies among the Funds, the Other Blackstone Clients, 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 Clients 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 can be expected to reasonably determine). Additionally, the Funds and Other Blackstone Clients (and their respective Portfolio Entities) will, in certain circumstances, jointly contribute to a pool of funds that can be expected to 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 can be expected to reasonably determine). (See also “Service Providers, Vendors and Other Counterparties Generally” herein.)

In respect of such insurance arrangement, Blackstone can be expected to make corrective allocations from time to time should it determine subsequently that such adjustments are necessary or advisable. 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.

**ESG Matters.** As noted above, BTOA has established the ESG Policy that BTOA intends to apply across the Funds’ investment portfolios, consistent with and subject to its fiduciary duties and applicable legal, regulatory or contractual requirements. BTOA will endeavor to consider material<sup>1</sup> ESG factors in connection with its investment activities in order to protect and maximize investment performance. However, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by BTOA or a third-party ESG advisor will reflect the beliefs, values, internal policies

---

<sup>1</sup> As used in this instance, “material” ESG factors are defined as those factors that BTOA determines have – or have the potential to have – a material impact on an investment’s going-forward ability to create, preserve or erode economic value, including as related to environmental and social value, for that organization and its stakeholders. The word “material” as used herein should not be equated to or taken as a representation about the “materiality” of such ESG factors under the U.S. federal securities laws or any similar legal or regulatory regime globally.

or preferred practices of any particular investor or align with the beliefs or values or preferred practices of other asset managers or with market trends. Considering ESG factors when evaluating an investment in certain circumstances could, to the extent material economic risks associated with an investment are identified, cause BTOA not to make an investment that it may have made or to take action with respect to a company differently than it may have taken in the absence of such consideration, which could result in the Funds performing differently than investment funds that do not take ESG factors into account. Additionally, ESG factors are only some of the many factors that BTOA may consider in making an investment. Although BTOA considers application of the ESG Policy to be an opportunity to enhance or protect the performance of investments over the long-term, BTOA cannot guarantee that the application of its ESG Policy and engagement with its investments on ESG, which depends in part on skill and qualitative judgments, will positively impact the financial or ESG performance of any individual investment or Fund, or BTOA's financial performance as a whole.

The materiality of sustainability risks and impacts on an individual asset or issuer and on a portfolio as a whole depends on many factors, including the relevant industry, country, asset class and investment style. In evaluating a prospective investment, BTOA often depends upon (and will not independently verify) information and data provided by the entity or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause BTOA to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities.

Certain Funds may fall within the scope of SFDR. There is legal uncertainty around the parameters applicable when categorizing a financial product under SFDR, and there is no guarantee that regulators will agree with the relevant characterization. In circumstances where there is a determination that a Fund has been characterized incorrectly, there could be a risk of investigation, enforcement proceedings and/or sanctions. Furthermore, the reporting requirements applicable to certain financial products under SFDR are currently uncertain, and there is a risk that the applicable Funds may have to capture and report EU Taxonomy data in relation to investments, and such additional reporting would be at additional cost to these Funds.

In addition, BTOA's ESG Policy is expected to change over time. BTOA could determine, in its discretion, to revisit the implementation of certain of its ESG initiatives (including due to cost, timing, or other considerations). It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for BTOA to adhere to all elements of a particular Fund's investment strategy, including with respect to ESG risk and opportunity management and impact, whether with respect to one or more individual investments or to the Fund's portfolio generally.

There is also growing regulatory and investor interest, particularly in the US, UK, and EU (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. BTOA's ESG Policy and the Funds are subject to evolving regulations and could become subject to additional regulation in the future. BTOA cannot guarantee that its current approach (including its ESG Policy) or a Fund's investments will meet future regulatory requirements, reporting frameworks or best practices. There is also risk of mismatch between US, EU and UK initiatives.

Additionally, BTOA has established certain enterprise-level and business group-specific ESG goals. Although the aim of these goals is to create strong returns for investors, the pursuit of these goals (which will include data collection, analysis and reporting) will involve the dedication of time and resources that may otherwise be allocated to other investment management activities and there is consequently a risk that the pursuit of these goals could adversely affect the performance of the Funds.

**Other Conflicts.** In addition, other present and future activities of Blackstone, the Funds, Other Blackstone Clients 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 the case of an appointment of an Independent Client Representative as described 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 the Funds, any limited partner, or the limited partners as a group or have any other duty to the Funds, any limited partner or the limited partners as a group other than a duty to act in good faith.

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. The General Partners and their affiliates 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 the L.P. Advisory Committee consents to a particular matter as to which it is consulted and the General Partners act in a manner, or pursuant to the standards and procedures, approved by the L.P. Advisory Committee, or otherwise as provided in the Organizational Documents, then the General Partners and their affiliates will not have any liability to the Funds or the limited partners for such actions taken in good faith by them. However, the L.P. Advisory Committee will not represent the interests of all the limited partners, each member of the L.P. Advisory Committee may act in the interests of the limited partners with which it is associated, and the members of the L.P. Advisory Committee may themselves be subject to various conflicts of interest. In general, the limited partners will not be entitled to control the selection of members of the L.P. Advisory Committee or to review the actions or deliberations of the L.P. Advisory Committee. Furthermore, some or all of the members of the L.P. Advisory Committee may also be on the advisory committee of other Funds or Other Blackstone Clients with which there is a potential conflict or may represent investors that have an interest in both such other Funds or Other Blackstone Clients. Such L.P. Advisory Committee members will generally not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve actual or potential conflict of interests. As described in the Organizational Documents of certain Funds, any member of the L.P. Advisory Committee representing a limited partner that is excused and/or excluded from participating in an investment or potential investment will not participate in any L.P. Advisory Committee consent (or meeting related thereto) relating to such investment and, accordingly, will be excluded when calculating the total number of members of the L.P. Advisory Committee for purposes of determining whether a majority of its members have consented to or approved such matter.

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, Other Blackstone Clients, Blackstone and/or its affiliates where the interests of the Funds and one or more Other Blackstone Clients are generally aligned, BTOA may in its discretion seek approval for such material conflict of interests on behalf of such Funds and such Other Blackstone Clients (which, in certain circumstances, include Other Blackstone Clients in which some or all of the investors therein are affiliates of Blackstone) 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, the consent of the L.P. Advisory Committee, with respect to any Fund, or the consent of a similar L.P. advisory committee or L.P. representative, with respect to any Fund, will be deemed to relate to the entire amount invested or to be invested in the related investment by such Funds. 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 the L.P. Advisory Committee or 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 or the L.P. Advisory Committee actually voted against the approval of such conflict of interest. For the avoidance of doubt, where a consent or approval is sought or required by the L.P. Advisory Committee, the L.P. Advisory Committee will act by affirmative vote of a majority in number of all members of the L.P. Advisory Committee who have actually cast a vote (whether for or against the relevant matter), as applicable, at a meeting, written consent or any combination thereof. In contrast, any objection rights of the L.P. Advisory Committee require a majority of the members to so object.

***Additional Potential Conflicts of Interest.*** The officers, directors, members, managers and personnel of BTOA can be expected to trade in securities, including the securities of the Funds' Portfolio Entities and Portfolio Entities of Other Blackstone Clients, and make personal investments 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. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which the Funds hold or acquire an interest (either directly through a privately negotiated investment or indirectly through the purchase of securities or other traded instruments related thereto) and (ii) entities that have interests which are adverse to those of the Funds or pursue similar investment opportunities as the Funds. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of BTOA can be expected to 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 Clients, 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.

***Side Letters and Agreements.*** The General Partners will enter into side letters or other similar agreements with certain limited partners in connection with their admission to the Funds without the approval of any other limited partner, which will have the effect of establishing rights under or altering or supplementing the terms of the Organizational Documents with respect to such limited partners in a manner more favorable to such limited partners than those applicable to other limited partners. Notwithstanding the fact that a limited partner may have a most favored nations provision in its side letter, such limited partner will not have the right to elect certain rights or benefits. It is also expected that Blackstone will from time to time confirm factual matters to incoming limited partners, make statements of intent or expectation to such limited partners or acknowledge statements by such incoming limited partners that relate to a Fund and/or Blackstone's activities pertaining thereto in one or more respects. In addition, Blackstone may from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more limited partners as part of an overall firm relationship. Additionally, it is expected that limited partners who designate representatives to participate on the L.P. Advisory Committee may, by virtue of such participation, have more information about the Funds and investments in certain circumstances than other limited partners generally and may be provided information in advance of communication to other limited partners generally. Any such statements, confirmations, agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and therefore will not be subject to the "most favored nations" process or election by the limited partners, and as a result Limited Partners will not typically receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on the Funds or that such arrangements will not influence Blackstone's activities or the operation of the Funds.

### Other Financial Industry Affiliations

BTOA is an affiliate of the following entities:

<b>Bank Entity</b>	
Luminor Bank AS*	A Baltic bank purchased by Blackstone Capital Partners
<b>Broker-Dealer Entities</b>	
Alight Financial Solutions, LLC*	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Assetpoint Financial, LLC*	Operates a service that facilitates the entry by banks and other financial institutions in to repurchase agreement transactions for themselves or as agent for their customers
Blackstone Securities Partners L.P.	Provides a variety of limited investment banking services
Everlake Distributors, L.L.C.	Everlake Distributors business is limited to the underwriting and the distribution of variable life insurance or annuities to other broker/dealers and registered investment advisers
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Incenter Securities Group LLC**	Provides a variety of limited investment banking services
<b>Investment Advisor Entities</b>	
Alight Financial Advisors, LLC (D/B/A Aon Hewitt 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 Communications Advisors I L.L.C. (Relying Adviser)	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone Credit Systematic Strategies LLC	Provides investment advisory services to debt-focused separately managed accounts, private investment funds, closed-end funds and UCITS funds
Blackstone Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone Asset Based Finance Advisors LP	Provides investment advisory services to a number of debt-focused separately managed accounts
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 Life Sciences Advisors L.L.C.	Provides investment advisory services to various private investment funds specializing in the life sciences industry
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Private Investments Advisors L.L.C.	Provides investment advisory services to multi-strategy private equity funds
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 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 Advisors 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 private investment funds and accounts which invest primarily in public and private real estate and real estate related 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 CLO Management LLC (Management Series) (Relying Adviser)	Provides investment advisory services to U.S. CLOs
Blackstone Ireland Limited (Relying Adviser)	Provides investment advisory services to debt-focused private investment funds and separately managed accounts
Blackstone Ireland Fund Management Limited (Relying Adviser)	Provides investment advisory services to 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.
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT and its operating subsidiary
BXMT Advisors L.L.C.	Provides investment advisory services to a publicly traded REIT and its related entities
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
CT High Grade Mezzanine Manager, LLC (Relying Adviser)	Provides investment advisory services to assets owned by a third-party insurance company

CT High Grade Partners II Manager, LLC (Relying Adviser)	Provides investment advisory services to a private real estate debt fund
CT Investment Management Co., LLC	Provides investment advisory services to publicly traded CDOs
First Eagle Alternative Credit EU, LLC*	Provides investment advisory services to various private investment funds specializing in the European direct lending industry
First Eagle Alternative Credit EU MOA Ltd.*	Sponsor of limited partnerships for First Eagle's European Alternative Credit business
First Eagle Alternative Credit Funding, LLC*	Sponsor of limited partnerships for First Eagle's Alternative Credit business
First Eagle Alternative Credit, LLC*	Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts, and co-mingled funds
First Eagle Separate Account Management, LLC*	Investment adviser created to provide investment advisory services to a business development company that has not yet launched
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts, and high net worth individuals
Blackstone Credit BDC Advisors LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
Blackstone Liquid Credit Advisors I LLC	Provides investment advisory services to debt-focused private investment funds and separately managed accounts
Blackstone Liquid Credit Advisors II LLC (Relying Adviser)	Provides investment advisory services to debt-focused separately managed accounts
Blackstone Alternative Credit Advisors LP	Provides investment advisory services to debt-focused private investment funds and closed-end funds
Blackstone Liquid Credit Strategies LLC	Provides investment advisory services to 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
Finance of America Capital Management LLC **	Provides investment advisory services to mortgage related asset private funds and managed accounts
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to pooled investment and custom vehicles operating as private investment funds
First Eagle Alternative Capital BDC, Inc.*	Provides investment advisory services to certain private funds and separate accounts that have invested alongside First Eagle Alternative Capital BDC, Inc.
First Eagle Direct Lending Manager III, LLC* (Relying Adviser)	Serves as the manager of a private direct lending fund
NIBC Bank N.V.***	Entity is an advisory/banking affiliate of NIBC, a PE and BTO portfolio company
NIBC Credit Management, Inc.***	Entity is an advisory affiliate of NIBC, a PE and BTO portfolio company
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Assessoria em Investimento Ltda.	Brazilian investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Capital Israel Ltd.	Israeli 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 Real Estate Australia Pty Limited	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
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

Blackstone (China) Equity Investment Management Company Limited	Chinese investment advisory firm
Blackstone Treasury Asia Pte Ltd	Singapore firm which administers cash management and treasury-related activities for affiliates of the registrant, and centrally managing and investing operating cash for affiliates of the registrant
BX Mexico Advisors S.A. de C.V.	Mexican advisory entity which provides services to certain publicly registered trusts
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
Blackstone Advisors Korea Limited	Korean investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
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 Germany GmbH	German investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and acts as an investment fund manager
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
The Blackstone Group Spain SLU	Spain investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Administrative Services Canada ULC	Canadian exempt investment adviser, which serves as a sub-advisor to the registrant and/or its affiliates
<b>Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities</b>	
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 Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS

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
<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
Everlake Assurance Company*	A life insurance company domiciled in the State of Illinois
Everlake Life Insurance Company*	A life insurance company domiciled in the State of Illinois specializing in life insurance and annuities
ELIC Reinsurance Company*	A captive insurance company and wholly-owned subsidiary of Everlake Life Insurance Company
Everlake Reinsurance Limited*	An exempted reinsurance company organized under the laws of the Cayman Islands
Gryphon Mutual Insurance Company****	A captive property insurance company
Ki Financial Limited**	A digitally-driven Lloyd’s of London syndicate insurance company
Lexington National Land Services	A wholly owned title and escrow agent
Partners Life Limited**	Life and medical insurance company in New Zealand
Prima Assicurazioni S.p.A.**	An Italian tech-enabled insurance company
Westland Insurance Group Ltd.	A property and casualty insurance broker

\*Portfolio company of affiliated private equity fund

\*\*Portfolio company of BTOA Funds

\*\*\*Portfolio company of affiliated private equity and BTOA Funds

\*\*\*\*Portfolio company owned by its participants, including Blackstone Real Estate Funds, and managed by an affiliate of Blackstone

Blackstone Singapore Pte Ltd is registered in Singapore and The Blackstone Group International Partners LLP 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, Blackstone Securities Partners L.P., which is an affiliate of Blackstone that 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 Organizational Documents 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 reasonably designed to ensure that BTOA meets its fiduciary obligation to BTOA’s clients (or prospective clients) 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 Clients; 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 reasonably designed 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 reasonably designed to comply with SEC requirements that registered investment advisers have a Code of Ethics, and are intended to assist Blackstone with identifying and mitigating actual or potential conflicts of interest with Blackstone's clients that may arise as a result of such transactions. In addition, Blackstone has implemented certain policies and procedures (e.g., information walls) to restrict access to material non-public information. The Blackstone Legal and Compliance Department is responsible for overseeing compliance with the requirements of the Code, which requirements include, but are not limited to, reporting of personal investment activities, accounts, pre-clearance of personal securities transactions, reporting of certain investment transactions and periodic compliance certifications. The Code is available for review upon request.

You may request a copy of the Code by contacting BTOA's Chief Compliance Officer, Omar Rehman, at (212) 583-5000 or [Omar.Rehman@Blackstone.com](mailto:Omar.Rehman@Blackstone.com).

BTOA does not participate in principal trading generally; however, BTOA would be permitted to if BTOA obtained appropriate Fund investor (or Independent Client Representative, if applicable) approvals, to the extent permitted under applicable Organizational Documents. BTOA addresses attendant conflicts as described in the applicable Organizational Documents.



## **Item 12 – Brokerage Practices**

BTOA will, in certain circumstances, trade in public securities. In the event BTOA executes a brokerage transaction for the Funds (e.g., trades in public securities as a direct investment, as part of or following an initial public offering of a Portfolio Entity) 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 12 persons, which is comprised of executive officers of Blackstone, business heads of certain of Blackstone's 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/or Portfolio Entities 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 can be expected to be able to take actions on the basis of such information which, in the absence of such information, other investors do not take. Furthermore, at certain times BTOA may be restricted from disclosing to investors material non-public information regarding any assets in which a Fund invests, particularly those investments in which an Other Blackstone Client or Portfolio Entity that is publicly registered co-invests with a Fund.

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

BTOA has distribution and/or placement agent arrangements with a number of unaffiliated third parties. Such unaffiliated third parties can be expected to form investment vehicles for the purpose of investing in any Fund and the capital commitments of such third-party investment vehicles will, in certain circumstances, account for a substantial portion of the overall capital commitments to such Fund. 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). The Funds may also agree to reimburse such third-party solicitors for their expenses and/or agree to indemnify such third-party solicitors under certain circumstances. 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. A third-party solicitor may directly charge investors additional placement fees (or other fees) in connection with their investment in the Funds, and such fees will not reduce Management Fees. With respect to expenses related to the diligence and negotiation of placement agent arrangements, please see Item 5 – Fees and Compensation. 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.

Blackstone Securities Partners L.P., an affiliate of Blackstone, serves as a placement agent to the Funds in the U.S. but is not compensated for such services. Please see Item 10 – Other Financial Industry Activities and Affiliations for more information.

While it is the case that certain Funds are no longer being actively marketed, there were placement arrangements in place with affiliated and non-affiliated third-party solicitors pursuant to which on-going payments may still be due and owing.

## **Item 15 – Custody**

Rule 206(4)-2, as amended (the “Custody Rule”), under the Advisers Act defines custody as holding client securities or cash or having any authority to obtain possession of them. The Funds generally have BTOA affiliates acting as General Partners and, as such, BTOA is generally deemed to have custody of the Funds’ securities and cash. 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 or advise 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 Blackstone 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 can be expected to 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 BTOA’s Chief Compliance Officer, Omar Rehman, at (212) 583-5000 or [Omar.Rehman@Blackstone.com](mailto:Omar.Rehman@Blackstone.com).

## **Item 18 – Financial Information**

BTOA 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.