

Item 1 – Cover Page

The Blackstone logo, featuring the word "Blackstone" in a white serif font centered within a solid black rectangular box.

Blackstone ISG-II Advisors L.L.C.

345 Park Avenue

New York, NY 10154

(212) 583-5000

www.blackstone.com

as of January 22, 2024

Form ADV, Part 2A (the “**Brochure**”) required by the Investment Advisers Act of 1940, as amended (“**Advisers Act**”), provides information about the qualifications and business practices of Blackstone ISG-II Advisors L.L.C. (the “**Registrant**”).

This Brochure provides information about the Registrant’s qualifications and business practices. If you have any questions about the contents of this Brochure, please contact Neil Schwartz, Chief Compliance Officer of the Registrant at +1 (212) 583-5000; neil.schwartz@blackstone.com. Additional information about the Registrant also is available at the SEC’s website www.adviserinfo.sec.gov (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in the Registrant’s name). The search results will provide you with Parts 1 and 2A of the Registrant’s Form ADV.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority. The Registrant is a registered investment adviser with the SEC. The Registrant’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications provided to you, including this Brochure, may be used to evaluate the Registrant and should be considered in your decision to invest in an investment account or vehicle advised by the Registrant.

Item 2 – Material Changes

This brochure contains important information about the Registrant. This brochure is intended to provide potential and existing clients with an overview of the Registrant (together with its ultimate owner Blackstone Inc. and its affiliates, “**Blackstone**”). It also contains important disclosures such as certain practices of the Registrant, potential material conflicts that may arise and key investment risks.

The information below is a summary of the material changes to this Brochure since the last annual update on March 31, 2023, which was posted on the SEC’s public disclosure website, www.adviserinfo.sec.gov.

Item 4 has been updated to reflect the newly formed Blackstone Credit and Insurance platform.

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Item 4 – Advisory Business

Blackstone ISG-II Advisors L.L.C., a Delaware limited liability company, was founded in 2017 as part of Blackstone Insurance Solutions (“**BIS**”), the former division of Blackstone that included the Registrant. As of March 31, 2023, the Registrant serves as the discretionary investment manager or sub-manager pursuant to investment management agreements entered into between the Registrant and each of its clients (each, a “**Client**” and collectively, the “**Clients**”) to provide investment management services to the Clients.

The Clients include two different types of pooled investment vehicles formed to offer investment solutions for insurance companies and other financial institutions and investors:

(1) Allocation Funds (“**Allocation Funds**”)

The Allocation Funds primarily invest in or alongside a range of Blackstone investment vehicles (including private equity or other alternative asset drawdown funds or open-ended funds), accounts (including separately managed accounts or sub-managed accounts) or other Blackstone affiliates, which may include one or more side-by-side investment vehicles and co-investment vehicles (“**Underlying Blackstone Accounts**”), managed or sub-managed by Blackstone or its affiliates (the “**Underlying Blackstone Managers**”), or in investment funds, vehicles or accounts managed or sub-managed by non-Blackstone managers and other investments and asset classes related thereto in good faith in accordance with investment guidelines, investment management agreements and any other governing documents relating to the Clients (together with Underlying Blackstone Accounts, the “**Underlying Accounts**”).

(2) Investment Funds (“**Investment Funds**”)

Investment Funds seek to deliver attractive risk-adjusted investment returns by acquiring Portfolio Entities (defined below) related to insurance companies and insurance-related assets. “**Portfolio Entity**” describes, individually and collectively, any entity owned, directly or indirectly through subsidiaries, by one or more Clients, Underlying Blackstone Accounts, Other Blackstone Accounts (defined below) or one or more third-party investors (including co-investors), including, as the context requires, portfolio companies, holding companies, special purpose vehicles and other entities through which investments are held. “**Other Blackstone Accounts**” are any pooled investment vehicles, managed accounts and/or other similar arrangements advised, managed or operated by Blackstone and its affiliates (and including such future pooled investment vehicles, managed accounts and/or other similar arrangements) and any successors thereto other than the Clients.

Ownership of the Registrant

Blackstone Inc. is the ultimate parent of the Registrant and is a publicly traded corporation listed on the New York Stock Exchange that trades under the ticker symbol “BX”. Blackstone Intermediary Holdco L.L.C. is the managing member of the Registrant. Blackstone Securities Partners L.P. (“**BSP**”) is the sole member of Blackstone Intermediary Holdco L.L.C. Blackstone Holdings I L.P. is the general partner of BSP. Blackstone Holdings I/II GP L.L.C. is the general partner of Blackstone Holdings I L.P. Blackstone Inc. is the controlling shareholder of Blackstone

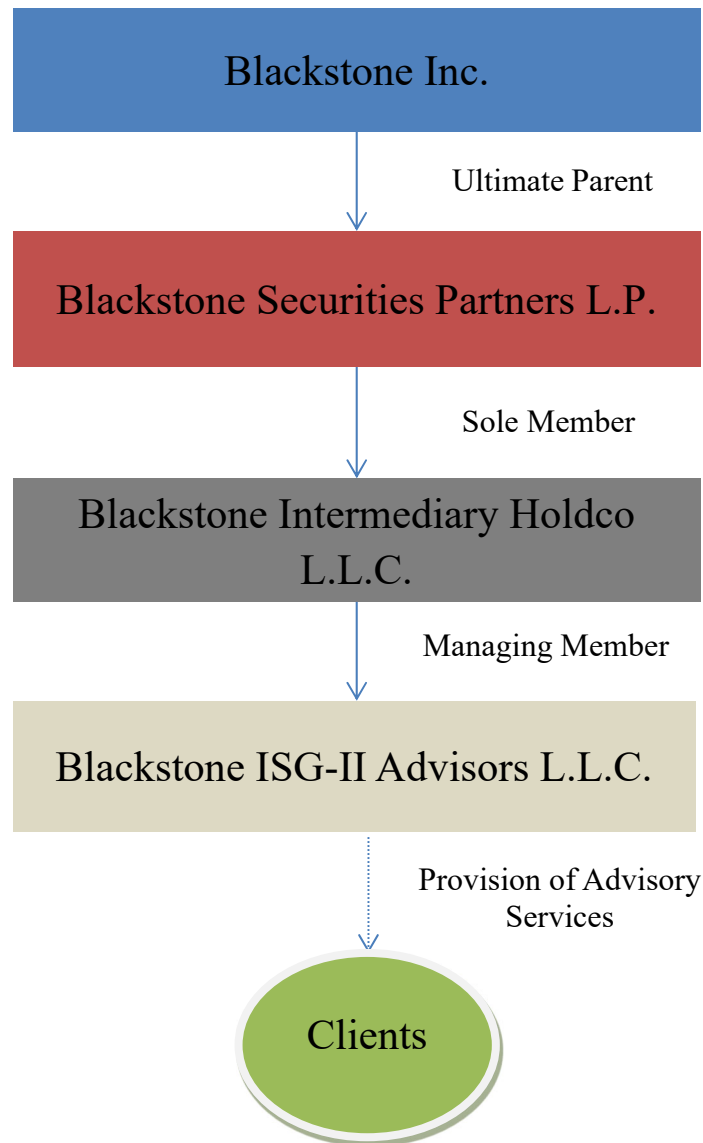
Holdings I/II GP L.L.C. Please see the chart on the following page. Blackstone is a leading global alternative investment manager with investment vehicles focused on private equity, real estate, hedge fund solutions, credit, secondary funds, tactical opportunities, infrastructure, insurance solutions and life sciences. Effective as of January 1, 2024, Blackstone Credit, Blackstone Insurance Solutions and Blackstone's Asset Based Finance platform were integrated into a single new unit, Blackstone Credit & Insurance ("**BXCI**"). For the avoidance of doubt, references to the insurance asset management business throughout this brochure exclude any credit-focused or asset-based finance asset management affiliates in BXCI. Please see **Item 10 – Other Financial Industry Activities and Affiliations** and **Item 11 – Code of Ethics** for more information.

Assets Under Management

The Registrant's regulatory assets under management ("**RAUM**") are \$5,652,369,010 (as of December 31, 2022), all of which are managed on a discretionary basis.

The assets reported above exclude assets with respect to which the Registrant has delegated investment advisory authority to certain investment advisers that are "related persons" (as defined in Form ADV) of the Registrant. Such assets, which may be managed on a sub-advisory basis, are included in the RAUM reported in the ADV Part 2A of the related advisers to which the Registrant delegated such investment advisory authority. Per the instructions to Form ADV Part 1A, such excluded sub-advisory assets are included in the RAUM reported in the Registrant's Form ADV Part 1A.

Furthermore, the assets reported above include assets attributable to the amount that Clients of the Registrant have invested in clients advised by an investment adviser that is a related person of the Registrant. As a result, those assets are included in the RAUM of both the Registrant and such other affiliated advisers.



Overview of the Registrant's Advisory Services

As investment advisor to the Clients, the Registrant will:

- In certain instances, actively manage, with full discretion, investment portfolios for its Clients
- Identify and implement investment opportunities, including in Portfolio Entities, for the Clients
- Participate in the monitoring and evaluation of the Clients' investments, including in Portfolio Entities

- Monitor conflicts of interest
- Make recommendations regarding investment management and/or allocation decisions, as further described herein

The Registrant may engage third party service providers, such as custodians, administrators and/or auditors on behalf of the Clients, the cost of which will be borne by the Clients in accordance with each Client's constituent documents, agreements and related offering or disclosure materials (the "**Constituent Documents**").

With respect to the Clients, the Registrant will make commitments to investments and make investment allocation and management decisions with respect to the assets of each Client in its good faith discretion in accordance with the investment guidelines and other terms and conditions in respect of the management of such Client set forth in such Client's Constituent Documents. Investment policy, guidelines and broad allocations for each of the Clients will be based on a variety of criteria including, but not limited to:

- The relevant Client's investment objectives/guidelines and risk parameters
- Regulatory or capital constraints
- Availability of cash
- Liquidity needs
- General capacity
- Tax efficiency
- Long-term value and growth
- Investment limits and diversification guidelines
- Operational, legal, regulatory and other relevant factors
- ESG Considerations

Item 5 – Fees and Compensation

Management Fees

The management fee charged by the Registrant varies by Client in the amount and on the terms and conditions as described in each of the relevant Client's Constituent Documents. Certain of the Clients are not charged a management fee, although such Clients may still be subject to management fees with respect to their direct or indirect investments in Underlying Accounts (including the Underlying Blackstone Accounts) depending on the fee structure of the Underlying Accounts. Management fees are either withheld from distributions or invoiced, on a quarterly basis in arrears. With respect to certain of the Clients, the management fee will be reduced (but not below zero) by an amount equal to 100% of the amount of all management fees (and, for the avoidance of doubt, not incentive fees or carried interest) borne by such Client, directly or indirectly, with respect to any Underlying Blackstone Account in which it holds an investment to the extent payable to Blackstone or an affiliate of Blackstone. However, any management fees directly paid by the Underlying Blackstone Accounts, their investment advisers or the Registrant to certain third party fund or product managers relating to the Underlying Blackstone Accounts shall not reduce such Clients' management fees. Certain Clients' management fee will be further reduced (but not below zero) by 100% of the amount of certain organizational expenses (as defined in a Client's Constituent Documents) not borne by the Registrant or its affiliates. To the extent such amounts are not fully applied to reduce the management fee, they will be carried forward for application against future installments of the management fee until such amounts are fully utilized in reducing the management fee.

Certain investors in the Clients, 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 Client, and Other Blackstone Accounts, 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 or carried interest allocations in connection with their investment in the Clients or Blackstone-sponsored funds that make investments in or alongside one or more of the Clients. For the avoidance of doubt, in the case of an affiliated Blackstone-sponsored fund that is an Other Blackstone Account 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 Account. Notwithstanding the foregoing, such investors will either directly pay for their *pro rata* share of certain fund expenses (as described below), or the *pro rata* amount of such expenses will be allocated to the general partners or their affiliates. 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 the general partners or their affiliates 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 (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants and other related persons or entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Clients, any such amounts may, in each general partner's sole discretion, be treated as satisfying the applicable portion of any required capital commitment of such general partner and/or its affiliates to the applicable Client (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.

Additional Fees

The Registrant's management fees, the performance-based allocations (see **Item 6** below) and the expenses described herein are not inclusive of all the fees which the Clients may bear. Please refer to the Constituents Documents of the applicable Client for a full description of all such fees and expenses.

The Clients will also be responsible for all management fees, performance-based or incentive compensation and other expenses associated with any investments in Underlying Accounts.

The Registrant and its affiliates can be expected to receive a variety of other fees as part of the investment activities of the Clients, including, from or with respect to Portfolio Entities of the Clients 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; energy procurement / brokerage fees, fees for ESG services; loan servicing; special servicing; administrative services; advisory services on purchase or sale of an asset or company; treasury and valuation services; 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; BX Energy Services (as described below); other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, 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; 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). 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 Clients or the limited partners and will not result in any offset to the management fee payable by the Clients or the limited partners.

Clients may have management fee offset provisions that will vary based on the terms of the Clients' respective Constituent Documents, but generally 100% of each Client's *pro rata* share of certain specified fees set forth in the Constituent Documents of such Client (net of reasonable out of pocket expenses incurred by BIS or its affiliates) will be applied to reduce management fees (not below zero). Any other fees received by BIS would not offset the management fee or performance-based allocations except as specifically provided in the Clients' Constituent 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 Clients' 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 Client 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 Client exited its investment therein. Following an exit of a Client's investment in a Portfolio Entity, Other Blackstone Accounts may continue to hold interests (debt, and/or equity) in such Portfolio Entity, and Blackstone may begin to earn fees or continue to earn fees from such Portfolio Entity for providing services to such Portfolio Entity, including, but not limited to, capital markets advice, group purchasing and health care brokerage, insurance and other similar services, which in each case will not offset or reduce management fees. 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 Client(s) 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. Conflicts of interest are expected to arise when a Portfolio Entity enters into arrangements with Blackstone on or about the time a Client exits an investment in such a Portfolio Entity.

Certain of the Clients bear the cost of fund administration and accounting (including, without limitation, maintenance of the Clients' 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), ESG and sustainability support services, 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, as applicable)); in-house attorneys to provide transactional and legal related services; 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 Client that would be considered costs of fund administration if provided by Blackstone to the Clients (notwithstanding the customary scope of such services by third-party service providers)), to the Clients 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 Clients, such amounts will not offset management fees. In certain circumstances, the Clients 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 Clients 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 or regulatory 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. Any determination of whether fees and costs attributable to Blackstone personnel and related parties reflect market rates or arm’s length terms will not take into account for benchmarking purposes any fees and costs borne by such Clients with respect to third parties providing similar services (e.g., an external administrator). Investors in the Clients should carefully consult the applicable Constituent Documents to determine the fees, if any, that can be offset and the management fee offset percentage, if any, applicable to the Clients in which they are invested. In addition, from time to time, BIS can be expected to also engage and retain on behalf of its Clients and/or their Portfolio Entities strategic advisors, consultants, senior advisors, operating advisors, industry experts, joint venture and other partners and professionals and market participants, any of whom might be current or former executives or other personnel of the Registrant, its affiliates or Portfolio Entities of a Client and who, from time to time, can be expected to receive payments from, or allocations with respect to, Portfolio Entities or the Clients, and such amounts will not offset the management fee paid by the Client (See “Advisors, Consultants and Partners” in Item 10 below).

Blackstone Strategic Relationships & Multi-Fund Arrangements

In addition, Blackstone has entered, and it can be expected that Blackstone in the future will enter, into both (i) 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 Clients’ strategies and (ii) arrangements that involve an agreement or understanding to subscribe for a capital commitment to one or more Other Blackstone Accounts (which may include a commitment already made recently to another Other Blackstone Account) (any such overall relationship and/or multi-fund arrangement in the foregoing (i) and (ii), a “**Strategic Relationship**”). A

Strategic Relationship often involves (but is not required to involve) an investor agreeing to make a capital commitment to two or more Blackstone funds, one of which may be a Client. 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 rights or benefits afforded through a Strategic Relationship (and, for the avoidance of doubt, it is not expected that the terms of, existence of or other information about any Strategic Relationship will be shared with the Clients). 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 reimbursement 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 Clients. To the extent any allocations are made pursuant to the Constituent Documents based on unused capital commitments, any such discount or reduction of management fees will cause the unused capital commitments of the applicable investors to fluctuate disproportionately as compared to the unused capital commitments of any other investors without such management fee discount or reduction (and the same consequences will result from the different management fee terms amongst investors in a Client as indicated in its Constituent Documents). Blackstone, including its personnel (including BIS personnel), can be expected to receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from the Clients 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 Clients and/or certain limited partners thereof, which rights will not generally be made available to other limited partners. (See “Blackstone Strategic Relationships” in Item 10 below.)

The precise amount of, and the manner and calculation of, the fees and compensation described above, including the management fee and performance-based compensation, are established by the Registrant through negotiations with investors in each Client, and the Constituent Documents with each Client include further details on such fees, compensation and related matters.

Expenses

The following is a list of fees and/or expenses that will typically be borne by the Clients (and indirectly by investors in the Clients) directly and indirectly. This list is not intended to be exhaustive and the fees and/or expenses borne by the various Clients may differ from one Client to another. Prospective and existing Investors in the Clients are advised to review the applicable Constituent Documents for a more extensive description of applicable fees and expenses associated with an investment in a Client as applicable. The amount of these fees and expenses

will be substantial and will reduce the actual returns realized by Clients in connection with their respective investment management agreements with the Registrant (and may, in certain circumstances, reduce the amount of capital available to be deployed in Underlying Accounts).

- Performance-based fees and expenses (including management fees) paid in respect of Underlying Accounts, including fees paid to the investment manager or general partner of such Underlying Accounts
- Legal fees including, for certain Underlying Accounts, compensation and benefits costs specifically allocated or attributed by the Registrant or its affiliates with respect to in-house attorneys to provide transactional legal and related tax advice and/or services to the such Underlying Accounts and their Portfolio Entities on matters related to potential or actual investments
- Regulatory filing fees and expenses of the Clients, including, but not limited to, compliance with U.S. federal and state securities laws and international laws, such as the Alternative Investment Fund Managers Directive (“AIFMD”) (including any costs associated with the AIFMD marketing passport), including amounts required to be paid to the managing general partner of any Underlying Accounts 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, 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
- To the extent permitted by applicable law, expenses related to the Registrant's and its affiliates’ compliance matters, such as diligencing placement agents, monitoring their activities for compliance with placement agent agreements, and reporting obligations to the extent they relate to the Clients' activities (e.g., Form PF, AIFMD reporting, including costs associated with any AIFMD marketing passport, CFTC filings, SFDR disclosures and the Cayman Islands Private Funds Law)
- Expenses relating to Freedom of Information Act and similar requests
- Accounting fees
- Administrative fees, whether paid to Blackstone or a third-party (including, without limitation and where applicable, maintenance of a Client’s 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), 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)

- 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 Clients, Underlying Blackstone Accounts, the Registrant or their affiliates in connection with such provision of technology services, including, without limitation, costs and expenses of technology consultants and service providers and related software/hardware/SaaS and server infrastructure and hosting (including service providers and related software/hardware that analyze operational improvements as a part of due diligence or otherwise utilized in connection with the Clients' investments or utilized in connection with reporting and communication to the Clients and limited partners of the Underlying Blackstone Accounts) (including, for example, Investor Reporting, HedgeHog, HedgeSphere, iLevel, Niagara/HRM and Investran) and market data and research and subscriptions)
- Taxes and governmental fees, including taxes, fees, costs and/or tax-related interest, fees (including any penalties incurred where the Registrant lacks sufficient information from third parties to file a timely and complete tax return)
- 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
- Valuation fees
- Expenses, costs and fees of any banks, investment banks, brokerage commissions and the cost of trading (including trading errors)
- Transaction Fees
- Fees and expenses associated with borrowing, guarantees and other financing or derivative transactions (including interest, fees and related legal expenses)
- Interest payments and related fees
- Custodial, depositary, representative and paying agent and other third-party professional fees
- Operating partner fees and expenses
- Travel, accommodation, entertainment and related expenses in connection with the Clients' 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 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 BIS 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 Clients, Other Blackstone Accounts and/or the Registrant as otherwise set forth herein

- Research-related expenses, including news and quotation equipment and services and data collection such as market data and research utilized in connection with the Clients' 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
- Expenses of Blackstone-internal and third-party printing (including a flat service fee) and publishing (including time spent performing such internal printing and publishing services) and reporting-related expenses (including preparation of financial statements, tax returns (including any tax returns or filings required to be made by the Fund in any jurisdictions in which any limited partner is resident or established), K-1s and other communications or notices)
- 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 relating to the sourcing, development, negotiation, acquisition, holding, monitoring and disposition of investments, including, without limitation, any due diligence-related expenses (including all fees, costs and expenses (including fees, costs and expenses of third parties) incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of the ESG-related programs and initiatives with respect to a Client or Underlying Account (including all fees, costs and expenses incurred in connection with tracking and procurement tools, engineering, energy, land, seismic, geographical or geological reporting tools, climate risk and resiliency assessments, inventories and reduction evaluations, greenhouse gas emissions assessments (including financed emissions), ESG metrics assessments, diversity and inclusion assessments, emissions reduction analysis, ESG materiality assessment, ESG reporting strategy and guidance, ESG fund report, ESG capital targeting research, and any other such assessments, measurements, advice, verification, assurance or reports prepared on, conducted as part of implementing, monitoring, standardizing, disclosing and maintaining such programs, to the extent implemented)
- Fees, costs and expenses related to the organization or maintenance of any intermediate

entity used to acquire, hold or dispose of any one or more investments or otherwise facilitating a Client's investment activities (including but not limited to amounts required to be paid to the managing general partner of any Clients domiciled in Luxembourg), including without limitation any travel and accommodation expenses related to such entity (including BEFM, BX Fund Services Luxembourg and any other affiliates of the Registrant) and the salary and benefits of any personnel reasonably necessary and/or advisable for the maintenance and operation of such entity (including the salary and compensation of personnel of any Luxembourg entities formed in connection with the Clients' activities and the meetings of officers or directors of such entities or their general partners) and costs associated with the leasing of office space

- Organizational expenses associated with operating the Clients, such as filing fees, legal costs and expenses (including expenses of preparing, reviewing and negotiating partnership agreements, side letters, placement agent arrangements, documentation of third-party sponsored feeders, and other related organizational documents)
- 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) and conducting diligence on any prospective investor and costs, fees and/or expenses associated with responding to information requests from limited partners and other persons
- Expenses of third-party advisors (including senior advisors, operating advisors, consultants, expert networks, ESG and/or sustainability consultants) and advisory committees of the Clients and Underlying Accounts as well as of other goods and services provided by third parties and other third-party professionals
- Expenses of the any limited partner advisory committees or board of directors, including director fees, as applicable or any independent client representative (an "**Independent Client Representative**") (including travel, accommodation, meal, event entertainment and other similar expenses in connection with any meetings of the limited partner advisory committee and any legal counsel or other advisors of the limited partner advisory committee)
- Expenses of investor meetings
- Expenses of any investigation, litigation (including discovery requests), arbitration, audit or settlement involving the Clients or entities in which the Clients have an investment and the amount of any judgments, fines, other governmental fees or charges, remediation or settlements (including advancement of any fees, costs or expenses to persons entitled to indemnification) paid in connection therewith
- Expenses incurred in connection with complying with provisions in investor side letter agreements and administering and monitoring compliance with side letters entered into with Clients and limited partners (including the process of distributing and implementing applicable elections pursuant to any "most-favored-nations" clauses in side letters)

- Liquidated damages, forfeited damages and reverse term fees
- Expenses of liquidating a fund
- 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 conversion costs)
- Insurance (including brokerage and placement thereof and the cost of title insurance, directors and officers liability or other insurance for the benefit of the Registrant and its affiliates and related persons)
- Indemnification expenses (including advancement of any fees, costs or expenses to persons entitled to such indemnification)
- 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 Registrant)
- Costs, fees and expenses of third-party directors and officers
- Sourcing fees
- Asset/property management fees
- Expenses associated with the development, negotiation, acquisition, holding, monitoring and disposition of investments
- Expenses and fees (including compensation costs) charged or specifically attributed or allocated by the Registrant or its affiliates for data management and data-related services (e.g., data analytics and statistical modeling) provided to the Portfolio Entities or the Clients (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 Clients and Other Blackstone Accounts 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 Clients and Other Blackstone Accounts to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Client or other parties (see “Secondments and Internships” in Item 10 below)
- The costs (including attorneys’ fees) with respect to actual or proposed transfers of interests in the Clients, Underlying Accounts and potential transfers of interests that are not ultimately consummated, which are not borne by the parties thereto

Investors in the Clients will typically be allocated (or otherwise bear) their *pro rata* share of such fees and expenses, which may be calculated based on capital commitments, invested capital, available capital, or other metrics as determined by the general partner of each Client in its sole discretion. From time to time, a general partner of a Client will be required to decide whether costs and expenses are to be borne by such Client, on the one hand, or the general partner or the Registrant, on the other, and/or whether certain costs and expenses should be allocated between or among such Client, on the one hand, and Other Blackstone Accounts on the other. Certain expenses may be suitable for only a particular Client, its parallel fund or participating Other Blackstone Accounts and borne only by such fund, or, as is more often the case, expenses may be allocated *pro rata* among the Clients, all of their respective parallel funds and participating Other Blackstone Accounts, even if the expenses relate only to particular vehicle(s) and/or investor(s) therein. Any entities established in connection with Blackstone's side-by-side co-investment rights and any Other Blackstone Accounts that co-invest alongside the Clients in investments (which, for the avoidance of doubt, are not considered "parallel funds" or "parallel vehicles" of the Clients) 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). The Registrant intends to generally allocate expenses, including expenses of any Client, any feeder entities and other parallel funds and alternative investment vehicles, and organizational expenses of such Client, any feeder entities and the parallel funds between or among such Client, 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 the Registrant determines in good faith that doing so is more equitable or appropriate under the circumstances. This will result in such Clients bearing a portion of certain expenses and/or organizational expenses attributable to feeder entities and/or another parallel fund that are not directly connected to such Client and its activities, including expenses incurred in connection with either such Client'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)). The general partner of the applicable Client will make such judgments in its fair and reasonable, and in its sole discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. There can be no assurance that a different manner of allocation would not result in a Client bearing less (or more) expenses.

In addition, certain expenses described herein, including, without limitation, certain technology-related expenses, will relate to products or services for which BIS or its affiliates have a license, and for which such license is used or otherwise relied upon to enable certain clients of BIS to use or access such products or services without their own license ("**Technology License Enabled Clients**"). In such cases, neither BIS nor any of its clients (including Clients of the Registrant) will be reimbursed for any such use or access by Technology License Enabled Clients. BIS and its affiliates will not be liable or responsible for Technology License Enabled Clients' use of, or access to, any such products or services.

With respect to broken deal expenses, the Clients 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 the Registrant, be allocated solely to the applicable Clients and not to Other Blackstone Accounts or co-investment vehicles that could have made the relevant investment, even when the Other Blackstone Account or co-investment vehicle commonly invests alongside the Clients in its investments or Blackstone or Other Blackstone Accounts in their investments (including such standing co-invest vehicles). In such cases the Clients' shares of expenses would increase. In the event broken deal expenses are allocated to an Other Blackstone Account or a co-investment vehicle, the Registrant or applicable Clients will, in certain circumstances, advance such fees and expenses without charging interest until paid by the Other Blackstone Account or co-investment vehicle, as applicable. (See "Broken Deal Expenses" in Item 10 below.) In addition, certain Portfolio Entities will provide services (including identifying potential investments) to the Clients, Other Blackstone Accounts and their respective Portfolio Entities in respect of certain investments that are not ultimately consummated. 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 (including nondisclosure agreements with counterparties) as well as fees and expenses described above) that is expected to invest alongside the Investment Funds in an investment are expected to be borne by the Investment Funds to the extent such co-investment vehicle does not ultimately make such investment, whether or not such investment is consummated by the Investment 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, they determine that such corrections are necessary or advisable. There can be no assurance that a different manner of allocation would not result in the Clients or an Other Blackstone Account bearing less (or more) expenses. Clients 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 Clients, 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 Accounts and their portfolio entities, in addition to or in lieu of the Clients. 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 Accounts, the Registrant expects to allocate a portion of such fees, costs and/or expenses attributable to such investment that would otherwise be borne by the Clients, including through Underlying Blackstone Accounts, to the Other Blackstone Accounts ultimately consummating such investment. Additionally, to the extent a potential investment is formally allocated to an Other Blackstone Account instead of the Clients and such investment is not ultimately consummated, such Other Blackstone Account 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 Clients 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 Clients. Conflicts exist in the allocation of the costs and benefits of these arrangements, and limited partners or Clients rely on the Registrant to handle them in its sole discretion, and there can be no assurance that the Registrant will resolve such conflicts of interest in a manner that is favorable to the limited partners or the Clients.

No employee of the Registrant accepts or otherwise receives any compensation for the sale of securities or other investment products.

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

In addition to the management fees and other fees described in Item 5 that are received by the Registrant, the general partner of each Client may receive a portion of the cumulative net profits in respect of investment proceeds from each Client with respect to each limited partner (other than those that are affiliates of the Registrant). 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 Client 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 Constituent Documents may permit either the general partner of a Client or the limited partners of a Client 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.

Certain general partners of Clients will also be entitled to receive their annual performance-based allocation subject to a loss carry-forward and reduced by (i) any incentive fees and/or “carried interest” borne directly or indirectly with respect to any Underlying Blackstone Account, and increased by (ii) any incentive fees and/or “carried interest” directly paid to third party fund managers with respect to the Underlying Blackstone Accounts, calculated and subject to adjustment as set forth in such Client’s Constituent Documents.

The general partner of certain Clients may decide not to charge a performance-based fee, although such Clients may still be subject to performance-based fees with respect to their direct or indirect investments in Underlying Accounts (including the Underlying Blackstone Accounts) depending on the fee structure of the Underlying Accounts.

The fact that the Registrant’s affiliates could be in part compensated based on the performance of the Clients creates a greater incentive for a general partner to make more speculative investments on behalf of a Client 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 certain Clients 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 and in a manner motivated by the personal interests of Blackstone personnel. The general partner clawback and performance-based compensation, 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 Client if doing so would trigger a clawback obligation.

Moreover, the Registrant will manage Clients in accordance with the investment strategies disclosed in each Client’s Constituent Documents to help ensure that investors are aware of the

investment strategy and the risks associated with the strategy. Each Client's Constituent Documents contain further details regarding each investment's incentive allocation, strategy and risks.

Similarly, the existence of a performance-based fee may incentivize the general partners of the Allocation Funds and Investment Funds to manage and/or allocate such Allocation Funds' and Investment Funds assets in a more aggressive manner than if there were no performance-based fee (including, allocating assets to one or more Underlying Blackstone Accounts that charge performance-based fees, directly or indirectly, with respect to the Allocation Funds' investments therein). Please see **Item 10 – Other Financial Industry Activities and Affiliations – “Performance-Based Compensation”** for a more detailed description of the related conflicts of interest.

Item 7 – Types of Clients

The Registrant's Clients, or their underlying 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

All potential Clients are subject to certain suitability requirements (including that each Client be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, and a "qualified purchaser" as defined in Section 2(a)(51) of the 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). Investors in a Client are also required to meet such suitability requirements. Generally, investors in Clients may in the future be required to invest a minimum dollar amount as determined in the Registrant's sole discretion. The Registrant reserves the right, in its sole discretion, to waive any such minimum dollar amount.

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

Investment Strategies

The investment strategies pursued by the Registrant may vary among the Clients. The Registrant employs various types of investment strategies, which include, but are not limited to:

- Credit-oriented investments
- Investments in hedge funds and private equity funds
- Real-estate related investments
- Private equity investments, including insurance companies and insurance-related assets
- Other opportunistic investments

Methods of Analysis

Allocation Funds

The Registrant will seek to invest substantially all of the Allocation Funds' assets in or alongside a range of Underlying Blackstone Accounts and other investments and asset classes related thereto in good faith in accordance with the investment guidelines for each Allocation Fund.

Blackstone will seek to design an investment strategy that is intended to deliver attractive risk-adjusted returns through portfolios of primarily alternative investments, and the Registrant will have flexibility to vary investments and optimize the asset strategy within the Allocation Funds' investment guidelines. Factors contributing to the Registrant's investment decisions may include, but will not be limited to, diligence on market trends and macro-economic factors, as well as portfolio construction and monitoring utilizing scenario analysis, risk budgeting and proprietary tools. As part of the diligence and analysis process, subject to Blackstone's information wall policies, the Registrant may draw upon the expertise and advice of professionals from Blackstone's investment businesses and other groups within Blackstone.

Investment parameters will be set for, and in certain instances, by each Allocation Fund and will be monitored and reviewed periodically or as appropriate.

While it is expected that Allocation Funds will primarily make investments in or alongside Underlying Blackstone Accounts, the Registrant may also allocate and invest the relevant Allocation Fund's assets in or alongside investment funds, vehicles or accounts managed or sub-managed by non-Blackstone managers and in other appropriate investment opportunities selected by the Registrant in accordance with such Allocation Fund's investment objective and the concentration restrictions noted above.

The Registrant will seek to create a portfolio for each Allocation Fund that is consistent with the risk and concentration parameters established for, and in certain instances by, such Allocation Fund and the Registrant's investment professionals, including senior Blackstone investment professionals. In evaluating allocations and potential investments, the Registrant's investment

professionals may perform quantitative and qualitative analysis. This analysis may include diligence on market trends and macro-economic factors, as well as portfolio construction and monitoring utilizing scenario analysis, risk budgeting and differentiated tools. As part of the diligence and analysis process, subject to Blackstone's information wall policies, the Registrant's investment professionals will draw upon the expertise and advice of professionals from Blackstone's investment businesses and other groups within the firm.

Investment Funds

With respect to the Investment Funds, the Registrant pursues a highly flexible investment approach that seeks to deliver attractive risk-adjusted investment returns by acquiring Portfolio Entities related to insurance companies and insurance-related assets. The Registrant will base its investment decisions on an analytically intensive process that incorporates macro and industry-level research.

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

At the core of the Registrant'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. The Registrant'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 Registrant's investment team proactively screens potential investments. The Registrant anticipates that the investment team will directly originate investment opportunities arising out of the market and will also evaluate opportunities emanating from Blackstone's other investment businesses. The investment team has extensive relationships with a broad swath of market participants, companies and other counterparties that the Registrant expects to yield attractive investment opportunities.

Diligence

The Registrant's investment team, in collaboration with Blackstone's various business units, is responsible for selecting, evaluating, structuring, diligencing, negotiating, executing, managing and exiting investments, as well as pursuing potential operational improvements and value creation initiatives. The hallmark of the Registrant'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, disciplined approach to investment screening and selection that allows the Registrant's investment team to allocate its resources only to opportunities with a significant chance of completion and the potential for attractive risk-

adjusted returns.

Investment Committee

All proposed investments, divestments, financing arrangements and other transactions by Investment Funds are reviewed and approved by a committee comprised of select members of Blackstone senior management as well as senior professionals from BIS (the “**Investment Committee**”). The Investment Committee assesses the quality of due diligence, business models, valuations and risks on both a deal-specific and comparative basis, as well as allocation of investment opportunities across Blackstone and among Clients. The Investment Committee processes involve a consensus approach to decision making among committee members. The Investment Committee may delegate decision making to a sub-committee composed of certain of its members or certain officers of BIS.

Risk of Loss

An investment in a Client entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of such Client and bearing the risks such investments represent. Set forth below is a non-exhaustive list of such risks (which may include certain, but not all risks, applicable to an Underlying Blackstone Account):

1. No assurance of investment returns; loss of part or all of investment
2. General economic and market conditions
3. No established market for potential investments exists
4. Illiquidity of investments by such Client
5. Investments may take longer than such Client’s term to be exited
6. Changes in legal, fiscal and regulatory regimes
7. Nature of equity or equity-related investments
8. Non-U.S. investments, including potentially large currency fluctuations and political factors
9. Uncertainty of the long-term stability of the European Union, including the United Kingdom withdrawal from the European Union and related volatility
10. Dependence on the Registrant, the Registrant’s key personnel and portfolio entity management
11. No management or control of the Underlying Blackstone Accounts or Underlying Accounts by the Registrant
12. Allocation of Registrant personnel’s time to other Blackstone lines of business
13. Portfolio concentration; limited number of investments
14. Broad investment mandate
15. Limited to no restrictions on underlying strategies
16. Limited ability to protect Clients’ interests when making non-controlling investments

17. Distressed investments
18. Investment environment and market risk
19. Market volatility risks
20. Risk of loss of entire investment
21. Risk management
22. Absence of regulatory oversight
23. Risks related to use of leverage by such Client and Underlying Blackstone Accounts, including joint liability and cross-collateralization with other funds
24. Limited availability of investment opportunities
25. Investment and trading risk; lack of control
26. Changes to the tax treatment of an investment in such Client
27. U.S. federal income tax reform and general tax considerations
28. Additional risks relating to the investment strategies pursued by the Underlying Accounts, in (or alongside) which such Client may invest directly or indirectly
29. Changes to insurance capital regulations
30. Highly competitive market for investment opportunities
31. Role of private equity professionals
32. Investment in restructurings
33. Investments in less established companies
34. Investments in regulated industries
35. Force majeure risk
36. Terrorist activities/war
37. Availability of insurance for certain catastrophic losses
38. Certain risks related to investments in natural resources and energy
39. Hedging policies/risks
40. Proposed tax legislation adversely affecting Blackstone employees and other service providers and general tax risks
41. 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) and financial industry regulation generally
42. OFAC and compliance with U.S. and other jurisdictions' economic and trade sanctions
43. FCPA and corruption considerations

44. FOIA
45. Economic, political and social risks/war
46. Cyber security breaches, identity theft (including software code protection), denial of service attacks, ransomware attacks and social engineering attempts
47. Compliance with CFIUS and other foreign investment regimes
48. Foreign capital controls
49. Accounting, disclosure and regulatory standards
50. Restricted securities
51. Future investment techniques and instruments
52. Technological, scientific and other innovations
53. Absence of oversight under the Investment Company Act
54. Pay-to-play laws, regulations and policies
55. Financial industry regulation
56. Change of law risk
57. ERISA considerations
58. Operational risk
59. Risk of Fraud
60. No market for limited partnership interests; restrictions on transfers; defaults; excuse and exclusion
61. Credit rating risk
62. Issuer risk
63. Liquidity risk
64. Call (or redemption) risk
65. Bail-in risk
66. Privatization
67. Investments in open market purchases; publicly traded securities
68. Non-control investments and joint-venture arrangements
69. Deployment of capital
70. Additional capital requirements
71. Adequacy of reserves; participation in follow-on investments
72. Distributions in-kind
73. Failure by limited partners to make payments

74. Due diligence may not reveal all factors affecting an investment
75. Reliance on portfolio company management and third parties
76. Risks in effecting operating improvements
77. Expedited transactions
78. Portfolio company liabilities
79. Risks from operations of other portfolio companies
80. Bridge financing
81. Regulatory, permit and license approval risk
82. Liabilities on disposition of investments
83. Documentation and legal risks
84. Dilution from subsequent closings
85. Recycling; reinvestment
86. Possible exclusion from an investment
87. Risk of default by investors
88. Valuation risk
89. Uncertainty of projections
90. Chinese growth slowdown, economy and COVID-19 response
91. Potential collapse of the Euro
92. Lack of Operating History
93. Investments in Emerging Markets
94. Financial market fluctuations and the availability of financing
95. Volatility of credit markets affecting ability to finance and consummate investments
96. Leverage and subscription line of credit
97. Ability to deploy capital in conjunction with finding suitable investments
98. Platform investments
99. Sharing and use of “big data” and other information
100. Contingent liabilities incurred on dispositions or financings of investments
101. Operating and financial risks of Portfolio Entities
102. Risks associated with distributions in-kind
103. Compliance with the AIFMD, Cayman Islands Private Fund Law and other international law

104. Antitrust risk
105. Preferred financing; margin loans
106. Securitization; back leverage; holding vehicles
107. Climate change and sustainability risks
108. Weather and climatological risks
109. Disruptions and innovations
110. Outsourcing
111. Participation arrangements for subsequent closers (and dilution)
112. Electronic delivery of certain documents
113. European market infrastructure regulation
114. MiFID II obligations; access to research
115. United Kingdom relations with the European Union
116. EU/UK risk retention requirements
117. Base erosion, profit shifting and related measures
118. Anti-tax avoidance directives
119. ATAD 3
120. DAC6
121. U.S. tax reform
122. Hong Kong national security law
123. Investments in portfolio companies of Blackstone and Other Blackstone Accounts
124. Possibility of different information rights

Stock markets, credit markets, real estate markets and valuation regarding privately held fund interests and/or investments fluctuate substantially over time and performance of any investment is not guaranteed. As a result, there is a risk of loss of value in the assets which the Registrant manages that may be out of the Registrant's control. The Registrant cannot guarantee any level of performance or that investors in the Clients will not experience a substantial or complete investment loss. There is no assurance that the Clients 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 investment will depend upon many factors beyond the control of the Clients. The expenses of the Clients may exceed their income, and an investor in a Client could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a Client if the investor can withstand a total loss of its investment. The past investment performance of the Clients cannot be taken to guarantee future results of the Clients or any investment in the Clients.

Rate of Inflation. The U.S. and other developed economies have recently begun to experience

higher than normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time and how significantly it will impact the U.S. or other economies. 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 company 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 company's operating cost. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. As inflation rises, a portfolio company may earn more revenue but incur higher expenses. As inflation declines, a portfolio company 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, and may continue to impose, wage and price controls at times and certain central banks have raised, and may continue to raise, 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 more serious problem in the future and have an adverse impact on a Client's returns.

Recent Developments in the Banking Sector. Recent bank closures in the United States have caused uncertainty for financial services companies and fear of instability in the global financial system generally. In addition, certain financial institutions – in particular smaller and/or regional banks – have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or will withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include the Clients or Underlying Accounts and/or their portfolio companies) will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, will be similarly impacted, and it is uncertain what steps (if any) regulators would take in such circumstances. As a consequence, for example, the Clients, Underlying Accounts and/or their portfolio companies could be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and investors may be impacted in their ability to honor capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-lenders, syndicate lenders or other parties to undertake and/or execute transactions with the Clients or Underlying Accounts, which in turn would result in fewer investment opportunities being made available to the Clients or Underlying Accounts, result in shortfalls or defaults under existing investments, or

impact the Clients' or Underlying Accounts' ability to provide additional follow-on support to portfolio companies. In addition, in the event that a financial institution that provides credit facilities and/or other financing to Clients or Underlying Accounts or their portfolio companies closes or experiences distress, there can be no assurance that such bank will honor its obligations or that the Clients or Underlying Accounts or their respective portfolio companies will be able to secure replacement financing or capabilities at all or on similar terms.

There can be no assurances that the Clients or Underlying Accounts or their respective portfolio companies will establish banking relationships with multiple financial institutions, and the Clients and Underlying Accounts and their respective portfolio companies are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. There is a risk that these recent developments will also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the Clients or Underlying Accounts or their respective portfolio companies or their respective financial performance.

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 could continue to have a negative impact on the economy and business activity globally (including in the countries in which the Clients invest), and thereby adversely affect the performance of the Clients' 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 Clients and the performance of their investments or operations, and the ability of the Clients to achieve their investment objectives.

Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments. There has recently been 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 rapidly evolved over the course of the pandemic, and 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 (whether broadly applicable or limited to subsets of the population, such as 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, have had a material adverse impact on tenants, real estate lenders and commercial property owners, have created significant disruption in supply chains and economic activity and had a particularly adverse impact on transportation, hospitality, tourism, entertainment, healthcare, consumer and other industries. The extent to which the continued spread of COVID-19 (or the threat thereof) in the future will have an ongoing and/or exacerbated impact on economies and markets (and, in turn, the Clients' investments) is uncertain and difficult to anticipate. It is likewise difficult to predict the extent to which the ripple effects of the COVID-19 pandemic will continue to be felt and adversely affect the Clients' investments once COVID becomes less prevalent in the public.

Any public health emergency, including any new outbreaks, including new variants 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 Clients and their investments and could meaningfully adversely affect the Clients' ability to fulfill its investment objectives. See also "Epidemics/Pandemics" above.

The extent of the impact of any public health emergency on the Clients' and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, in addition to restrictions implemented to protect borrowers and lessees 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 contributed, 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 may not fully be reflected until future periods and may have an adverse impact on the Clients and their portfolio companies 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 Clients' portfolio companies, the Clients' ability to source, manage and divest

investments and the Clients' ability to achieve their investment objectives, all of which could result in significant losses to the Clients. In particular, a public health emergency like COVID-19 may have a greater impact on leveraged assets.

Any such disruptions may continue for an extended and uncertain period of time. The full impacts of this pandemic on markets, business activity and the U.S. and global economies, of potential changes in economic and fiscal policies that have been adopted in response to the 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. For example, many businesses (including some portfolio companies) have, in response to the pandemic, transitioned to remote (or other flexible) working environments and have decided to keep such environments in place (in whole or in part) even as COVID-19 has become less prevalent, and it is not yet fully understood how the continuation of those arrangements are affecting their employee productivity levels and overall financial performance. In implementing a Client's investment strategy, the Registrant 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 companies, 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 companies, may be detrimental to the Clients and their investments. Additionally, restrictions on immigration and processing of visas and other work permits may affect the work force of the Clients' portfolio companies, 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 pandemic and any such public health crisis that may occur in the future, the Clients are expected to incur heightened legal expenses, which could similarly have an adverse impact to the Clients' returns. For example, but not by limitation, the Clients or portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Clients and/or portfolio companies. There is also a heightened risk of cyber and other security vulnerabilities during a public health emergency like COVID-19 and any future one, which could result in adverse effects to the Clients or the portfolio companies 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 and these vaccines are currently available to the general public in the United States and in many non-U.S. jurisdictions, a substantial proportion of the U.S. population and the populations in other jurisdictions has, despite the availability of vaccines, not been vaccinated, which is believed to be prolonging the global effects of COVID-19. In addition, the vaccines have been found to be less than 100% effective, and to have waning effectiveness within an extended period of time following inoculation, which means a portion of the population that receives such vaccinations is less than fully protected against the disease and may still experience symptoms, hospitalization, or death (and be contagious to others even if asymptomatic). Furthermore, such vaccines (even among individuals who have received one or more "booster" vaccinations) 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, including the “delta” and “omicron” variants. 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 Clients and the Clients’ ability to achieve their investment objectives to a degree that is not currently known, given the situation continues to evolve. In particular, a public health emergency like COVID-19 may have a greater impact on leveraged assets. 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 companies 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 Clients, their portfolio companies, and the Registrant 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 and the volatility in the labor, transport, energy and other markets resulting from or otherwise linked to the relaxation of related quarantine measures, meeting and travel restrictions.

Additionally, as a result of a public health emergency like the COVID-19 pandemic, the Registrant and its affiliates have 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 Clients in accordance with Blackstone’s policies. The Registrant also may determine to use alternative methods, including the use of technology, when sourcing and conducting diligence on potential investments and monitoring existing investments.

Cybersecurity and data protection. Blackstone’s operations are highly dependent on its technology platforms, and Blackstone relies heavily on its analytical, financial, accounting, communications and other data processing systems. Blackstone’s systems face ongoing cybersecurity threats and attacks, which could result in the failure of such systems. Attacks on Blackstone’s systems could involve, and in some instances have in the past involved, attempts intended to obtain unauthorized access to Blackstone’s, the Clients’, Underlying Blackstone Accounts’ or Other Blackstone Accounts’ proprietary information, destroy data or disable, degrade or sabotage Blackstone’s systems or divert or otherwise steal funds, including through the introduction of computer viruses, “phishing” attempts and other forms of social engineering. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties.

Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as employees.

There has been an increase in the frequency and sophistication of the cyber and security threats Blackstone faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which could target Blackstone because, as an alternative asset management firm, Blackstone holds a significant amount of confidential and sensitive information about the Clients, Underlying Blackstone Accounts, Other Blackstone Accounts and their respective portfolio companies, potential investments and investors. As a result, Blackstone could face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures Blackstone takes to ensure the integrity of its systems will provide protection, especially because cyberattack techniques change frequently or are not recognized until successful. If Blackstone's systems are compromised, do not operate properly or are disabled, or Blackstone fails to provide the appropriate regulatory or other notifications in a timely manner, Blackstone could suffer financial loss, business disruption, liability to the Clients, Underlying Blackstone Accounts and Other Blackstone Accounts and their respective investors, regulatory intervention or reputational damage. There is a possibility that costs related to certain cyber or other security threats or disruptions will not be fully insured or indemnified by other means.

In addition, Blackstone could also suffer losses in connection with updates to, or the failure to timely update, the technology platforms on which it relies. Blackstone is reliant on third party service providers for certain aspects of its business, including for the administration of certain Clients, Underlying Blackstone Accounts and Other Blackstone Accounts, as well as for certain technology platforms, including cloud-based services. These third party service providers could also face ongoing cybersecurity threats and compromises of their systems and as a result, unauthorized individuals could gain, and in some past instances have gained, access to certain confidential data.

Cybersecurity and data protection have become top priorities for regulators around the world. Many jurisdictions in which Blackstone operates have laws and regulations relating to privacy, data protection and cybersecurity, including, as examples the General Data Protection Regulation ("GDPR") in the European Union and the California Privacy Rights Act ("CPRA"). In addition, in February 2022, the SEC proposed rules regarding registered investment advisers' and funds' cybersecurity risk management, which would require them to adopt and implement cybersecurity policies and procedures, enhance disclosures concerning cybersecurity incidents and risks in regulatory filings, and investment advisers to promptly report certain cybersecurity incidents to the SEC. If this proposal is adopted, it could increase Blackstone's compliance costs and potential regulatory liability related to cybersecurity. Some jurisdictions have also enacted or proposed laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data.

Breaches in Blackstone's security or in the security of third party service providers, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize Blackstone's, its employees', the Clients', Underlying Blackstone Accounts', Other Blackstone Accounts' or their respective investors' or counterparties', as applicable, confidential,

proprietary and other information processed and stored in, and transmitted through, Blackstone's computer systems and networks, or otherwise cause interruptions or malfunctions in Blackstone's, its employees', the Clients', Underlying Blackstone Accounts', Other Blackstone Accounts', their respective investors' or counterparties' or third parties' business and operations, which could result in significant financial losses, increased costs, liability to the Clients', Underlying Blackstone Accounts' and Other Blackstone Accounts' investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if Blackstone fails to comply with the relevant laws and regulations or fails to provide the appropriate regulatory or other notifications of breach in a timely matter, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm and could cause the Clients', Underlying Blackstone Accounts', Other Blackstone Accounts' investors and clients, as applicable, to lose confidence in the effectiveness of Blackstone's security measures and Blackstone more generally.

The Clients', Underlying Blackstone Accounts' and Other Blackstone Accounts' portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. Certain Clients, Underlying Blackstone Accounts and Other Blackstone Accounts could invest in strategic assets having a national or regional profile or in infrastructure, the nature of which could expose them to a greater risk of being subject to a terrorist attack or security breach than other assets or businesses. Such an event could have material adverse consequences on Blackstone's investment or assets of the same type or could require portfolio companies to increase preventative security measures or expand insurance coverage.

Finally, the Clients', Underlying Blackstone Accounts' and Other Blackstone Accounts' portfolio companies' technology platforms, data and intellectual property are also subject to a heightened risk of theft or compromise to the extent Blackstone or the Clients', Underlying Blackstone Accounts' and Other Blackstone Accounts' portfolio companies engage in operations outside the United States, in particular in those jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. In addition, Blackstone and the Clients', Underlying Blackstone Accounts' and Other Blackstone Accounts' portfolio companies could be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in a foreign jurisdiction. Any such direct or indirect compromise of these assets could have a material adverse impact on Blackstone and the Clients' and Other Clients' portfolio companies.

Russian Invasion of Ukraine/Sanctions. 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 have had and could be expected to continue having a negative impact on the economy and business activity globally (including in

the countries in which a Client invests), and therefore could adversely affect the performance of a Client's investments. The severity and duration of the conflict and its future 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 Client and the performance of its investments and operations, and the ability of a Client to achieve its investment objectives. Similar risks 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. Furthermore, if after becoming a Client (or investor therein or in an Underlying Blackstone Account), a Client (or investor therein or in an Underlying Blackstone Account) (or any beneficial owner thereof) is included on a list of prohibited entities and individuals maintained by a relevant regulatory and/or government entity including the Office of Foreign Assets Control or under similar European Union and United Kingdom regulations or under Cayman Islands law, and is operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United States, United Nations, EU or, UK or the Cayman Islands) (collectively "**Sanctions Lists**"), the Registrant and Underlying Blackstone Managers would likely cease any further dealings with the Client (or investor) until such sanctions are lifted or a license is sought under applicable law to continue dealings. For the avoidance of doubt, Blackstone has the sole discretion to determine the remedy if an investor is included on a Sanctions List and is under no obligation to seek a license or any other relief to continue dealing with such Client. Although the Registrant and its affiliates expend significant effort to comply with the sanctions regimes in the countries where they operate, one of these rules could be violated by Blackstone's, the Underlying Blackstone Accounts', Client's or investor's activities, which would adversely affect the Clients.

Regulatory Proposals with respect to Private Funds and Advisers. In recent years, the SEC has proposed several new rules and amendments to existing rules under the Advisers Act related to registered advisers and their activities with respect to private funds (the "**Proposed Rules**"). The Proposed Rules, if adopted, can result in material alterations to how Blackstone, the Registrant, the Underlying Blackstone Managers and their affiliates operate their respective businesses and/or the Clients and Underlying Blackstone Accounts, as well as the Registrant's, the Underlying Blackstone Managers' and their affiliates' implementation of the Clients' and Underlying Blackstone Accounts' investment strategy. There can be no assurance that such alterations made pursuant to the Proposed Rules will not have a material adverse effect on Blackstone, the Registrant, the Underlying Managers, their affiliates, the Clients or Underlying Blackstone Accounts (and investors therein) and/or their investments. To the extent permitted under the Constituent Documents, and consistent with the law, the incremental costs of compliance by the Registrant, Underlying Managers, their affiliates and/or the Clients and Underlying Blackstone Accounts with any new SEC rules, including without limitation the Proposed Rules, will be borne by the Clients and Underlying Blackstone Account, which may be significant.

The scope and timing of any final rules and amendments with respect to these Proposed Rules is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated costs and complexity (which, to the extent permitted under the Constituent Documents, and consistent with the law, will be

expenses borne by the Clients (either directly or indirectly) 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 such costs and expenses charged to the Clients and Underlying Blackstone Accounts and their investors. In addition, these amendments could increase the risk of exposure of Blackstone, the Registrant, the Underlying Blackstone Managers and their affiliates to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect Blackstone, the Registrant, the Underlying Blackstone Managers' and the Clients' or Underlying Blackstone Accounts' reputation, and to negatively impact the Clients or Underlying Blackstone Accounts in conducting their business (thereby materially reducing returns to investors). Further, these amendments could impose limitations regarding preferential treatment of investors in private funds, including the Clients and Underlying Blackstone Accounts, and the Registrant, the Underlying Blackstone Managers and their affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive the investors of the previously negotiated benefits of such agreements.

Investors are advised to review the applicable Constituent Documents for a more extensive and detailed description of the risks of investing in the Clients.

Item 9 – Disciplinary Information

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

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, the Registrant does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect the Registrant and/or the Clients’ results of operations, financial position or cash flows. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone’s and the Registrant’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) 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 related to the Registrant, the Clients and/or certain of their affiliates, which is accessible to limited partners for the funds in which they are invested. Anything disclosed in Blackstone’s or the Registrant’s public filings and/or which is otherwise made available to the limited partners of the Clients, including by way of posting to Blackstone’s online portal, is incorporated herein by reference, to the extent applicable, including with respect to litigation, investigations, settlements and similar proceedings.

Item 10 – Other Financial Industry Activities and Affiliations

From time to time, various potential and actual conflicts of interest may arise from the overall investment activities of Blackstone, the Clients, the Registrant and its affiliates.

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

There can be no assurance that the Registrant will identify or resolve all conflicts of interest in a manner that is favorable to the Clients, and the Clients 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.

With respect to the Clients, actions that could be taken by the Registrant 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 Constituent Documents; (ii) obtaining from the limited partner advisory committee and/or the limited partners (or limited partner representatives) of the Clients and/or the Client's advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the limited partner advisory committee (or other limited partner representatives) and/or the Client investors to address the conflict; (iii) disposing of the investment or security giving rise to the conflict of interest; (iv) appointing 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 the limited partners (or limited partner representatives) of the Clients or Independent Client Representatives (if any) regarding the conflict of interest and either obtaining advice, waiver or consent as to the conflict from an limited partner advisory committee and/or the limited partners (or limited partner representatives) or such Independent Client Representative or acting in a manner, or pursuant to standards or procedures, approved by a limited partner advisory committee and/or the limited partners (or limited partner representatives) or such Independent Client Representative with respect to such conflict of interest; (vi) disclosing the conflict to the limited partners or a limited partner advisory committee (or limited partner 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 could 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 the Registrant in its discretion.

For the avoidance of doubt, where the consent or approval is sought with respect to any Other Blackstone Account (including by any limited partner advisory committee) matter, the consent or approval of the Clients (or limited partner advisory committee thereof) shall not be required in connection with such matter, and the lack thereof shall not prevent any Other Blackstone Account from proceeding on the basis of its consent or approval (including in circumstance in which the Clients do not similarly proceed). Conversely, to the extent any Other Blackstone Account (or limited partner advisory committee thereof) does not consent to or approve of a matter, notwithstanding the consent or approval of a Client (or the limited partner advisory committee thereof) to such matter or the determination that such consent or approval is not necessary, the Registrant may determine not to proceed, which could result in the Client not participating in transactions that the Registrant otherwise believes would be beneficial for the Client.

There can be no assurance that the Registrant will identify or resolve all conflicts of interest in a manner that is favorable to the Clients and the Clients' 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.

The following briefly summarizes certain but not all of these potential conflicts, and is not intended to be an exclusive list of all such conflicts. Any references to Blackstone and the Registrant in this section will be deemed to include their respective officers, directors and employees.

Selection of Investments. With respect to Clients that are permitted to invest in Underlying Blackstone Accounts, any investment decisions by the Registrant relating to the selection of, investment in or allocation of investments for the Clients, including allocations of the Clients' assets to Underlying Blackstone Accounts managed or sponsored by affiliates of the Registrant, will involve a material conflict of interest for the Registrant due to the economic and other arrangements described herein. The Registrant will generally have discretion to make investment decisions within the parameters of the applicable investment guidelines for each Client, applicable law (including, without limitation, applicable insurance laws and regulations) and other considerations, and will be permitted, in certain cases, to allocate such Client's assets to investments sourced by Blackstone and in Underlying Blackstone Accounts for which affiliates of the Registrant may receive substantial compensation in the form of management fees, other fees and carried interest. The Registrant and its affiliates, in their capacity as general partner (or similar managing entity) of the Underlying Blackstone Accounts, as applicable, are expected to receive carried interest or incentive allocations and management fees from such Underlying Blackstone Accounts. In addition, the Registrant and its affiliates are expected to receive various types of other fees from or with respect to Portfolio Entities, including certain Clients (where applicable), in connection with their investment and advisory activities, including the management of the Underlying Blackstone Accounts. Except as expressly provided in the relevant governing documents of each Underlying Blackstone Account, the Clients will generally

not receive the benefit of any of the foregoing fees received by the Registrant and its affiliates. Such fees will be in addition to the management fees paid by the Clients under the applicable governing documents or investment management agreement.

As a result, the Registrant will have an incentive to cause the Clients to make capital commitments to new Underlying Blackstone Accounts or Underlying Blackstone Accounts that (a) are otherwise difficult to raise, including without limitation, because predecessor vehicles have had poor investment performance, the strategy is new or out of favor or turnover of the investment professionals responsible for performance or (b) have a possibility of generating higher fees or carried interest than another potential Underlying Blackstone Account. Correspondingly, the Registrant will have a disincentive to cause the Clients to make capital commitments to (x) Underlying Blackstone Accounts that are otherwise in high demand or (y) are expected to generate relative lower fees or carried interest than other potential Underlying Blackstone Accounts. Furthermore, the Registrant may have an economic incentive to make capital commitments from certain Clients to affiliated Underlying Blackstone Accounts rapidly and in the maximum permitted size in order to increase and accelerate the timing of the potential fees and carried interest generated by such Underlying Blackstone Accounts.

Blackstone Policies and Procedures. Blackstone has implemented policies and procedures designed to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Specified policies and procedures, such as Blackstone's information wall policy, implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will from time to time reduce the synergies and collaboration across Blackstone's various businesses that the Registrant expects to draw on for purposes of investing the Clients' capital and identifying, pursuing and managing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, including, but not limited to, a private equity business, a credit business, a secondary funds business, an infrastructure 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 Clients 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 have the potential to reduce the positive firm-wide synergies and collaborations that the Clients could otherwise expect to utilize for purposes of finding, pursuing 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 Accounts 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 Client, might become restricted to those other businesses and otherwise be unavailable to such Client. 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 Clients to effectively achieve their investment objective by unduly limiting

the investment flexibility of the Clients and/or the flow of otherwise appropriate information between the Registrant and other business units at Blackstone. For example, in some instances, personnel of Blackstone would be unable to assist with the activities of a Client 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, in some instances, a Client may not be able to initiate a transaction that it otherwise might have initiated and may not purchase or sell an investment that such Client otherwise might have purchased or sold, which could negatively affect such Client's operations or performance.

In addition, to the extent that the Registrant's investment personnel are in possession of material non-public information or are otherwise restricted from trading in certain securities, the Registrant and the Clients will be deemed to be in possession of such information and may be restricted from engaging in certain investment activities, which could reduce the investment opportunities available to the Clients or prevent the Clients from exiting an investment. The Registrant's investment personnel may also be excluded from participating in certain investment decisions or otherwise replaced because of potential conflicts with other businesses at Blackstone or other reasons, in which case the Clients will not benefit from their expertise and advice. Additionally, the terms of confidentiality or other agreements with, or related to, companies in which any Blackstone client has made or has considered making an investment, or which is otherwise an advisory client of Blackstone, will from time to time restrict or otherwise limit information available to the investment committees or professionals of Underlying Blackstone Accounts or the Registrant which may adversely impact their ability to make, monitor and/or exit an investment, or otherwise engage in certain businesses or activities. In addition, Blackstone may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although they may be intended to provide greater opportunities for certain Clients, may require such Clients to share such opportunities or otherwise limit the size of an investment that that the Client can otherwise make.

Allocation of Personnel. Certain senior Blackstone professionals and the Registrant and its affiliates will devote such time and attention as will be necessary to conduct the business affairs of the Registrant in an appropriate manner. However, Blackstone personnel serving as members of the general partners and/or certain senior Blackstone professionals will work on other projects and/or Other Blackstone Accounts, including, without limitation, as members of the investment committee and/or investment teams serving the Other Blackstone Accounts, and will serve on other committees and have other responsibilities, including senior management responsibilities (which may be their primary responsibilities), throughout Blackstone and/or its Portfolio Entities. Time spent on other initiatives diverts attention from the activities of the Clients, which could negatively impact the Clients and their investors. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. These and other factors create conflicts of interest in the allocation of time and attention by Blackstone personnel.

In this regard, however, a core group of Blackstone investment professionals will devote such time and attention as is reasonably necessary to the business related to the Clients (and their respective investments) and their related entities (which may include separate accounts, dedicated managed accounts and/or investment funds formed for specific investments). Some

of these investment professionals may not be devoting time and attention predominantly, or solely, to the Clients, as BIS is one of various programs within Blackstone's private equity business. Time spent on these other initiatives diverts attention from the activities of the Clients, which could negatively impact the Clients and limited partners. The Registrant's and the applicable general partner's determination of the amount of time and attention necessary to conduct the Clients' activities will be conclusive, and the investors rely on the Registrant's and the applicable general partner's judgment in this regard.

Performance-Based Compensation. The compensation arrangements of the Registrant and its affiliates may create an incentive to make investment decisions that are risky or speculative on behalf of Clients 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. The Registrant may, except as otherwise provided by the investment guidelines, applicable law (including, without limitation, applicable insurance laws and regulations) and other considerations, be incentivized to allocate capital to funds or investments with greater incentive fee rates. In addition to the management fees payable by a Client under its investment management agreement, a Client's investments in Underlying Blackstone Accounts will generally be subject to management fees and performance-based compensation at the level of such Underlying Blackstone Accounts payable to an affiliate of the Registrant. However, the significant commitment by Blackstone to invest in the Clients (which commitment, for the avoidance of doubt, may not be allocated *pro rata* among the Clients) 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 and trigger the clawback, or delay the dissolution and liquidation of a Client if doing so would trigger a clawback obligation. In addition, tax reform legislation 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 general partners of Clients or Underlying Blackstone Accounts to cause the Clients or Underlying Blackstone Accounts to accelerate deployment of capital at the beginning of the Clients' or Underlying Blackstone Accounts' 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 of a Client or of an Underlying Blackstone Account in certain circumstances, including in the event of a transfer of interests, and upon the liquidation of a Client or an Underlying Blackstone Account or as otherwise permitted by the Constituent Documents, the general partner of such Client or Underlying Blackstone Account generally receives carried interest distributions in the form of a distribution in-kind of non-marketable securities (including, but not limited to, 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), to the extent permitted by applicable law).

The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the general partner and could incentivize the general partner to value the securities higher than if there were no carried interest. The 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. 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 Client (including the timing of the disposition of investments). In addition, the general partners are incentivized to make certain determinations under the Constituent 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 Constituent 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 Constituent Documents.

Management Fee. Management fees are typically payable through the complete liquidation of a Client and/or the Underlying Blackstone Account. In instances where a Client's management fee is calculated based on invested capital (which will, for the avoidance of doubt, include certain borrowings by Clients and/or Underlying Blackstone Accounts, among other items, as indicated in the Constituent Documents) rather than capital commitments, there would be an incentive for the Registrant and Underlying Blackstone Managers to defer realization of investments, make more speculative investments than they 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 they otherwise would have if management fees were based solely on capital commitments. The Registrant and Underlying Blackstone Managers may waive the management fee otherwise payable to them, 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 Constituent Documents of the Client or Underlying Blackstone Accounts or reduce the rates on which management fees are charged to Client or Underlying Blackstone Account limited partners under the Constituent Documents, in each case, in their sole discretion. For purposes of the management fee, the calculation of a Client's, or an Underlying Blackstone Account's, limited partner's "invested capital," where applicable, will include any capitalized deal-specific expenses incurred in connection with unrealized investments. Clients 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 Constituent Documents rather than as capital contributions for the making of investments.

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 a Client, an Underlying Blackstone Account 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 a Client or the Underlying Blackstone Accounts, including if such other entities compete with a Client or the Underlying Blackstone Accounts 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 a Client or the Underlying Blackstone Accounts. This involvement would create conflicts of interest in making investments on behalf of a Client or the Underlying Blackstone Accounts and such other funds, accounts and other entities. Although the Registrant, and the Underlying Blackstone Managers, will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for a Client or the Underlying Blackstone Accounts. 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 related to companies, assets, securities or instruments, it being understood that such personnel may make such investments for strategic reasons, including for purposes of sourcing investment opportunities for the Clients, Underlying Blackstone Accounts, Other Blackstone Accounts and/or Blackstone (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 the Clients and/or Underlying Blackstone Accounts, or otherwise relate to companies or issuers in which the Clients and/or Underlying Blackstone Accounts 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 Client 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 Clients or Other Blackstone Accounts, there is a greater likelihood that the Clients or such Other Blackstone Accounts 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 Clients (or their Underlying Blackstone Accounts) and there may be situations in which such alternative investment funds purchase securities from, or sell securities to, the Clients (or their Underlying Blackstone Accounts). There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Clients and/or Underlying Blackstone Accounts. See also “—Additional Potential Conflicts of Interest” herein. Clients or the Underlying Blackstone Accounts may 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 Clients or the Underlying Blackstone Accounts and may not receive notice should the Clients 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 Underlying Blackstone Accounts invests and/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 Clients, Underlying Blackstone Accounts or other counterparties of the Underlying Blackstone Accounts and their Portfolio Entities and/or assets. Moreover, in certain instances, the Clients, the Underlying Blackstone Accounts or their Portfolio Entities may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. These relationships have the potential to influence Blackstone, in deciding whether to select, recommend or create such service providers to perform services for the Clients or a portfolio company (the cost of which will generally be borne directly or indirectly by the Clients or such portfolio company, 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 BIS undertakes no obligations to select service providers who may have lower rates. BIS undertakes no minimum amount of benchmarking. To the extent BIS 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 BIS 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 Constituent Documents of such an Underlying Blackstone Account will not preclude such Underlying Blackstone Account from undertaking any of these activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies can be expected to put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps it determines appropriate. The Clients rely on Blackstone and the Underlying Blackstone Managers to manage these conflicts in their 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 Clients on preferential terms.

Secondments and Internships. Certain personnel of Blackstone and its affiliates, including Consultants (as defined below), will, in certain circumstances, be seconded to one or more Portfolio Entities, service providers and vendors or limited partners of the Clients and Other Blackstone Accounts to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Underlying Blackstone Accounts or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne (in whole or in part) by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors and service providers (including law firms and accounting firms) and limited partners of the Clients and Other Blackstone Accounts will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to, Blackstone and Portfolio Entities of the Clients and Other Blackstone Accounts. While often a Client, the Other Blackstone Accounts 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 a Client, Other Blackstone Account or Blackstone in the ordinary course. Blackstone, the Clients, the Underlying Blackstone Accounts, or their Portfolio Entities 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 Client or Underlying Blackstone Account. Blackstone, a Client, Other Blackstone Accounts or their respective 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 Client pays the costs or Blackstone seeks reimbursement from a Client or its Portfolio Entity for such secondment costs, all or a portion of such costs would be borne directly or indirectly by the relevant Client or Underlying Blackstone Account. To the extent such fees, compensation or other expenses are borne by a Client, including indirectly through its portfolio companies or reimbursement of Blackstone for such cost, management fees generally 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, a Client, Other Blackstone Accounts, Portfolio Entities and each of their affiliates, 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 Clients, Other Blackstone Accounts, Portfolio Entities and other parties based on time spent by the personnel or another methodology Blackstone deems appropriate in a particular circumstance.

Multiple Blackstone Business Lines. Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Clients, the Underlying Blackstone Accounts, Portfolio Entities and Other Blackstone Accounts 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 a Client's or the Underlying Blackstone Accounts' ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the Registrant and the Underlying Blackstone Managers that would be relevant to monitoring a Client's or the Underlying Blackstone Accounts' investments and other activities. Additionally, Blackstone or Other Blackstone Accounts can be expected to enter into covenants that restrict or otherwise limit the ability of the Underlying Blackstone Accounts 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 Account could have granted exclusivity to a joint venture partner that limits the Clients and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets, or entered into a non-compete in connection with a sale or other transaction or agreed to other restrictions that could impact the Clients' ability to consummate investments. These types of restrictions may negatively impact the ability of the Underlying Blackstone Accounts to implement their investment program. 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 neither a Client nor the Underlying Blackstone Accounts will benefit from their experience. A Client 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 a Client or the Underlying Blackstone Accounts. Blackstone and its employees have long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on a Client's (or Underlying Blackstone Account's) behalf, the Registrant and the Underlying Blackstone Managers will consider such relationships when evaluating an investment opportunity, and such relationships can be expected to influence the Registrant's and the Underlying Blackstone Managers' decision to make or not make particular investments on a Client's or Underlying Blackstone Account's behalf. The Clients or Underlying Blackstone Accounts may also co-invest with clients of Blackstone in particular investments, and the relationship with such clients could influence the decisions made by the Registrant with respect to such investments. Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to a Client or an Underlying Blackstone Account (e.g., investments in a competitor of a client or other person with whom Blackstone has a relationship). A Client or the Underlying Blackstone Accounts may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone and its affiliates may have or transactions or investments that Blackstone and its affiliates may make or have made. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be

made available to a Client or the Underlying Blackstone Accounts. The Underlying Blackstone Accounts 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 the Underlying Blackstone Managers with respect to the Underlying Blackstone Accounts' investments and otherwise result in a conflict.

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

Co-Investment Opportunities. The Registrant will allocate co-investment opportunities to limited partners of the Clients, the Other Blackstone Accounts 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 the Registrant, 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 Client investor for co-investment opportunities) or will, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested or expected. For example, if supplemental capital vehicles are established, Blackstone intends to prioritize any supplemental capital vehicles in the allocation of co-investment opportunities. 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 Clients 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 Accounts co-investing with a Client is not considered for purposes of calculating the carried interest payable by such Client to its General Partner. Furthermore, the Clients 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 Clients 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 Clients (whether established in connection with such limited partner's investment in the applicable Client or otherwise) and/or Other Blackstone Accounts), 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

Clients and to which Blackstone, in its capacity as general partner of the Other Co-Invest Vehicles, is permitted to make commitments or contributions to such Other Co-Investment Vehicle, including, without limitation, to the extent it determines that such a commitment or contribution is necessary and/or advisable in light of legal, tax, regulatory, accounting, contractual and other considerations with respect to such Other Co-Invest Vehicle. 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 BIS is incentivized to allocate co-investment opportunities to discretionary vehicles with higher effective fees, carried interest or other performance-based compensation rates. BIS may also provide certain Other Co-Invest Vehicles with priority rights to participate in co-investment opportunities alongside the Clients, or BIS 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 Clients, and that such Other Co-Invest Vehicle may invest alongside the Clients (or the Underlying Blackstone Account) 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 the Registrant, subject to the terms of such Other Co-Invest Vehicles. It is possible that the existence of any Other Co-Invest Vehicles established by the Registrant 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 Clients 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 Clients 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 Client is instead allocated to co-investors (who may or may not be Other Blackstone Accounts, limited partners or limited partners of Other Blackstone Accounts, 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 BIS, 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 the Registrant will take into account various facts and circumstances deemed relevant by the Registrant in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the Registrant'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 the Registrant'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 Clients, Other Blackstone Accounts and strategic third-party investors; whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone; whether a potential co-investor has committed to an Investment Fund or an Other Blackstone Account; the size of the potential co-investor's interest to be held in the underlying Portfolio Entity as a result of the Clients' investment (which is likely to be based on the size of the potential co-investor's capital commitment and/or investment in the Clients); whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone, the Clients, other affiliated funds and/or co-investments (including size of commitment), and/or Other Blackstone Accounts (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to the Clients or Other Blackstone Accounts 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 Clients 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 Clients, its predecessor funds or Other Blackstone Accounts (which may include such potential co-investor's history of investment in the Clients or Other Blackstone Accounts 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 Client, its predecessor funds or an Other Blackstone Account (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 Clients 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 Clients 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 Clients, 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 the expected underwriting of the investment; and such other factors that Blackstone may in good faith deem relevant and believe to be appropriate in the circumstances. In addition, the Registrant 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 the Registrant and/or its affiliates are entitled under the arrangements with such co-investors, including with respect to such co-investors' participation in the Clients and/or Other Blackstone Accounts, 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 Clients) in order to co-invest alongside the Clients 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, via a syndication. 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 the Registrant. 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 Accounts, including as described under “Other Blackstone Accounts; 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 may result in the Clients 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: The Registrant 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 Strategic Relationships) 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 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 Clients, Underlying Blackstone Accounts and/or any Other Blackstone Accounts) 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 Clients 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 Clients 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 certain circumstances can be expected to be more favorable to Blackstone, than the terms of the Clients, 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 Clients 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 interests will be resolved in favor of the Clients or limited partners or that any investment opportunities that would have otherwise been offered to the Clients or limited partners through co-investment will be made available. In circumstances where the Clients are investing alongside Other Blackstone Accounts, the Registrant and its affiliates may be incentivized to cause the Clients, on the one hand, or such Other Blackstone Accounts, 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 Clients and Other Blackstone Accounts participate in a single or related transactions with a particular seller where certain of such assets, properties, securities or instruments are specifically allocated (in whole or in part) to any of the Clients and such Other Blackstone Accounts. The allocation of such specific items generally would be based on the Registrant’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 Clients whereas those with higher relative expected returns and a higher relative risk profile may be allocated to an

Other Blackstone Account, 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 the Registrant 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 or rebates 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 Clients will, along with Blackstone itself, benefit from the existence of those arrangements and relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Clients 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 Clients and/or limited partners. Some co-investment vehicles, including some Other Co-Invest Vehicles, may not bear broken deal expenses or other investment-related expenses (including in respect of finance for such investment) from time to time (in which case Clients or Other Blackstone Accounts would bear such extra portion of such expenses) 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 Client bearing more than its *pro rata* share of broken deal expenses. This may give rise to conflicts of interest in connection with the Clients' investment activities, and, while BIS 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 Clients.

Other Fees; Fees from Portfolio Entities. Blackstone will receive fees from Portfolio Entities, the Clients and/or third parties as compensation for investment banking, underwriting, capital markets, treasury and valuation services, placement, financial advisory, restructuring and advisory, consulting, asset / property management, insurance (including title insurance), monitoring, commitment, syndication, origination, servicing (including loan servicing), management consulting and other similar operational and finance matters, healthcare consulting / brokerage, group purchasing, organizational and financing, divestment and other services. Additionally, Blackstone may receive fees in connection with the deployment of capital by the Clients. Additionally, Blackstone may receive fees relating to the Clients' investments or from unconsummated transactions (i.e., transactions, directors', consulting, management, origination, closing, topping, break-up and other similar fees). In addition, although Blackstone does not presently intend to generally charge transaction and/or monitoring fees to Portfolio Entities, such fees, to the extent that they are charged to Portfolio Entities, would offset the management fee paid by investors by 100% of each such investor's *pro rata* share of the net monitoring fees. To

the extent Blackstone charges transaction and/or monitoring fees, in the case of monitoring fees, these may be payable as fixed dollar amounts or may be calculated as a percentage of EBITDA (or other similar metric). Any such fees that result in an offset to the management fee will only apply to the extent it is made as part of the applicable Clients' investments in such company. As a result, in the case of directors' fees, the management fee will not be reduced or offset to the extent any Blackstone employees or professionals receive directors' fees relating to continued director service after the applicable Clients have exited the Portfolio Entity and/or following the termination of such employee's employment with Blackstone. In addition, in certain instances, the Registrant may receive fees (including fees from Portfolio Entities) paid and/or borne by third parties in connection with a Client's investment activities. For example, this may include fees associated with capital invested in connection with a joint venture in which a Client participates or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Registrant performs services and / or fees associated with capital invested by co-investors relating to investments in which the Clients participate. Certain personnel at Blackstone and/or its affiliates may be seconded to one or more Portfolio Entities of Clients and/or Underlying Blackstone Accounts to provide finance-related and other services to such Portfolio Entities. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment will be borne (in whole or in part) by such Portfolio Entities. However, it is Blackstone's current policy that the salary and benefits associated with secondments of personnel primarily engaged in sourcing fund investments will be borne by Blackstone and/or its affiliates. To the extent Blackstone and/or its affiliates receive any fees or expense reimbursement from such Portfolio Entities with respect to such personnel, they will not result in any offset to the management fee payable by the investors. The investors will not receive the benefit of any fees relating to a Client's investments or paid by the Portfolio Entities. For the avoidance of doubt, although the financial advisory and restructuring business of Blackstone has been spun out, to the extent that any investment banking, fees, consulting fees (including management consulting), syndication fees, capital markets, syndication and advisory fees (including underwriting fees), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, insurance fees (including title insurance), financial advisory fees, transaction fees, monitoring fees, directors' fees, loan servicing fees, break-up fees, topping fees, commitment fees, divestment fees, organizational fees, operations fees, financing fees, fees for asset / property management services, fees for mortgage services and other similar fees and annual retainers (whether in cash or in kind) are received by Blackstone, such fees will not be required to be shared with a Client or the investors and will not result in any offset to the management fee payable by investors. Fees that will result in an offset will generally be allocated *pro rata* among the Clients, Underlying Blackstone Accounts, co-investment vehicles, Blackstone's side-by-side co-investment vehicles and other participants that, in each case, are participating (or intending to participate) in such investment and may give rise to conflicts of interest. The amount of such fees allocable to such other participating funds will not result in an offset of the management fee payable by the investors, even if such Underlying Blackstone Accounts and co-investment vehicles provide for lower or no management fees for the investors or participants therein (such as vehicles established in connection with Blackstone's side-by-side co-investment rights, which generally do not provide for a management fee or carried interest payable by participants therein). Moreover, Blackstone

and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Clients which will not be subject to management fee offset or otherwise shared with the Clients and/or Portfolio Entities. For example, airline travel or hotel stays incurred as a Client's expense may result in "miles" or "points" or credit in loyalty/status programs, and certain purchases made by credit card will result in "credit card points", "cash back" or rebates in addition to loyalty or status program miles or points. Such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Blackstone and/or such personnel (and not such Client, its investors and/or Portfolio Entities) even though the cost of the underlying service is borne by such Client and/or Portfolio Entities. Similarly, the Registrant, 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 companies of the Clients and/or Underlying Blackstone Accounts and customers or suppliers of such portfolio companies. In the event break-up or topping fees are paid to Blackstone in connection with a transaction that is not ultimately consummated, co-investment vehicles that invest alongside the Clients will generally not be allocated any share of such break-up or topping fees; similarly, such co-investment vehicles (including any vehicles established to facilitate the investment by Blackstone investors, such as in connection with Blackstone's side-by-side co-investment rights) generally do not bear their share of broken deal expenses (such as reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) for unconsummated transactions, which would result in the Clients bearing more than its *pro rata* share of such amounts. While the Registrant 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 Clients.

In the case of acquisition fees, often times these will be calculated as a percentage of the total enterprise valuation of the transaction, which is generally the aggregate amount of invested capital and debt assumed or financed by the Clients and/or the Portfolio Entities and its subsidiaries and affiliates.

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

The general partners of the Clients and Underlying Blackstone Accounts and their affiliates are permitted to make capital commitments and/or contributions to co-investment opportunities and co-investment vehicles investing alongside the Clients and Underlying Blackstone Accounts, including, without limitation, to the extent the general partners determine that such a commitment or contribution is necessary and/or advisable in light of legal, tax regulatory, accounting, contractual and other considerations with respect to such co-investment opportunity or vehicle. Such amounts so committed or contributed are permitted, at the option of the general partners, to be deemed part of the amount Blackstone is otherwise required to contribute to the Client and/or Underlying Blackstone Accounts or a separate commitment to

such co-investment. If deemed part of the amount Blackstone is otherwise required to contribute to the Underlying Blackstone Accounts, such amounts would be in full or partial satisfaction of any such amounts that would otherwise be invested in the Underlying Blackstone Accounts in respect of such investment. To the extent the general partners and/or their affiliates make any such commitment and/or contribution to a co-investment opportunity or vehicle, it could reduce the amount of such co-investment available to the limited partners of the Underlying Blackstone Accounts (including the Clients). In addition, any such amounts invested by the general partners or their affiliates in co-investments alongside the Underlying Blackstone Accounts and deemed part of the amount Blackstone is otherwise required to contribute to the Underlying Blackstone Accounts will result in the general partners and their affiliates contributing less to the Underlying Blackstone Accounts than Blackstone's capital commitment to the Underlying Blackstone Accounts would otherwise imply.

Other Blackstone Business Activities. Blackstone, the Clients, Other Blackstone Accounts, 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 Clients and their Portfolio Entities, such as fees for asset management (including, without limitation, management fees and carried interest/incentive arrangements), development and property management; underwriting, (including, without limitation, evaluation regarding value creation opportunities and ESG risk mitigation), syndication or refinancing of a loan or investment (including without limitation loan modification or restructuring fees); 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; BX Energy 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 Client investors will not share therein. Such parties will also provide products and services for fees to Blackstone, the Clients, Other Blackstone Accounts 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 Clients, Other Blackstone Accounts and their Portfolio Entities in circumstances where third-party service providers are concurrently providing similar services to the Clients, Other Blackstone Accounts and their Portfolio Entities. Through its Innovations group (BXi), Blackstone incubates (or otherwise invests in) businesses that are expected to be introduced to, and therefore frequently provide goods and services to the Clients and Other Blackstone Accounts 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 Clients 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 Clients or limited partners and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Accounts 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 Clients and their Portfolio Entities. The Clients 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 Client participates or otherwise, in connection with a joint venture in which a Client 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 Clients and/or the Underlying Blackstone Accounts will, in certain circumstances, engage a third-party administrator to provide certain administrative services to it. The Clients will, as determined by the Registrant, as applicable, and as permitted by the Constituent Documents, bear the cost of fund administration and accounting (including, without limitation, maintenance of the Clients' 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), ESG and sustainability support services, 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 Underlying Blackstone Account that would be considered costs of fund administration if provided by Blackstone to the Clients (notwithstanding the customary scope of such services by third-party service providers)), to the Clients 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 Clients, such amounts will not offset Management Fees. In certain circumstances, the Underlying Blackstone Accounts 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 Clients will 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 or regulatory 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. Any determination of whether the fees and costs attributable to Blackstone personnel and related parties reflect market rates or arm's length terms will not take into account any additional fees and costs borne by the Clients with respect to third parties providing similar services (e.g., an external administrator). 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 Clients or Blackstone approximating the proportion of certain personnel's time spent with respect to the Clients, 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 Clients and Other Blackstone Accounts, 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 Clients 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 Clients and their Portfolio Entities than would be the case if such services were provided by third parties.

The Registrant, the Clients, Other Blackstone Accounts 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 Clients 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, the Registrant, the Clients, Other Blackstone Accounts 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.

The Registrant does not have any obligation to ensure that fees for products and services contracted by the Clients or their Portfolio Entities are at market rates unless the counterparty is considered an "Affiliate" of Blackstone, as defined in the Constituent Documents, and given the breadth of Blackstone's investments and activities the Registrant may not be aware of every commercial arrangement between the Clients and their Portfolio Entities, on the one hand, and Blackstone, other Clients, Other Blackstone Accounts and their Portfolio Entities, and personnel and related parties of the foregoing, on the other hand.

Except as set forth above, the Clients 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 the Registrant, its affiliates or their personnel and related parties (see also “Service Providers, Vendors and Other Counterparties Generally” herein). The Registrant and its affiliates and their personnel and related parties will receive fees attributable to the Clients, Other Blackstone Accounts (including co-investment vehicles) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to the Clients, Other Blackstone Accounts (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 Clients, their Portfolio Entities or the limited partner, even if (i) such other Clients or Other Blackstone Accounts (including “standing”, dedicated or committed 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 Accounts (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 Clients, Underlying Blackstone Accounts and/or Other Blackstone Accounts, 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, 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 Clients, the Underlying Blackstone Accounts and/or the Other Blackstone Accounts, as applicable. With respect to any dispositions of securities or investments held by Blackstone resulting from receiving such fees in kind, since the Clients and/or Other Blackstone Accounts, 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 Clients 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 Client’s behalf involving any such corporations, BIS will consider those relationships when evaluating the investment opportunity, which may result in BIS choosing not to make such an investment on a Client’s behalf due to such relationships. Clients may also co-invest with clients of Blackstone in a particular investment, and the relationship with such clients could influence the decisions made by BIS with respect to such investments.

Advisors, Consultants and Partners. The Registrant, its affiliates and their personnel and related parties engage and retain strategic advisors, operating advisors, consultants, senior advisors,

industry experts, joint venture and other partners and professionals and market participants, any of whom might be current or former executives or other personnel of the Registrant, its affiliates or Portfolio Entities of the Clients or Other Blackstone Accounts (collectively, “**Consultants**”), to provide a variety of services. Similarly, the Clients, Other Blackstone Accounts and their Portfolio Entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to originate, acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by the Clients or a Portfolio Entity to Consultants in connection with the above, including performance-based compensation (e.g., promote), retainers and expense reimbursements, will generally be treated as a Client expense or expenses of the 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 the Registrant, be chargeable to the Registrant or deemed paid to or received by the Registrant, or offset or reduce any management fees to the Registrant 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. In certain cases, the Consultants will receive intangible and other benefits resulting from their activities on behalf of the Clients and Underlying Blackstone Accounts — for example, in the same way that executives from portfolio companies of Other Blackstone Accounts may provide insight and/or deal origination for the benefit of the Clients or Underlying Blackstone Accounts, the executives of the Clients’ or Underlying Blackstone Accounts’ portfolio companies may benefit the Consultants and/or Other Blackstone Accounts. Consultants may attend events and/or meetings sponsored by the Clients’ or Underlying Blackstone Accounts’ portfolio companies and/or Other Blackstone Accounts or other members of the Blackstone network, and similarly, members of the Blackstone network may attend annual meetings of the Clients and/or Underlying Blackstone Accounts and may be involved in fundraising activities on behalf of Blackstone. Moreover, in negotiating and structuring transactions with counterparties (such as investment banks, financial intermediaries and other service providers) of the Clients, the Underlying Blackstone Accounts or their portfolio companies, the Registrant will generally not seek to maximize terms as if such transaction was taking place in isolation—it will be free to consider relationship, reputational and market considerations, which can in some circumstances result in a cost to the Clients or Underlying Blackstone Accounts (or otherwise make the terms of the transaction less favorable for the Underlying Blackstone Accounts). Also, Consultants (including for this purpose strategic investors described in “—Syndication; Warehousing”) often co-invest alongside the Clients in Portfolio Entities and investments, participate in long-term incentive plans of a Portfolio Entity, and invest directly in the Clients or in vehicles controlled by the Clients, 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 Clients 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 the Registrant 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 provides the Registrant 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 Clients may rely on these Consultants to recommend the Registrant and the Clients 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 Clients for any length of time. The Registrant and the Clients 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 (e.g., the side-by-side investment program) 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 Constituent Documents, and their salary and related expenses are paid by the clients as partnership expenses or by Portfolio Entities without any reduction or offset to management fees. Some Consultants work only for a Client and its Portfolio Entities, while other Consultants may have other clients, including Other Blackstone Accounts, 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, diligence and recommend transactions to the Registrant potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Registrant under the Constituent Documents, the compensation to such Consultants may be borne fully by the Client, Underlying Blackstone Accounts and/or their portfolio companies (with no reduction or offset to management fees) and not the Registrant. Consultants could have conflicts of interest between their work for the Clients and their Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and the Registrant is limited in its ability to monitor and mitigate these conflicts. Additionally, from time to time, Consultants provide services on behalf of both the Clients and Other Blackstone Accounts, and any work performed by Consultants retained on behalf of the Clients may benefit such Other Blackstone Accounts (and alternatively, work performed by Consultants on behalf of Other Blackstone Accounts may benefit the Clients), and the Registrant shall have no obligation to allocate any portion of the costs to be borne by the Clients in respect of such Consultant’s work on behalf of the Clients to such Other Blackstone Accounts.

In addition, the Clients or Underlying Blackstone Accounts will, in certain circumstances, enter into an arrangement with one or more individuals (who may be former personnel of Blackstone or current or former personnel of Portfolio Entities, 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: 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 Clients, Underlying Blackstone Account or a Portfolio Entity or asset of the Clients (which 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)) or other long term incentive plans. Such compensation could be based on assets under management and/or a waterfall similar to a carried interest, respectively, or other similar metric, which will not offset management fees. The professionals at such platform company, which in certain circumstances may include former employees or current or former senior advisors or consultants to Blackstone, their affiliates and/or management of portfolio companies of the Underlying Blackstone Accounts and/or Other Blackstone Accounts, can be expected to undertake analysis and evaluation of potential investment and acquisition opportunities for such platform company. In such circumstances, the Clients or Underlying Blackstone Accounts could initially invest capital to fund a portion of the overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and sourcing costs for such investments. Although Blackstone is generally responsible under the Constituent Documents for certain overhead expenses and investment analysis associated with sourcing and managing investments, as well as compensation costs of investment professionals, the Clients and the Underlying Blackstone Accounts (and indirectly the investors, including the Clients), and not solely Blackstone, will bear some or all of the costs of such platform companies including costs related to overhead and the sourcing, diligence and analysis of investments, as well as the compensation for the individuals and entity undertaking the new business line or build-up strategy. Such expenses could be borne directly by the Clients (or broken deal expenses, if applicable) or indirectly through expenditures by a Portfolio Entity. Such Portfolio Entities or Consultants typically are not treated as affiliates of the Registrant for purposes of the partnership agreements of the Clients and the fees, costs or expenses described above generally do not reduce or offset the management fee payable to the Registrant.

In addition, the Registrant could 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 could receive reimbursement of reasonable related expenses by Portfolio Entities, the Clients and could have the opportunity to invest in a portion of the assets available to the Clients for investment which could be taken by the Registrant and its affiliates. If such Consultants generate investment opportunities on the Clients' behalf, such Consultants from time to time receive special additional fees or allocations comparable to those received by a third-party in an arm's length transaction.

Conflicting Fiduciary Duties to Blackstone Accounts. Blackstone may structure an investment as a result of which Underlying Blackstone Accounts are offered the opportunity to participate in an investment allocated to a Client or where such Underlying Blackstone Accounts may hold or acquire interest in Portfolio Entities in which such Clients have indirect investments. Conversely, a Client may be offered an opportunity to participate in an investment or invest capital in an

Underlying Account that holds or subsequently acquires investments in which Underlying Blackstone Accounts have an interest. As investment advisor to both a Client and such Underlying Blackstone Accounts, Blackstone would owe a fiduciary duty to such Underlying Blackstone Accounts as well as to a Client. As such, Blackstone may, in certain instances, face a conflict of interest in respect of decisions made with regard to such Underlying Blackstone Accounts and the Clients (e.g., with respect to the terms of high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, etc.)

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 a Client and its Portfolio Entities, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone can be expected to influence the Registrant to select or recommend PJT to perform services for a Client (or Underlying Blackstone Account) or its Portfolio Entities, the cost of which will generally be borne directly or indirectly by the Clients and investors (to the extent of their ownership therein). Given that PJT is no longer an affiliate of Blackstone, the Registrant and its affiliates are able to cause a Client and Portfolio Entities to transact with PJT generally without restriction under the Constituent Documents of such Client, 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.

Other Blackstone Accounts; Allocation of Investment Opportunities.

Allocation Funds

Certain Other Blackstone Accounts may contractually or legally limit the investment opportunities available to the Clients. For example, the governing documents of certain products managed by Blackstone Credit, Tac Opps and Strategic Partners (each an affiliate of the Registrant) and certain Blackstone real estate products may require that co-investment opportunities first be offered to the investors in such product prior to any such opportunity being offered to the Clients. As a result of the foregoing, the Clients will not necessarily receive an allocation of each investment opportunity within their mandates. Underlying Blackstone Accounts may be similarly restricted. To the extent an Other Blackstone Account elects 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 Underlying Blackstone Accounts or to the Clients.

Related to the above, Blackstone has adopted “first-call” guidelines in connection with determining allocations of investment opportunities among its business groups. Even though the “first-call” guidelines are non-exclusive and subject to the provisions of the applicable partnership agreement, 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 Clients or Underlying Blackstone Accounts not participating, or not participating to the same extent, in investment opportunities in which it would have otherwise participated had the guidelines not existed.

The Registrant will seek to invest the assets of the Clients on a discretionary basis in good faith primarily in or alongside a range of Underlying Blackstone Accounts. Blackstone’s authority to invest the assets of the Clients in or alongside Underlying Blackstone Accounts may be subject to certain limitations and rise to actual or potential conflicts of interest, including with respect to the selection of such Underlying Blackstone Accounts and the terms of their investments. The risks associated with these investment programs depend largely on the investment strategies and investments of such Underlying Blackstone Accounts in which the Clients invest, and there can be no assurance that the activities of the Underlying Blackstone Accounts do not adversely affect the investment programs of the Clients.

Various conflicts of interest could arise which may not be resolved in favor of the Clients, and accordingly, could adversely affect the performance of the Clients. For instance, certain Underlying Blackstone Accounts will employ a substantially identical strategy as that employed by one or more of the Clients. Such Underlying Blackstone Accounts will compete with the Clients for allocation of investments. Investment opportunities that may be potentially appropriate for one or more of the Clients may also be appropriate for Underlying Blackstone Accounts and there can be no assurance that the Clients will be allocated those investments they wish to pursue and investment opportunities may be allocated to the Underlying Blackstone Accounts instead of the Clients.

Investment Funds

Blackstone invests its own capital and third-party capital throughout the world, including on behalf of the Other Blackstone Accounts and certain other Portfolio Entities, which include a number of existing Other Blackstone Accounts that have an investment strategy or objective that is adjacent to or overlaps with those of the Investment Funds, including Blackstone Private Equity and Tac Opps, which focuses on investments that are control equity positions in operating companies. The Investment Funds provide opportunities to invest in insurance companies and related assets and, although the investment objectives of such Other Blackstone Accounts 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 Investment Funds, and allocations of relevant investment opportunities may be made to such Other Blackstone Accounts on a priority basis. Moreover, Blackstone may establish Other Blackstone Accounts 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 Accounts may be sponsored and managed by the Registrant or its affiliates and may participate alongside the Investment 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 Investment Funds).

It is expected that some activities of Blackstone, the Other Blackstone Accounts and their Portfolio Entities will compete with the Investment Funds and their Portfolio Entities for one or more investment opportunities that are consistent with the Investment Funds' investment objectives and would otherwise be appropriate for the Clients, and as a result such investment opportunities may only be available on a limited basis, or not at all, to the Investment 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 Accounts. Although such investments would be limited or restricted by the Constituent Documents or the agreements for Other Blackstone Accounts, 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 Accounts also apply to such investment activities of Blackstone or its personnel. The Registrant has conflicting loyalties in determining whether an investment opportunity should be allocated to the Investment Funds, Blackstone or an Other Blackstone Account, and these conflicts may not necessarily be resolved in favor of the Investment Funds. 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 Accounts have investment objectives or guidelines that overlap with those of the Investment 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 Investment Funds and/or such Other Blackstone Accounts 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 Investment 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 the Registrant considers in making investment allocations among the Investment Funds and Other Blackstone Accounts 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 Investment Funds and such Other Blackstone Accounts and the duration of their respective investment periods and holding periods, (y) available capital of the Investment Funds and such Other Blackstone Accounts, (z) legal, tax, regulatory, accounting and other considerations deemed relevant by the Registrant, including, without limitation, (i) primary and permitted investment strategies, guidelines, liquidity positions and requirements, mandates, focus and objectives of the Investment Funds and the Other Blackstone Accounts, including, without limitation, with respect to Other Blackstone Accounts that expect to invest in or alongside other funds or across asset classes based on expected return (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 the Registrant in good faith. The Registrant could also determine not to pursue opportunities. Moreover, under certain circumstances, investment opportunities sourced and/or identified by the Investment Funds and that fall within the Investment Funds’ investment strategy and objective may be allocated in whole or in part to Portfolio Entities, Other Blackstone Accounts or Portfolio Entities of Other Blackstone Accounts, or Blackstone. The allocation of investments to Other Blackstone Accounts, including as described above, may result in fewer investment opportunities for the Investment Funds and fewer co-investment opportunities (or reduced allocations) being made available to the limited partners.

Blackstone has adopted “first-call” guidelines in connection with determining allocations of investment opportunities among its business groups described above. The application of such guidelines may result in the Investment 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.

The Registrant 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 the Registrant, or circumstances not foreseen by the Registrant at the time of allocation, may cause an investment opportunity to yield a different return than expected. Conversely, an investment that the Registrant expects to be consistent with the Investment 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 Client is participating alongside one or more Other Blackstone Accounts in an investment opportunity, BIS 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. BIS could change the applicable investment allocations as between a Client and such Other Blackstone Accounts between such signing and/or funding of the deposit and the closing of such investment

opportunity as it determines appropriate based on factors BIS deems relevant in its sole discretion. In such circumstances, the Client's and such Other Blackstone Accounts' 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, BIS could determine at any point prior to the closing of an investment opportunity that any such investment opportunity that was initially allocated to a Client based on information available to BIS at the time the allocation decision is made should subsequently be reallocated in whole or in part to one or more Other Blackstone Accounts (and *vice versa*) based on subsequent information received by BIS in respect of such investment opportunity. In such circumstance, BIS could determine to reallocate all or any portion of any such investment opportunity from a Client to such Other Blackstone Account (or *vice versa*) (such fund from which an investment opportunity is being reallocated, a **"Reallocating Client"**), including in circumstances where such Reallocating Client 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 Client agrees to pursue the investment, Blackstone will determine, in its sole discretion, whether and to what extent the non-Reallocating Client will reimburse the Reallocating Client 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 Client relating to such Reallocated Investment, and any such reimbursement would be made without the consent of the limited partner advisory committee (or limited partner representatives), the limited partners, Client, or otherwise, as applicable.

To the extent the Investment Funds jointly hold securities with any other Investment Fund or Other Blackstone Account that has a different expected duration or liquidity terms, conflicts of interest will arise between the Investment Funds and such Other Blackstone Account with respect to the timing and manner of disposition of opportunities. For example, certain Other Blackstone Accounts that invest alongside the Clients and Underlying Blackstone Accounts are expected to have terms that will differ significantly from some or all of the Clients and Underlying Blackstone Accounts and therefore are expected to result in such conflicts of interest. In order to mitigate any such conflicts of interest, the Investment Funds may recuse themselves from participating in any decisions relating or with respect to the investment by the Investment Funds or the Other Blackstone Account. If the Other Blackstone Account maintains voting rights with respect to the securities it holds, or if the Investment Funds do not recuse themselves, Blackstone may be required to take action where it will have conflicting loyalties between its duties to the Investment Funds and such Other Blackstone Accounts, which may adversely impact the Investment Funds. Even if the Investment Funds and such Other Blackstone Accounts and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Investment Funds and/or such Other Blackstone Accounts and vehicles may not be the same. Additionally, the Investment Funds and/or such Other Blackstone Accounts and/or vehicles will generally have

different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, the Investment Funds and/or such Other Blackstone Accounts 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 Accounts 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 company in which a Client, the Underlying Blackstone Accounts and any Other Blackstone Account hold an investment or otherwise if at any time the Client, Underlying Blackstone Accounts and an Other Blackstone Account hold public securities in the same portfolio company, the Client, Underlying Blackstone Accounts and such Other Blackstone Account 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 Client, Underlying Blackstone Account and such Other Blackstone Accounts or for other reasons, and this may result in Other Blackstone Accounts and, if applicable, some Clients exiting earlier or at a higher price than an Underlying Blackstone Account (or *vice versa*). It is also possible that a Client and one or more Other Blackstone Accounts will buy certain investments or assets at or about the same time that certain Other Blackstone Accounts 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 Client and/or Other Blackstone Accounts. The General Partners of the applicable Client(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 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 Client(s).

In addition, in certain circumstances certain other investment vehicles will receive allocations of investments that are otherwise appropriate for the Investment Funds (including Other Blackstone Accounts), which will from time to time result in the Investment 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 Investment Funds' mandates, including without limitation, as a result of business, reputational or other reasons applicable to the Investment Funds, Other Blackstone Accounts, their respective Portfolio Entities or Blackstone. In addition, the Registrant will, in certain circumstances, determine that the Investment Funds should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because the Investment Funds have insufficient capital to pursue the investment, the Investment Funds have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Registrant in its sole discretion, or the investment is not appropriate for the Investment Funds

for other reasons as determined by the Registrant in its good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Accounts or Portfolio Entities or limited partners of the Investment Funds or Other Blackstone Accounts, joint venture partners, related parties or third parties, and such parties may pursue the opportunity.

When the Registrant determines not to pursue some or all of an investment opportunity for the Investment Funds that would otherwise be within the Investment Funds' objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Accounts, Blackstone, including its personnel (including BIS personnel), can be expected to receive compensation from the Other Blackstone Accounts, 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 Investment Funds to the Registrant. As a result, there is an incentive for the Registrant (including BIS personnel who receive such compensation) to allocate investment opportunities away from the Investment Funds to or source investment opportunities for Other Blackstone Accounts, which could result in fewer opportunities (or reduced allocations) being made available to the Clients or to the investors in the Clients as co-investment. In addition, in some cases Blackstone can be expected to earn greater fees when Other Blackstone Accounts participate alongside or instead of the Investment Funds in an investment. Certain Other Blackstone Accounts may contractually or legally limit the investment opportunities available to the Clients. For example, certain Other Blackstone Accounts 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 Investment Funds. As a result of the foregoing, the Investment Funds will not necessarily receive an allocation of each investment opportunity within their mandates. To the extent such Other Blackstone Accounts 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 Investment Funds.

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

The Constituent 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 Accounts) will be permitted to, and is expected to, make investments alongside the Investment 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 Constituent 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 Investment 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 Investment 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 Investment 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 will often receive additional income in fees and performance compensation from Other Blackstone Accounts in connection with such investments. Additionally, Other Blackstone Accounts 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, certain Underlying Blackstone Accounts and Other Blackstone Accounts, which invest in, or alongside, multiple Other Blackstone Accounts, will participate in investments alongside the Underlying Blackstone Accounts and Other Blackstone Accounts pursuant to Blackstone's side-by-side co-investment rights, and in such cases, 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 certain Underlying Blackstone Accounts and Other Blackstone Accounts will participate in investments alongside the Clients and Underlying Blackstone Accounts outside of Blackstone's side-by-side program. The Investment Funds can be expected to lend an amount to Blackstone and its affiliates with respect to their *pro rata* share of such investments; provided, that any such amounts so borrowed shall be on no more favorable terms than those applicable to the Investment Funds' borrowing of the related proceeds. The amount of carried interest charged and/or management fees paid by the Investment Funds may be less than or exceed the amount of carried interest charged and/or management fees paid by Other Blackstone Accounts. Such variation may create an incentive for Blackstone to allocate a greater percentage of an investment opportunity to the Investment Funds or such Other Blackstone Accounts, as the case may be.

In connection with the Clients, certain Clients may from time to time participate in investments in or relating to Portfolio Entities of Blackstone, Other Blackstone Accounts or other Clients (whether now in existence or subsequently established). Any successor fund of the Clients may also participate in investments relating to Portfolio Entities in which the Clients 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 Clients, where the general partners and/or their 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 Client’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 Client 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 Blackstone Accounts and their affiliates) may engage in activities that compete with those of Clients and the Underlying Blackstone Accounts 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 Client and/or Underlying Blackstone Account 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 Constituent Documents, a Client or Underlying Blackstone Account may from time to time invest in Portfolio Entities in which Other Blackstone Accounts and/or Blackstone have pre-existing investments. Additionally, portfolio entities of a Client’s or Underlying Blackstone Accounts’ predecessors 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 Other Blackstone Account may take any amount that those funds are unable to participate in. Given the potential benefits to Other Blackstone Accounts, and/or Blackstone (and potentially Underlying Blackstone Accounts) (including, for example, higher valuations on its investment, the potential receipt of proceeds from an investment or, if the company is distressed, the potential for additional financial support), the Registrant and/or its affiliates may be incentivized to cause the applicable Client or Underlying Blackstone Accounts 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 Client or Underlying Blackstone Account invests) will be resolved in the Clients. In instances where a Client or Underlying Blackstone Account invests at a significantly higher (or lower) valuation than Blackstone and/or such Other Blackstone Accounts, such Client or Underlying Blackstone Account 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 Client’s or Underlying Blackstone Account’s investment. Additionally, the Clients, Underlying Blackstone Accounts and Other Blackstone Accounts 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, and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities. As such, the Clients, Underlying Blackstone Accounts and Other Blackstone Accounts and/or other parties may dispose of any such shared investment at different times and on different terms.

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 Clients and Other Blackstone Accounts. Such allocations generally would be based on Blackstone's determination of, among other things, the expected returns and risk profile of each of the assets and in any such case the combined purchase price paid to a seller would be allocated among the multiple assets, securities or instruments based on a determination by the seller, by a third-party valuation firm and/or by the Registrant, the Underlying Blackstone Managers and their affiliates. For example, some of the assets in a pool may have a lower return profile, while others may have an opportunistic return profile not appropriate for the Clients. 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 Clients, Underlying Blackstone Accounts and Other Blackstone Accounts acquiring or selling 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 Client and such Other Blackstone Account on a different basis than the contractual purchase price. Similarly, there will likely be circumstances in which the Clients and Other Blackstone Accounts 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 Clients and Other Blackstone Accounts 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 Clients 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 Accounts. In certain cases, an Underlying Blackstone Account 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 Account to that Other Blackstone Account pursuant to an agreement entered into between the Underlying Blackstone Account and such Other Blackstone Account 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 limited partner advisory committee (or limited partner representatives), any limited partner, or otherwise, as applicable, of the Underlying Blackstone Accounts.

Holding Entities and Tracking Interests. The Registrant or Underlying Blackstone Managers may determine that for legal, tax, regulatory, accounting, administrative or other reasons the Clients or Underlying Blackstone Accounts 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 Accounts

(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 Clients or Underlying Blackstone Accounts and such Other Blackstone Accounts as described in “**Allocation of Portfolios**”) in respect of which the Clients or Underlying Blackstone Accounts 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 Clients or Underlying Blackstone Accounts would be specifically attributed to the Clients or Underlying Blackstone Accounts 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 Accounts, and that the Clients or Underlying Blackstone Accounts would be deemed for purposes of the Constituent Documents to hold their investment (or portion of a portfolio or pool) separately from, and not jointly with, such Other Blackstone Accounts (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 Accounts). The use of such investment structures in connection with a Clients’ or Underlying Blackstone Accounts’ investment activities could have an adverse impact on the Clients or Underlying Blackstone Accounts. For example, liabilities could arise in relation to a specific investment held indirectly through such holding entity by an Other Blackstone Account, but not the Clients or Underlying Blackstone Accounts, and a counterparty could seek recourse against the holding entity from a different investment that is held indirectly through such holding entity by the Clients or Underlying Blackstone Accounts, but not the Other Blackstone Account. A Client’s or Underlying Blackstone Account’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 Client or Underlying Blackstone Account 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 Clients or Underlying Blackstone Accounts and the Other Blackstone Account.

Furthermore, certain holding structures may require a newly-established manager, advisor, service provider or other entity intended to address certain legal, tax, regulatory, accounting, administrative or other considerations applicable to the Clients, Underlying Blackstone Accounts or Other Blackstone Accounts. For example, due to rules, regulations and/or requirements in a particular jurisdiction (e.g., licensing requirements), it may be the case that in order to comply with the foregoing, one Blackstone entity serves a particular role for another Blackstone entity (e.g., as an administrator or other role requiring a license) that it otherwise would not but for the rules, regulations and/or requirements in such jurisdiction. It is possible that a Client or Underlying Blackstone Account will be responsible for the costs and expenses of establishing such holding structure (including any such newly-established entities) prior to, and/or in anticipation of, other Clients or Other Blackstone Accounts participating through such structure for their investments and it is expected that such other Clients or Other Blackstone Accounts would reimburse the Clients or Underlying Blackstone Accounts for any such costs and expenses on a *pro rata* basis.

Investments in Which Underlying Blackstone Accounts Have a Different Principal Investment Generally. The Clients or Underlying Blackstone Accounts may hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by

Other Blackstone Accounts (and in certain circumstances the Registrant will be unaware of an Other Blackstone Account's participation, or the size of the Other Blackstone Account's investments, as a result of information walls or otherwise). There are generally no limitations in the organizational documents of the Underlying Blackstone Accounts 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, the Registrant or an Underlying Blackstone Manager may recuse itself from participating in any decisions relating or with respect to such investment by such Client or Underlying Blackstone Account or the applicable investments by the Other Blackstone Accounts, 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, Blackstone may be required to take action when it will have conflicting loyalties between its duties to the Clients or Underlying Blackstone Accounts and such Other Blackstone Accounts, which will, in certain circumstances, adversely impact such parties. In that regard, actions may be taken for Other Blackstone Accounts that are adverse to such Underlying Blackstone Account (and *vice versa*). If a Client or an Underlying Blackstone Account recuses itself from decision-making, it will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made. Except to the extent expressly subject to the Constituent Documents, the Clients or limited partners of an Underlying Blackstone Account (including the Client) will in no way receive any benefit from fees paid to the Registrant or an Underlying Blackstone Manager or their affiliates from a portfolio company of a Client or Underlying Blackstone Account in which any Other Blackstone Account also has an interest (including, for greater certainty, any fees the Registrant, an Underlying Blackstone Manager or their affiliates received as a result of the provision of services by such affiliates). In addition, under certain circumstances, a Client may be prohibited (or refrain) from decision-making or exercising other rights it would otherwise have with respect to a Portfolio Entity of an Underlying Blackstone Accounts, as a result of such Client's affiliation with Other Blackstone Accounts that own different interests in such Portfolio Entity. While BIS will seek, where applicable, to have a third party exercise rights on behalf of the Clients 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 Clients 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 Client or its interest in the Portfolio Entity (or the applicable Underlying Blackstone Account or Other Blackstone Account(s)) or its ability to effectively mitigate such conflicts of interest.

Simultaneous Transactions. There may be instances where Blackstone negotiates transactions with counterparties that involve an Underlying Blackstone Account, an Other Blackstone Account and/or Blackstone in different capacities. For example, an Underlying Blackstone Account 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 Account 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 Underlying Blackstone Accounts, on one hand, and such Other Blackstone Account 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 Account and/or such Underlying Blackstone Account 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.

With respect to debt securities acquired or sold in a secondary transaction or syndication between Other Blackstone Accounts 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 BIS and/or such Other Blackstone Accounts 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 Clients or any Underlying Blackstone Account.

Portfolio Entity Service Providers and Vendors. The Clients, Underlying Blackstone Accounts, Other Blackstone Accounts, Portfolio Entities of each of the foregoing and Blackstone can be expected to engage Portfolio Entities of the Clients, Underlying Blackstone Account and Other Blackstone Accounts to provide some or all of the following services: (a) corporate support services (including, without limitation, accounts payable, accounts receivable, accounting/audit (e.g., valuation support services), account management (e.g., treasury, customer due diligence), insurance, procurement, placement, brokerage and consulting services, cash management, accounts receivable financing, corporate secretarial and executive assistant services, domiciliation, data management, directorship services, finance/budget, human resources (e.g., the onboarding and ongoing development of personnel), communication, public relations and publicity, information technology and software systems support, corporate governance and entity management (e.g., liquidation, dissolution and/or otherwise end of term services), risk management and compliance/know-your-client reviews and refreshes, judicial processes, legal, environmental and/or sustainability due diligence support (e.g., review of property condition reports, clean energy consumption), climate accounting services, ESG program management services, engineering services, services related to the sourcing, development and implementation of renewable energy, ESG data collection and reporting services, capital planning services, operational coordination (e.g., coordination with JV partners, property managers), risk management, reporting (e.g., on tax, debt, portfolio or other similar topics), and tax and treasury, tax analysis and compliance (e.g., CIT and VAT compliance), transfer pricing and internal risk control, and valuation services and other services; (b) borrowing management services (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and non-performing loans, consolidation, cash management, financing management, administrative support, and lender relationship management (e.g., coordinating with lender on any ongoing obligations under any relevant borrowing, indebtedness or other credit support

(including any required consultation with or reporting to such lender)); (c) operational services including personnel (i.e., general management of day to day operations); and (d) transaction support services (including, without limitation, acquisition, customer due diligence and related on-boarding, liquidation, reporting, relationship management with brokers, banks and other potential sources of investments, identifying potential investments including development sites and providing diligence and negotiation support to acquire the same, 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, ESG 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 Clients, Underlying Blackstone Accounts, Other Blackstone Accounts and their Portfolio Entities can be expected to engage Portfolio Entities of the Clients, Underlying Blackstone Accounts and Other Blackstone Accounts 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 to a Client or Underlying Blackstone Account or its affiliates from time to time and *vice versa*. Fees paid by a Client, Underlying Blackstone Account or their Portfolio Entities to, or value created by, other Portfolio Entity service providers or vendors do not offset or reduce the management fee payable by the Clients and/or limited partners of an Underlying Blackstone Account including the Clients) and are not otherwise shared with such limited partners (including the Clients), unless otherwise required by the Constituent 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 Clients, Underlying Blackstone Accounts, Other Blackstone Accounts 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 Underlying Blackstone Account and its portfolio entities (and/or other investment funds or accounts managed or controlled by Blackstone).

Portfolio Entities of the Clients, Underlying Blackstone Accounts and Other Blackstone Accounts some of which can be expected to provide services to the Clients, Underlying Blackstone Accounts 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 BTIG is expected to perform services for the Clients, Underlying Blackstone Accounts, their Portfolio Entities, Other Blackstone Accounts and Blackstone.

Optiv. Optiv Security, Inc. is a portfolio entity held by certain Other Blackstone Accounts that provides a full slate of information security services and solutions for the Clients,

Underlying Blackstone Accounts and their Portfolio Entities, Other Blackstone Accounts and Blackstone.

PSAV. PSAV, Inc. is a portfolio entity held by certain Other Blackstone Accounts that provides outsourced audiovisual services and event production. PSAV is expected to provide services for the Clients, Underlying Blackstone Accounts, their Portfolio Entities, Other Blackstone Accounts 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**"). On January 29, 2021, Refinitiv was sold to London Stock Exchange Group ("**LSEG**"), with Blackstone private equity funds receiving a minority stake in LSEG. Refinitiv operates a pricing service that provides valuation services. Refinitiv provides services for certain Clients, Underlying Blackstone Accounts, their Portfolio Entities, Other Blackstone Accounts and Blackstone.

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

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

*RE Tech Advisors ("**RE Tech**").* RE Tech is a Portfolio Entity of certain Other Blackstone Accounts 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 Clients, Underlying Blackstone Accounts, their Portfolio Entities and Other Blackstone Accounts and Blackstone.

*Legence (f/k/a Therma Holdings) ("**Legence**").* Legence is a Portfolio Entity of certain Other Blackstone Accounts that provides carbon reduction and energy management services. Legence is expected to perform services for the Clients, Underlying Blackstone Accounts, their Portfolio Entities, Other Blackstone Accounts and Blackstone.

Revantage. Revantage is a portfolio entity of certain Other Blackstone Accounts that provides corporate support services, including, without limitation, accounting, legal, tax, treasury, information technology and human resources. Revantage is expected to

perform services for the Clients, Underlying Blackstone Accounts, their portfolio entities and Other Blackstone Accounts and Blackstone.

Ontra (f/k/a InCloudCounsel). Ontra is a portfolio entity of certain Other Blackstone Accounts 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 Clients, Underlying Blackstone Accounts, their Portfolio Entities, Other Blackstone Accounts and Blackstone.

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

ASK Investment Management (“ASK”). ASK is a Portfolio Entity of certain Other Blackstone Accounts that provides investment management services. ASK may perform placement agent services for the Clients (See also “—Placement Agents”) and placement agent or other services for the Clients’, Underlying Blackstone Accounts, their Portfolio Entities, Other Blackstone Accounts and Blackstone.

Geosyntec. Geosyntec is a Portfolio Entity of certain Other Blackstone Accounts that provides environmental engineering, design and consulting services. Geosyntec is expected to perform services for the Clients, Underlying Blackstone Accounts, their Portfolio Entities, Other Blackstone Accounts and Blackstone.

CoreTrust. On September 30, 2022, certain Blackstone private equity funds and related entities closed the previously announced acquisition of a majority interest in CoreTrust (the “**CoreTrust Acquisition**”, a group purchasing organization that provides purchasing services to member companies, which includes portfolio entities owned, in whole or in part, by certain Other Blackstone Accounts (which may include the Underlying Blackstone Accounts). CoreTrust is expected to provide group purchasing services to the Clients (including indirectly through their investment in Underlying Blackstone Accounts), their Portfolio Entities, Other Blackstone Accounts and Blackstone. Generally, CoreTrust generates revenue from vendors based on a percentage of the amount of products or services purchased by its member companies and benefit plans maintained by its member companies. CoreTrust has historically shared a portion of the revenue generated through purchases made by Blackstone portfolio entities and also paid Blackstone a consulting fee. Blackstone stopped accepting such revenue sharing arrangements and consulting fee upon the closing of the CoreTrust Acquisition. However, Blackstone may in its sole discretion reinstitute such or similar revenue sharing arrangements with CoreTrust in the

future. In addition, prior to the CoreTrust Acquisition, CoreTrust generated revenue in respect of certain portfolio entities (the “**Applicable Portfolio Entities**”) from certain health and welfare benefit plan-related vendors (the “**Applicable Vendors**”). For legal and regulatory reasons, following the CoreTrust Acquisition, CoreTrust is limited in its ability to generate revenue from the Applicable Vendors in respect of portfolio entities’ health benefit plans based on a percentage of the amount of products or services purchased by such plans. As a result, for Applicable Portfolio Entities and other portfolio entities that become CoreTrust members, CoreTrust intends to rebate all revenue received from Applicable Vendors to each such portfolio entity’s applicable benefit plan. CoreTrust also intends to enter into with each Applicable Portfolio Entity (and with other portfolio entities that become CoreTrust members) a separate agreement that will include the payment of an access fee in return for allowing such portfolio entities to use the goods and services provided by the Applicable Vendors through CoreTrust. The amount of the access fee has not yet been determined and may not be subject to benchmarking, and the access fee may be greater or less than the amount of the revenue that CoreTrust previously generated from Applicable Vendors.

BX Fund Services Luxembourg. BX Fund Services Luxembourg, f/k/a BCP/BTO Management (“**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 holding companies (“**BX Fund Services Luxembourg Luxcos**”) controlled by certain of the Underlying Blackstone Accounts and Other Blackstone Accounts. BX Fund Services Luxembourg is entirely owned by certain Underlying Blackstone Accounts and Other Blackstone Accounts. In certain cases, the Underlying Blackstone Accounts and Clients 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 Clients, Underlying Blackstone Accounts and Other Blackstone Accounts 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 Clients, Underlying Blackstone Accounts and Other Blackstone Accounts, such transfer will generally be consummated for minimal or no consideration, and without obtaining any consent from any limited partner advisory committee and/or the limited partners (or limited partner representatives) of the Underlying Blackstone Accounts or Independent Client Representatives (if any).

In addition, in the event of the disposition of a portfolio entity (whether by way of transfer to the Clients, Underlying Blackstone Accounts, an Other Blackstone Accounts, a portfolio entity of the foregoing or Blackstone, as described above, or by way of a sale to a third party), such portfolio entity may continue to provide some or all of the services described herein to the Clients, Underlying Blackstone Accounts, Other Blackstone Accounts, portfolio entities of the foregoing or Blackstone, as applicable, even for a substantial period of time following such disposition.

The Clients, Underlying Blackstone Accounts and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Clients, Underlying Blackstone Accounts or Other Blackstone Accounts, including through incentive based compensation payable to their management teams and other related parties. Some of these service providers and vendors owned by the Clients, Underlying Blackstone Accounts or Other Blackstone Accounts will charge the Clients, Underlying Blackstone Accounts 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 Clients, Underlying Blackstone Accounts or Other Blackstone Accounts 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 Clients, Underlying Blackstone Accounts 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, compliance, accounting and other professional fees and disbursements; office space, furniture and fixtures (including, without limitation, rent and refurbishment costs and office space in Luxembourg) and equipment; insurance premiums; technology expenditures (including hardware and software costs, and servicing costs and upgrades related thereto); costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out, expanding 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, initial technology and systems implementation costs, employee on-boarding, ongoing training and severance payments, IPO-readiness and other infrastructure costs); taxes; and other operating, establishment expansion and capital expenditures (including financing and interest thereon). 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 Clients could pay more than their *pro rata* portion of fees for services. In addition, in certain circumstances, the Registrant and Underlying Blackstone Managers also rely on the management team of a Portfolio Entity with respect to the determination of costs and expenses and allocation thereof and do not oversee or participate in such determinations or allocations. Moreover, to the extent a Portfolio Entity uses an allocated cost model with respect to fees, costs and expenses, such fees, costs and expenses are typically estimated and/or accrued quarterly (or on another regular periodic basis) but not finalized until year-end and as a result, such year-end true-up is subject to fluctuation and increases such that for a given year, the year-end cumulative amount with respect to fees, costs and expenses may be greater than the sum of the quarterly estimates and/or accruals (or other periodic estimates and/or accruals where applicable) and therefore the Clients and Underlying Blackstone Accounts could bear more fees, costs and expenses at year-end than had been anticipated throughout the year. 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 Clients, the Underlying Blackstone Accounts and their Portfolio Entities bearing less or more costs and expenses. In addition, a Portfolio Entity that uses a “cost” basis methodology may, in certain circumstances, change its allocation methodology, for example, to charging a flat fee for a particular service or instance (or *vice versa*) or to another methodology described herein or otherwise, and such changes may increase or reduce the amounts received by such portfolio entities for the same services, and Clients or limited partners of the Underlying Blackstone Accounts will not necessarily be entitled to receive notice or disclosure of such changes in allocation methodology. In certain instances, particularly where such service providers and vendors are located outside the U.S., such service providers and vendors will charge the Clients, Underlying Blackstone Accounts 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 or even decide to amortize any costs or expenses to address accounting and/or operational considerations. Further, the Clients, Underlying Blackstone Accounts and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Clients, Underlying Blackstone Accounts or Other Blackstone Accounts 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 Clients, Underlying Blackstone Accounts, or Other Blackstone Accounts will vary from the incentive-based compensation paid with respect to other Portfolio Entities and assets of the Underlying Blackstone Accounts, Clients, and Other Blackstone Accounts; 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 Clients or Other Blackstone Accounts 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 Clients, Underlying Blackstone Accounts, Other Blackstone Accounts 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 Accounts, their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of the Clients or Underlying Blackstone Accounts to provide services, and these Portfolio Entities will generally charge for services in the same manner described above, but the Clients 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 Client and/or one or more Blackstone funds, such as the Underlying Blackstone Accounts and Other Blackstone Accounts. 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 (or the employees, leases, contracts or office assets of one service provider to another service provider) from one or more Clients and/or Underlying Blackstone Accounts to an Other Blackstone Account, or from an Other Blackstone Account to the Underlying Blackstone Accounts. The transfer of a Portfolio Entity service provider (or the employees, leases, contracts or office assets of such service provider) between the Clients, Underlying Blackstone Accounts, other funds and/or Other Blackstone Accounts (where an Underlying Blackstone Accounts may be, directly or indirectly, 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 limited partner advisory committee (if any), an Independent Client Representative or the limited partners. The Registrant and Underlying Blackstone Managers may, but are not required to, obtain a third-party valuation confirming the same, and if it does, the Registrant and Underlying Blackstone Managers may rely on such valuation. Portfolio Entities of the Clients, Underlying Blackstone Account and Other Blackstone Accounts are not considered “affiliates” of Blackstone, the Registrant, Underlying Blackstone Managers, Clients or the Underlying Blackstone Accounts 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 limited partner advisory committee in certain circumstances.

In the case of investments involving a “platform company,” a Client or an Underlying Blackstone Account 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 the Registrant, Underlying Blackstone Managers, their affiliates and/or management of Portfolio Entities of Clients, Underlying Blackstone Accounts or Other Blackstone Accounts, can be expected to undertake analysis and evaluation of potential investment and acquisition opportunities for such platform company. In such circumstances, the Client or Underlying Blackstone Accounts 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 the Registrant and Underlying Blackstone Managers are 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 Clients and/or the Underlying Blackstone Accounts (and indirectly the Underlying Blackstone Accounts investors, including the Client), and not solely the Registrant and Underlying Blackstone Managers, 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 Clients and their Portfolio Entities (including accountants, administrators, paying agents, depositories, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) or their affiliates are owned by Blackstone, the Clients or Other Blackstone Accounts or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Clients, the Other Blackstone Accounts (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 Clients or Other Blackstone Accounts, affiliates of the General Partners, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone, the Clients and/or Other Blackstone Accounts have an investment, and payments by the Clients and/or such entities may indirectly benefit Blackstone, the Clients, the Other Blackstone Accounts (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 Clients and their Portfolio Entities could have other commercial or personal relationships with Blackstone, Other Blackstone Accounts (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 Clients or a Portfolio Entity, the cost of which will generally be borne directly or indirectly by the Clients 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 Clients and their Portfolio Entities to use other Blackstone-affiliated service providers and vendors in connection with the business of the Clients, 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 Clients 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 Clients unless required by the Constituent 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 it enters into on behalf of the Clients 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 Clients and their Portfolio Entities consummate a higher percentage of transactions with a particular law firm than Blackstone, the Clients, Other Blackstone Accounts 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 Clients or Other Blackstone Accounts 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 Clients and their Portfolio Entities are different from those used by Blackstone, Other Blackstone Accounts and their Portfolio Entities, and their affiliates and personnel, the Clients and their Portfolio Entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Clients, the Other Blackstone Accounts 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 or

services depending on certain factors, including without limitation, the volume of transactions entered into with such counterparty by Blackstone, the Clients, Other Blackstone Accounts and their portfolio entities or investments in the aggregate or other factors, which may include early adoption, timing and other similar reasons. See also “—Group Procurement; Discounts” and “—Multiple Blackstone Business Lines” herein.

The Clients, Other Blackstone Accounts 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 Clients, Other Blackstone Accounts 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.

Moreover, in certain circumstances, the joint venture partner may be allocated fees, costs and expenses pursuant to a different methodology than a portfolio entity service provider’s standard allocation methodology, which could result in the Clients, Underlying Blackstone Accounts or their portfolio companies being allocated more fees, costs and expenses than they would otherwise be allocated solely pursuant to such standard allocation methodology.

Certain portfolio companies that provide services to the Clients, Underlying Blackstone Accounts, Other Blackstone Accounts and/or portfolio companies or assets of the Clients, Underlying Blackstone Accounts, and/or Other Blackstone Accounts may be transferred between and among the Clients, Underlying Blackstone Accounts, and/or Other Blackstone Accounts (where an Underlying Blackstone Account may be a seller or a buyer in any such transfer) for minimal or no consideration (based on a third-party valuation confirming the same) and without the approval of the Client, applicable advisory committee, the independent client representative (if any) and/or the limited partners. Such transfers could give rise to actual or potential conflicts of interest for the Registrant, the Underlying Blackstone Managers and their affiliates.

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 Clients, Portfolio Entities, and unaffiliated entities. This practice provides an indirect benefit to Blackstone in the form of added business for Blackstone-affiliated service providers.

Minority Investments in Asset Management Firms. Blackstone and Other Blackstone Accounts, including Blackstone Strategic Capital Holdings and its related vehicles/entities and successor funds (“**BSCH**”), regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, the Clients, Other Blackstone Accounts 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 Clients and Other Blackstone Accounts, 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 Clients, and Other Blackstone Accounts, 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 Constituent 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 Clients may from time to time participate in such investments alongside Other Blackstone Accounts, 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 Clients 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 Clients. Furthermore, it is expected that from time to time the Clients, 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 Clients 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 Clients 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 Clients. 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.

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 Clients 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 Clients, Underlying Blackstone Accounts 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 Clients, Underlying Blackstone Accounts and their Portfolio Entities, as well as service providers, vendors and limited partners of the Clients and Underlying Blackstone Accounts. 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 Constituent Documents. Furthermore, Blackstone, the Clients, Underlying Blackstone Accounts, the Other Blackstone Accounts 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:

- *BXCM*. Blackstone Capital Markets Group (“**BXCM**”) is a Blackstone affiliate that Blackstone, the Clients, the Underlying Blackstone Accounts, the Other Blackstone Accounts and their respective portfolio entities 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.
- *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 Clients, Other

Blackstone Accounts 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 Clients 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 Clients, Underlying Blackstone Accounts Other Blackstone Accounts 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, BIS is incentivized to participate in and pursue more aviation-related transactions due to the prospect of Valkyrie earning such fees. With respect to certain Clients, 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 Client's organizational documents. As such, BIS will have an incentive to engage Valkyrie because the fees, costs and expenses of such services will be borne by the Clients as partnership expenses (with no reduction or offset to management fees with respect to certain Clients) and will reduce BIS'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.
- *Hipgnosis*. Hipgnosis Song Management Limited ("**HSM**"), formerly The Family (Music) Limited is an affiliate of Blackstone Tactical Opportunities that provides asset management and advisory solutions for investments in the music space, including for investments by the Clients, Underlying Blackstone Accounts or Other Blackstone Accounts, their portfolio entities, affiliates and related parties (whether now in existence or subsequently established) and third parties. The asset management services provided by HSM with respect to such investments 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,

HSM 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 HSM, there is an incentive for the Registrant and the Underlying Blackstone Managers to participate in and pursue more music-related transactions due to the prospect of HSM earning such fees. The fees, compensation and other amounts received by HSM in connection with such services provided to investments will not offset the management fee payable by the Client, Underlying Blackstone Account and/or limited partners therein. As such, the Registrant and the Underlying Blackstone Managers will have an incentive to engage HSM because the fees, costs and expenses of such services will be borne by the Clients and Underlying Blackstone Accounts as expenses (with no reduction or offset to management fees with respect to certain Clients and Underlying Blackstone Accounts) and will reduce the Registrant's and Underlying Blackstone Managers' internal overhead and compensation costs for employees who would otherwise perform such services. As a result, while Blackstone believes that HSM 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 HSM to perform such services.

The Clients, the Underlying Blackstone Accounts and/or their portfolio entities are expected to engage in the future with relevant businesses owned by Blackstone and/or other Clients or Other Blackstone Accounts that will provide energy procurement, advisory, consulting and/or other services related to ESG-activities (including without limitation those related to establishment, implementation, assessment, attestation, monitoring and/or measurement of ESG-related programs, processes, initiatives and improvements) (such businesses, collectively, "**BX Energy Services**"). The Clients or Underlying Blackstone Accounts may make use of BX Energy Services in order to support the Clients' or Underlying Blackstone Accounts' aim of maximizing the risk-adjusted returns on investments. In particular, BX Energy Services is expected to provide (i) energy advisory services, including energy procurement strategy and contract support; (ii) energy brokering, procurement and power marketing, including purchases of energy on behalf of portfolio entities through a retail energy marketer or as a broker; (iii) renewable or other low-carbon energy procurement, including purchases of renewable energy and/or investment in renewable energy projects; (iv) bill management, including bill pay support, which may include paying of bills, checking for billing errors and tariff negotiation and (v) data and emissions inventories, including managing energy data and calculating emissions from energy purchases. As a centralized Blackstone platform combining purchasing power of its potential client participants (which could also include unaffiliated third parties), BX Energy Services is expected to be able to negotiate and provide pricing terms and quality of service that are more favorable than those that the Clients and Underlying Blackstone Accounts and their portfolio entities could obtain for themselves on an individual basis, or from third parties.

Blackstone and Other Blackstone Accounts could benefit from these transactions and activities through current income and creation of enterprise value in BX Energy Services' businesses. Furthermore, Blackstone, the Other Blackstone Accounts and their portfolio entities and their affiliates and related parties will use the services of BX Energy Services, including at different rates as further described below. Although Blackstone believes the services provided by BX

Energy Services are equal to or better than those of third parties, Blackstone directly benefits from the engagement of BX Energy Services, and there is therefore an inherent conflict of interest.

The Clients could acquire from or sell to Blackstone a service provider as an investment of the Clients 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 Clients 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 Clients, 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 certain 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 Client (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 Clients 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 Client, Other Blackstone Accounts 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, including in circumstances where 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 Clients, Underlying Blackstone Accounts, Other Blackstone Accounts 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 the Registrant and the Underlying Blackstone Managers from time to time and *vice versa*. Fees paid by the Clients, Underlying Blackstone Accounts or their Portfolio Entities to Blackstone-affiliated service providers (including, for the avoidance of doubt, BX Energy Services) do not offset or reduce the Management Fee payable by the Clients or the limited partners of Underlying Blackstone Accounts (including the Clients) and are not otherwise shared by the Clients. These conflicts related to Blackstone-affiliated service providers will not necessarily be resolved in favor of the Clients, 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 Clients, Underlying Blackstone Accounts and Other Blackstone Accounts 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 Clients or an Other Blackstone Account, the Blackstone Treasury group will exchange foreign currencies from Blackstone's own account on behalf of the Clients or such Other Blackstone Account 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 Clients or such Other Blackstone Account would incur on any FX payment or receipt regardless of counterparty).

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 Clients, Other Blackstone Accounts 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 above, with Blackstone's oversight, will establish a team of personnel to provide support services exclusively to a particular Client and its Portfolio Entities (and/or other investment funds or accounts managed or controlled by Blackstone), including with respect to underwriting and diligence.

Restrictive Covenants; Restrictions on Client Activities. Blackstone, the Clients, Other Blackstone Accounts, 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 Clients, Other Blackstone Accounts, 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 Clients or Other Blackstone Accounts could have granted exclusivity to a joint venture partner that limits the Clients and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets.

Blackstone, the Clients, an Other Blackstone Account, 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 Clients, Other Blackstone Accounts, 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 Clients to implement its investment program. (See also “—Multiple Blackstone Business Lines” herein).

Transactions with Portfolio Entities. Blackstone and portfolio entities of the Clients and Underlying Blackstone Accounts and Other Blackstone Accounts operate in multiple industries and provide products and services to or otherwise contract with the Clients and Underlying Blackstone Accounts and their Portfolio Entities, among others. In connection with any such investment, Blackstone, the Clients, Underlying Blackstone Accounts and Other Blackstone Accounts and their respective portfolio entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to the Clients and Underlying Blackstone Accounts or their Portfolio Entities or to Other Blackstone Accounts in an effort, in part, to increase the customer base of such companies or businesses or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, or participation in revenue share, accruing to the party making the introduction. Furthermore, such introductions or referrals may involve the transfer of certain personnel or employees among Blackstone and Portfolio Entities of Clients and Underlying Blackstone Accounts and Other Blackstone Account, which may result in a termination fee or similar payments being due and payable from one such entity to another. 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 any related know-your-client requirements, risk management services, data management services, consulting services, brokerage services, sustainability and clean energy consulting 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 joint venture or business could use data obtained from such portfolio entities (see “Data” and “Data Management Services” herein). The Clients and Underlying Blackstone Accounts typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, other Clients, Underlying Blackstone Accounts, Other Blackstone Accounts and their portfolio entities as a result of the introduction of the Clients and Underlying Blackstone Accounts and their Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that the Clients and Underlying Blackstone Accounts and 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 Clients and Underlying Blackstone Accounts and 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 Clients and Underlying Blackstone Accounts, Other Blackstone Accounts and respective their 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, Clients, Underlying Blackstone Accounts, Other Blackstone Accounts 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.

Group Procurement; Discounts. The Clients, the Underlying Blackstone Accounts, and their Portfolio Entities will enter into agreements regarding group procurement (such as CoreTrust, a group purchasing organization), benefits management, purchase of title and other insurance policies (which may include brokerage and/or placement thereof), and will from time to time be discounted due to scale or pooled across such 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 Clients, the Underlying Blackstone Account, Other Blackstone Accounts and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone, its affiliates, their personnel, or Other Blackstone Accounts and their Portfolio Entities, including as a result of transactions entered into by the Clients, the Underlying Blackstone Accounts and their Portfolio Entities, and such commissions or payment generally will not be subject to any applicable management fee offset provisions applicable to a Clients or an Underlying Blackstone Account. Blackstone may 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 Account is providing such a service, such Portfolio Entity and such Other Blackstone Account will benefit. Further, the benefits received by the particular Portfolio Entity providing the service may be greater than those received by the Clients, the Underlying Blackstone Accounts and their Portfolio Entities receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, and the Client relies on the general partners of the Underlying Blackstone Accounts to handle them in their sole discretion.

Outsourcing. BIS is expected to outsource to third parties several of the services performed for the Clients and/or their Portfolio Entities, including services (such as administrative, legal, accounting, tax, investment diligence and modeling, and ongoing monitoring, tax or other related services) that can be or historically have been performed in-house by BIS and its personnel. For

example, such third parties may assist the Registrant and/or Underlying Blackstone Managers preparing internal templates, memos, and similar materials in connection with the Registrant's and Underlying Blackstone Managers' analysis of investment opportunities. The fees, costs and expenses of such third-party service providers will, when consistent with the Constituent Documents be borne by the Clients (which, for the avoidance of doubt, would be in addition to any fees borne by the Clients for similar services performed by BIS 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, BIS 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 BIS's services is reimbursable under the Constituent Documents. In such cases, the fees, costs and expenses associated with the provision of such services will be borne by the Clients instead of BIS, thereby increasing the Clients' expenses. Outsourced services also include certain services (such as fund administration, transactional legal advice, tax planning and other related services) that may, subject to the terms of the Constituent Documents, also be provided by Blackstone's in-house personnel at the Clients' expense.

The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by BIS 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 Clients, Other Blackstone Accounts 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, have dedicated office space 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. BIS 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 Clients (with no reduction or offset to management fees) and retaining third parties will reduce BIS'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 Clients. The involvement of third-party service providers may present a number of risks due to BIS's reduced control over the functions that are outsourced.

In general, there are risks associated with the involvement of third-party service providers due to Blackstone's reduced control over the functions that are outsourced. In some cases, third-party service providers are permitted to delegate all or a portion of their responsibilities relating to the Clients, Underlying Blackstone Accounts and/or their portfolio companies to other third parties (including to their affiliates). Any such delegation could further reduce Blackstone's control over the outsourced functions, and Blackstone would lack direct oversight over the party to whom the responsibilities are delegated.

A third-party service provider could face conflicts of interest in carrying out its responsibilities relating to the Clients, Underlying Blackstone Accounts and/or their portfolio companies, including (without limitation) in relation to the delegation of such responsibilities to other parties

and the allocation of time, attention and resources to Blackstone as compared to its other clients. Third-party service providers could have incentives to carry out their responsibilities in a manner that does not advance the interests of the Clients and often have no fiduciary obligation to act in the best interest of Blackstone or the Clients. Blackstone has limited visibility into what conflicts of interest a third-party service provider might face and the extent to which any such conflicts impact the service provider's decision-making.

There can be no assurances that BIS will be able to identify, prevent or mitigate the risks of engaging third-party service providers (including the risk that such third-party service provider or its delegate will not perform the outsourced function with the same degree of skill, competence and efficiency as Blackstone would in the absence of an outsourcing arrangement). The Clients may suffer adverse consequences from actions, errors or failures to act by such third parties or their designees, 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 Clients through the use of third-party (or internal) service providers that are not incurred by (or allocated to) certain other Clients or Other Blackstone Accounts.

Diverse Limited Partners Group. The limited partners of the Clients may have conflicting investment, tax and other interests with respect to their investments in the Clients 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 Clients, and investor personnel may have incentives or conflicts with respect to their investments in the Clients or Other Blackstone Accounts, 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 Clients. The Registrant will, in certain circumstances, as a result have conflicts in making these decisions, which can be expected to be more beneficial for the limited partners than for other limited partners or *vice versa*. In addition, the Clients 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 Clients, the Registrant will consider the investment and tax objectives of the Clients and their partners as a whole (and those of investors in other Clients and other investment vehicles managed or advised by Blackstone that participate in the same investments as the Clients), 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 Clients and Other Blackstone Accounts, 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, the Registrant will, in certain circumstances, elect to limit certain Client 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 Clients 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 Client investor (or category of Client 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 the Registrant in good faith, in which case non-limited or excluded investors in the Clients 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 Clients, reductions in unpaid Capital Commitments for capital contributions in respect of management fees are based on the actual amounts paid by the Client investors. Therefore, to the extent a Client investor is entitled to a discounted or reduced management fee arrangement (including as set forth in the Constituent Documents or one of more side letters or other agreements (including any agreement governing a Strategic Relationship)) such Client investor's capital contributions in respect of management fees will be disproportionate as compared to any Client investor without such arrangement, and as a result, its unused capital commitment will be proportionately higher than such other Client 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 Clients in one or more investments of the Clients, which could create conflicts for the Registrant in the treatment of the limited partners and different investors in the Clients. The limited partners may also include affiliates of Blackstone, such as Other Blackstone Accounts (including Strategic Partners, via a primary investment or secondary acquisition), affiliates of Portfolio Entities of the Clients 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 Clients 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 and/or technology-related expenses that are allocable to the Clients), 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 Clients. 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 Clients, 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 Clients or the Clients' 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 Clients or their affiliates (which may occur in connection with such investors or affiliates making a capital commitment to the Clients or Other Blackstone Accounts), 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 Clients' investment therein, which will reduce the Clients' 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 Clients 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 investor, and the Registrant 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 Client or Other Blackstone Accounts and may otherwise be motivated by factors other than the interests of the Clients. 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. If Blackstone were to engage in such a process for one or more of its existing funds (or any investments therein), for purchasers who commit to a Client, Blackstone would likely be more inclined to help facilitate a secondary purchase in such existing fund and/or to reserve capacity and allocate commitments to any oversubscribed fundraising of an Other Blackstone Account to such purchasers. Similarly, not all investors monitor their investments in vehicles such as the Clients in the same manner. For example, certain other investors in the Clients can be expected to periodically request from the Registrant information regarding the Clients and/or their Portfolio Entities and investments that is not otherwise included in the reporting and other information delivered to all investors—for instance, pre-quarterly reporting valuation. In such circumstances, the Registrant may provide such information to such Client investors and not to other Client investors and BIS will not be obligated to affirmatively provide such information to all Client investors simply because it has provided such information to certain Client investors upon their request. In addition, certain Client investors can be expected to be joint venture partners with or co-investors alongside the Clients 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 Client investors with information about such investment that will not be made available generally to all Client investors. As a result, certain investors can be expected to receive more information from the Registrant about the Clients and their Portfolio Entities, or can be expected to receive information about the Clients and their Portfolio Entities at an earlier time, than the limited partners, and the Registrant will have no duty to ensure the limited partners receive the same information regarding the Clients 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 Clients invest, particularly those investments in which an Other Blackstone Account or Portfolio Entity that is publicly registered co-invests with the Clients. In addition, investment banks or other financial

institutions, as well as Blackstone personnel, can be expected to also be Clients, limited partners or limited partners of Other Blackstone Accounts. These institutions and personnel are a potential source of information and ideas that could benefit the Clients, and can be expected to receive information about the Clients and their Portfolio Entities in their capacity as a service provider or vendor to the Clients 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 Clients, including business interests and activities in direct competition with the Clients and their Portfolio Entities, and may engage in transactions with, and provide services to, the Clients or their Portfolio Entities (which will, in certain circumstances, include providing leverage or other financing to the Clients or their Portfolio Entities as determined by the Registrant in its sole discretion). None of the Clients, the limited partners or any other person shall have any rights by virtue of the Constituent Documents or any related agreements in any business ventures of any limited partner. The limited partners, and in certain cases the Registrant, will have conflicting loyalties in these situations.

Portfolio Entity Relationships. Blackstone, Portfolio Entities of a Client and Other Blackstone Accounts are and will be counterparties in agreements, transactions and other arrangements with Clients, Other Blackstone Accounts, and Portfolio Entities of Clients and Other Blackstone Accounts 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 Accounts 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 Clients will provide or recommend goods or services to Blackstone, the Clients, Other Blackstone Accounts, or other Portfolio Entities of the Clients and Other Blackstone Accounts or other Blackstone affiliates (or *vice versa*) (including "platform" investments of Clients and Other Blackstone Accounts). As another example, it can also be expected that the management of one or more Portfolio Entities may consult with one another (or with one or more portfolio entities of an Other Blackstone Account) in respect of seeking its expertise, industry view, or otherwise on a particular topic including but not limited to asset and/or the purchase and/or sale thereof. Moreover, the Clients, Underlying Blackstone Accounts and/or an Other Blackstone Accounts may consult with a Portfolio Entity or a portfolio entity of an Other Blackstone Account as part of the investment diligence for a potential investment by such Client, Underlying Blackstone Account or such Other Blackstone Account. These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or 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 the Registrant. Such agreements, transactions and other arrangements will generally be entered into without the consent of the limited partners or the limited partner advisory committee (including, without limitation, in the case of minority investments by a Client in such Portfolio Entities or the sale of assets from one Portfolio Entity to another). This is because, among other considerations, Portfolio Entities of a Client and Portfolio Entities of Other Blackstone Accounts are not considered "affiliates" of Blackstone, a Client or the Registrant under the Constituent Documents

of the Clients and therefore are not covered by affiliate transaction restrictions included in such Constituent Documents. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to a Client 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 Underlying Blackstone Accounts or companies in which the Underlying Blackstone Accounts have an interest will compete with the Clients or a Portfolio Entity thereof for one or more investment opportunities and/or engage in activities that may have adverse consequences on the Clients 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 Clients, Underlying Blackstone Accounts, and/or their Portfolio Entities being used to satisfy the obligations or liabilities of one or more Underlying Blackstone Accounts, their Portfolio Entities and/or affiliates).

Certain Portfolio Entities may have established or invested in, or may in the future establish or invest in, vehicles that are managed exclusively by the Portfolio Entities and not the Clients or Blackstone or any of its affiliates and that invest in asset classes or industry sectors that fall within the Client's investment strategy (such as reinsurance) that fall within the Clients' investment strategy. Such vehicles, which would not be considered an affiliate of Blackstone and would not be subject to Blackstone's policies and procedures, may compete with the Clients for investment opportunities.

In addition, Portfolio Entities with respect to which the Client and/or Underlying Blackstone Account may elect members of the board of directors may, as a result, subject the Client and/or Underlying Blackstone Account 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 Client and/or Underlying Blackstone Account 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 Client and/or Underlying Blackstone Account, on the other hand. Although the Registrant will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Clients and/or Underlying Blackstone Accounts.

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 Underlying Blackstone Account 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.

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

Additionally, Blackstone will from time to time hold equity or other investments in companies or businesses (even if they are not “affiliates” of Blackstone) that provide services to or otherwise contract with Portfolio Entities. Blackstone has in the past entered (and can be expected in the future to enter) into relationships with companies in the information technology and related industries whereby Blackstone acquires an equity or similar interest in such company. In connection with such relationships, Blackstone may also make referrals and/or introductions to Portfolio Entities (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting Blackstone that are tied or related to participation by Portfolio Entities). The Clients and their limited partners will not share in any fees or economics accruing to Blackstone as a result of these relationships and/or participation by Portfolio Entities.

It is also possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires facing only one Portfolio Entity or group of Portfolio Entities, which may result in (i) any of a Portfolio Entity or a Portfolio Entity of an Underlying Blackstone Account being solely liable with respect to its own and such third party for such Underlying Blackstone Account’s Portfolio Entity’s share of the applicable obligation and therefore, being required to contribute amounts in excess of its *pro rata* share, including additional capital to make up for any shortfall if such vehicles are unable to repay their *pro rata* share of such indebtedness and/or (ii) any of the Clients’ Portfolio Entity and such Underlying Blackstone Account’s Portfolio Entity being

jointly and severally liable for the full amount of such applicable obligation or liable on a cross-collateralized basis on an investment-by-investment or portfolio wide basis, in each case which may result in the Clients' Portfolio Entity and such Underlying Blackstone Account's Portfolio Entity entering into a back-to-back or other similar reimbursement agreement.

Buying and Selling Investments or Assets from Certain Related Parties. The Client, Underlying Blackstone Accounts and their Portfolio Entities can be expected to purchase investments or asset, including seasoned investment and interest in Other Blackstone Accounts from or sell investments or assets, including seasoned investments and interests in Other Blackstone Accounts, to Clients, Underlying Blackstone Accounts (including to limited partners therein), portfolio entities of Clients, Underlying Blackstone Accounts or Other Blackstone Accounts or their respective related parties, including parties which such Clients, Underlying Blackstone Accounts or Other Blackstone Accounts, or their limited partner or portfolio entities, own or have invested in. In certain circumstances, it can be expected that the proceeds received by a seller from the Client or Underlying Blackstone Account in respect of an investment or asset will be distributed, in whole or in part, to a related party of the Client or Underlying Blackstone Account (i.e., a limited partner, Other Blackstone Accounts and/or portfolio companies thereof) 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 both of those circumstances, limited partners, Other Blackstone Accounts, portfolio companies of Other Blackstone Accounts 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 the Client or Underlying Blackstone Account (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 company of a Client, Underlying Blackstone Account or Other Blackstone Account, another Client or an Other Blackstone Account 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 Client or Underlying Blackstone Account or a related party of a Client or Underlying Blackstone Account (i.e., a limited partner or portfolio entity of an Underlying Blackstone Account or Other Blackstone Account, another Client or an Other Blackstone Account) holds publicly traded securities in a Portfolio Entity and the Client and/or an Underlying Blackstone Account or such related party has entered into a privately negotiated transaction with such Portfolio Entity, a Client, an Underlying Blackstone Account or such related party can be expected to receive (directly or indirectly) proceeds from such related party or the Client or an Underlying Blackstone Account, as applicable, upon the consummation of such privately negotiated transaction. In each such circumstance, Clients, Underlying Blackstone Accounts, Other Blackstone Accounts, portfolio companies of other Clients or Other Blackstone Accounts or their respective related parties could 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 Clients between the Clients, Underlying Blackstone Accounts or their Portfolio

Entities, on the one hand, and limited partners and/or Portfolio Entities of Other Blackstone Accounts or their respective related parties, on the other hand, are not subject to the approval of any limited partner advisory committee, limited partner (or limited partner representative or Independent Client Representative (if any)), or any board of directors, as applicable, except as expressly required under any Constituent Document or unless otherwise required under the Advisers Act, or other applicable laws or regulations. A Client or Underlying Blackstone Account 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 Accounts or when such Other Blackstone Accounts provide equity or debt financing to the Client or Underlying Blackstone Accounts 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 Clients, Underlying Blackstone Accounts and Other Blackstone Accounts when the Client or Underlying Blackstone Account (or their Portfolio Entities) buys or sells assets from or to Other Blackstone Accounts (and, potentially, when the Client or Underlying Blackstone Account buys, sells or redeems interests in Other Blackstone Accounts) or when such Other Blackstone Accounts provide equity or debt financing to a Client, Underlying Blackstone Account or third party purchasers in connection with the disposition of such assets, including as a result of different financial incentives Blackstone could have with respect to such Clients, Underlying Blackstone Account and such Other Blackstone Accounts. In addition, certain financings between an Underlying Blackstone Account and Blackstone affiliates are expected to involve structuring that in form is a transaction between such Client or Underlying Blackstone Account and an affiliate, but will not be treated as the sale of an investment from a Blackstone affiliate to a Client, or from a Client or Underlying Blackstone Account to a Blackstone affiliate, for purposes of the Constituent Documents, as determined by a General Partner in good faith. For example, where the Client or Underlying Blackstone Accounts, in anticipation of a take private transaction, purchase publicly traded securities of an issuer in which an Other Blackstone Account holds a *de minimis* interest, such take private transaction, if structured as a merger between the issuer and one or more subsidiaries of the Client or Underlying Blackstone Accounts would generally not be treated as the sale of an investment in such issuer from such Other Blackstone Accounts to the Client or Underlying Blackstone Accounts for purposes of the Client's or Underlying Blackstone Account's Constituent Documents, including in a situation where holders of the securities of the issuer automatically receive cash consideration in exchange for their interest when the merger becomes effective. There can be no assurance that any assets sold by the Client, Underlying Blackstone Accounts or their portfolio companies to an Other Blackstone Account or portfolio companies 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 Account or a portfolio company thereof. In addition, Clients and Underlying Blackstone Accounts may "rent" a license of an Other Blackstone Account or a portfolio entity of an Other Blackstone Account, which may involve the Client or Underlying Blackstone Account transferring investments or assets to such licensor, for a fee. Further, a Portfolio Entity may sell its data to limited partners, Portfolio Entities of other Clients or Other Blackstone Accounts or their respective related parties (See also "Data" and "Data Management Services" herein). Blackstone

will not be required to solicit third-party bids or obtain a third-party valuation prior to causing the Clients 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 Accounts or any of their respective related parties as provided above (or to purchase, sell or redeem any interests in an Other Blackstone Account). 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 Clients, 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 Account 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 Account 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 Clients or Underlying Blackstone Accounts, there can be no assurance that any bidding process will not be negatively impacted by the presence of any Other Blackstone Account or that any such conflicts will be resolved in a manner that is favorable to the Clients or Underlying Blackstone Accounts. These transactions involve conflicts of interest, as Blackstone will 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 in the transaction.

Blackstone's Relationship with Pátria. Blackstone previously owned a non-controlling equity interest in Pátria Investments Limited ("**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.

Blackstone Life Sciences. The Blackstone Life Sciences private investment platform ("**BXLS**") was initiated with Blackstone's acquisition in November 2018 of Clarus, which sponsors and manages funds, vehicles and accounts (the "**Legacy Clarus Funds**"). The active Legacy Clarus Funds invest opportunistically in the life sciences, healthcare 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 the Legacy Clarus Funds.

Related Financing Counterparties. The Clients and Underlying Blackstone Accounts may invest in companies or other entities in which Other Blackstone Accounts make an investment in a

different part of the capital structure (and *vice versa*). The Registrant and Underlying Blackstone Managers may request in the ordinary course proposals from lenders and other sources to provide financing to the Clients or Underlying Blackstone Accounts and their Portfolio Entities. The Registrant and Underlying Blackstone Managers generally take into account various facts and circumstances they deem 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 Clients and Underlying Blackstone Accounts and their Portfolio Entities is expected to be provided, from time to time, by third parties, affiliates of limited partners, Other Blackstone Accounts, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Accounts and their Portfolio Entities. Blackstone could have incentives to cause the Clients and Underlying Blackstone Accounts and their Portfolio Entities to accept less favorable financing terms from Other Blackstone Accounts, their Portfolio Entities and other parties with material relationships with Blackstone than they would from a third party. Although less common, a Client, an Underlying Blackstone Account or a Portfolio Entity could also occupy a more senior position in the capital structure than an Other Blackstone Account, its Portfolio Entities or other parties with material relationships with Blackstone, in which case Blackstone could have an incentive to cause such Client, Underlying Blackstone Account or Portfolio Entity to offer more favorable financing terms to such parties. In the case of a related party financing between the Clients, Underlying Blackstone Accounts or their Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Accounts or their Portfolio Entities, on the other hand, the Clients or Underlying Blackstone Managers could, but are generally not obligated to, rely on a third-party agent to confirm the terms offered by the counterparty are consistent with market terms, or the Registrant or the Underlying Blackstone Managers could instead rely on their own internal analysis, which the Registrant or the Underlying Blackstone Managers generally believe is often superior to third-party analysis given Blackstone's scale in the market. If however any of Blackstone, the Clients, the Underlying Blackstone Accounts, or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a Joint Venture Partner (defined below), 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 a Client, an Underlying Blackstone Account or a Portfolio Entity by a financing syndicate in which Other Blackstone Account has agreed to participate on terms negotiated by a third-party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if the Other Blackstone Account had not participated; it is also possible that the frequent participation of Other Blackstone Accounts 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 Clients or the Underlying Blackstone Accounts.

Blackstone could cause actions adverse to a Client or an Underlying Blackstone Account to be taken for the benefit of Other Blackstone Accounts that have made an investment more senior in the capital structure of a Portfolio Entity than a Client or an Underlying Blackstone Account (e.g., provide financing to a Portfolio Entity, the equity of which is owned by an Underlying Blackstone Account) and, *vice versa*, actions may be taken for the benefit of Clients or the Underlying Blackstone Accounts and their Portfolio Entities that are adverse to the Other Blackstone Accounts. Blackstone could seek to implement policies and procedures to mitigate conflicts of interest in these situations. 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 Account) 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 the Registrant the Underlying Blackstone Managers determine 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 Clients, the Underlying Blackstone Accounts and their Portfolio Entities receive market terms.

In certain circumstances, the Clients or the Underlying Blackstone Accounts 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 Accounts 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 partnership agreements of the Clients or the Underlying Blackstone Accounts and would be sold down ahead of the Clients or the Underlying Blackstone Accounts’ investments. Similarly, the Clients and/or Other Blackstone Accounts 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 Accounts, co-investors or third parties. The terms of any such acquisition and syndication will be determined by Blackstone 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 Accounts and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, 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 of the Clients or the Underlying Blackstone Accounts. The conflicts applicable to Other Blackstone Accounts who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations.

In addition, the Constituent Documents may allow the general partners or their affiliates to make short-term advances to the Clients, 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 Clients. If a general partner or any of its affiliates lends funds to a Client, the terms of such lending will be disclosed to the limited partners if the accrued interest thereon is allocated to the limited partners, except that such disclosure is not required for advances for partnership expenses in the ordinary course.

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

Although Other Blackstone Accounts, can be expected to provide financing to Underlying Blackstone Accounts and their Portfolio Entities, there can be no assurance that any Other Blackstone Account will indeed provide any such financing with respect to any particular investment. Participation by Other Blackstone Accounts in some but not all financings of the Underlying Blackstone Account and their Portfolio Entities may adversely impact the ability of the Underlying Blackstone Accounts and their Portfolio Entities to obtain financing from third parties when Other Blackstone Accounts 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 Clients or a Portfolio Entity is not a capital contribution to the Clients 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 Account) or any of their affiliates provide debt financing to the Clients or their Portfolio Entities, it will not be considered "co-investment" and any applicable covenants regarding co-investments in the Constituent Documents do not apply.

These conflicts related to financing counterparties will not necessarily be resolved in favor of the Clients, and Clients may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Conflicting Fiduciary Duties to Debt Funds. Other Blackstone Accounts include funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments. As discussed above, it is expected that these Other Blackstone Accounts will be offered the opportunity to provide financing with respect to investments made by Clients or Underlying Blackstone Accounts and their Portfolio Entities. Blackstone owes a fiduciary duty to these Other Blackstone Accounts as well as to the Clients and Underlying Blackstone Accounts and will encounter conflicts in the exercise of these duties. For example, if a Clients or an Other Blackstone Account purchases high-yield securities or other debt instruments of a Portfolio Entity, or otherwise occupies a senior (or other different) position in the capital structure of an investment relative such Client or Underlying Blackstone Account, Blackstone will encounter conflicts in providing advice to these Clients or Underlying

Blackstone Accounts and to these Other Blackstone Accounts 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 Client or an Underlying Blackstone Account holds an equity investment in a Portfolio Entity, the holders of such Portfolio Entity's debt instruments (which may include one or more Underlying Blackstone Account) 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 Client or Underlying Blackstone Account's investment in such Portfolio Entity. Furthermore, a Client or an Underlying Blackstone Account may hold an investment that is senior in the capital structure, such as a debt instrument, to an Other Blackstone Account. Although measures described above can mitigate these conflicts, they cannot completely eliminate them. These conflicts related to fiduciary duties to such Other Blackstone Accounts will not necessarily be resolved in favor of the Clients or Underlying Blackstone Accounts, and Clients and limited partners of the Underlying Blackstone Accounts (including the Clients) will not necessarily be entitled to receive notice or disclosure of each instance these conflicts arise.

Similarly, certain Other Blackstone Accounts can be expected to invest in securities of publicly traded companies that are actual or potential investments of Clients or Underlying Blackstone Accounts or their Portfolio Entities. The trading activities of Other Blackstone Accounts may differ from or be inconsistent with activities that are undertaken for the account of Clients or Underlying Blackstone Accounts or their Portfolio Entities in any such securities. In addition, the Clients or Underlying Blackstone Accounts may not pursue an investment in a Portfolio Entity otherwise within the investment mandate of the Clients or Underlying Blackstone Accounts as a result of such trading activities by such Other Blackstone Accounts.

Liability Arising From Transactions Entered into Alongside Blackstone and/or Other Blackstone Accounts (Including Certain Underlying Blackstone Accounts). Because of the opportunistic and flexible nature of the Clients' investment strategies, the Clients and/or Underlying Blackstone Accounts will also co-invest from time to time with one or more Other Blackstone Accounts (including co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such Other Blackstone Accounts) or Blackstone (including BXi) in investments that are suitable for both the Clients (or Underlying Blackstone Accounts) and such Other Blackstone Accounts and/or Blackstone. Participating in investments alongside Clients, Underlying Blackstone Accounts and Other Blackstone Accounts will subject the Clients to a number of risks and conflicts (and in certain circumstances the Registrant will be unaware of an Other Blackstone Account'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 Clients, Underlying Blackstone Accounts and Other Blackstone Accounts and/or Blackstone may not be the same. Additionally, the Clients, Underlying Blackstone Accounts and such Other Blackstone Accounts 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 Clients, Underlying Blackstone Accounts, Blackstone and Other Blackstone Accounts). Such Other Blackstone Accounts and/or Blackstone may also have certain governance rights for legal, regulatory or other reasons that the Clients will not have. As such, the Clients, Underlying Blackstone Accounts, Blackstone and/or such Other Blackstone Accounts 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 a Clients or Underlying Blackstone Account (e.g., some or all of such limited partners may receive cash whereas other limited partners and investors in Other Blackstone Accounts may be provided the opportunity to receive distributions in kind in lieu thereof, or *vice versa*). In addition, investments alongside Other Blackstone Accounts in public securities may also result in conflicts of interest that do not apply to other joint investments.

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 Client or an Underlying Blackstone Account is a direct counterparty to a transaction, such Client or Underlying Blackstone Account being solely liable with respect to its own share as well as Other Blackstone Accounts' shares of any applicable obligations, or (ii) if a Client or an Underlying Blackstone Account is not the direct counterparty, such Client or Underlying Blackstone Account having a contribution obligation to the relevant Other Blackstone Accounts. Alternatively, a counterparty may agree to face multiple funds, which could result in a Client or an Underlying Blackstone Account being jointly and severally liable alongside Other Blackstone Accounts for the full amount of the applicable obligations. In cases in which a Client or an Underlying Blackstone Account could be responsible for the liability of an Other Blackstone Account, 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 Clients or Underlying Blackstone Accounts (or their special purpose vehicles). For these transactions, it is anticipated that the Clients or Underlying Blackstone Accounts would then enter into back-to-back trade confirmations with deal-specific aggregators as well as guarantees, keepwells or other similar arrangements with the other relevant Other Blackstone Accounts. 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 Client or Underlying Blackstone Account participates in an investment alongside any Other Blackstone Account, such Client or Underlying Blackstone Account 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 Account not having resources to bear such expenses (e.g., as a result of the Other Blackstone Account's insufficient reserves or inability to call capital contributions to cover such expenses). It is not expected that the Clients or Underlying Blackstone Accounts or Other Blackstone Accounts 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 such Client or Underlying Blackstone Account and any Other Blackstone Accounts owning an interest in such Portfolio Entity, but it is possible that the Clients or Underlying Blackstone Accounts and applicable Other Blackstone Accounts 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 the Clients or Underlying Blackstone Accounts and such Other Blackstone Accounts, 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. For example, certain Other Blackstone Accounts that invest alongside the Clients and Underlying Blackstone Accounts are expected to have terms that will differ significantly from some or all of the Clients and Underlying Blackstone Accounts and therefore are expected to result in such conflicts of interest.

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

Syndication; Warehousing. Blackstone, Other Blackstone Accounts, Joint Venture Partners, or affiliates or related parties of the foregoing could, subject to any limitations in the Constituent Documents, commit to or initially acquire an investment as principal and subsequently sell some or all of it to a Client, the Underlying Blackstone Accounts, Other Blackstone Accounts and/or co-investment vehicles, including co-investment vehicles formed to co-invest alongside Clients, Underlying Blackstone Accounts or Other Blackstone Accounts and/or third parties, in an affiliate or related party transaction. Similarly, a Client or the Underlying Blackstone Accounts will, in certain circumstances, acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, Other Blackstone Accounts, Joint Venture Partners, or affiliates or related parties of the foregoing or other third parties (including any person (including, if applicable, any limited partner other than solely in their capacity as such and Consultants) that the Registrant or Underlying Blackstone Manager determines has the ability to add value to an investment in light of its relationships, experience, geographic location, market or industry knowledge and/or other relevant attributes as determined by Blackstone), 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 Clients or the other party that initially acquires such portion will be expected to retain it, leading to the Client or Underlying Blackstone Account or such other party having more of the investment initially intended to be syndicated than it would otherwise have had if such syndication had not initially been contemplated. For the avoidance of doubt, certain Clients, Underlying Blackstone Accounts and/or Other Blackstone Accounts (including dedicated or committed co-investment vehicles) 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 Clients or Underlying Blackstone Accounts but at a different interest rate, due to legal, regulatory, accounting, administrative or other

considerations. The Registrant or the Underlying Blackstone Managers 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. The Registrant or the Underlying Blackstone Managers also reserves the right to determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, the Registrant or the Underlying Blackstone Managers will, in certain circumstances, charge fees on these transfers to either or both of the parties to them. In respect of the Clients or Underlying Blackstone Accounts, the Registrant, the Underlying Blackstone Managers or their affiliates will from time to time be permitted to retain any portion of an investment initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. Furthermore, syndications to third parties as described above may be on an interest-free basis or on other favorable terms compared to terms under which any limited partners (in such capacity) co-invest alongside the Clients or Underlying Blackstone Accounts (including, in certain circumstances, syndicating below cost), and in the event capital had been called for such syndicated portion, the amounts may be treated under the Clients' or Underlying Blackstone Accounts' Constituent Documents as amounts returned in lieu of being used and thus treated as never having been contributed by the limited partners of the Clients or Underlying Blackstone Accounts for purposes of the Constituent Documents and in the event such syndicated portion was held using the Clients' or Underlying Blackstone Accounts' credit facilities, if applicable, then the Client or Underlying Blackstone Accounts may bear the costs and interests related to such borrowing as the Client's or Underlying Blackstone Accounts' expenses without reimbursement from such third parties.

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, an Underlying Blackstone Manager will have a potential conflict of interest when it receives fees, including carried interest, from a Client or an Other Blackstone Account acquiring from or transferring to an Underlying Blackstone Account all or a portion of an investment. Furthermore, Underlying Blackstone Managers and their affiliates have the right to commit to or initially acquire a portion of an investment alongside the Underlying Blackstone Accounts if they intend to syndicate such amounts to Other Blackstone Accounts or such other third parties (which may include one or more investors in Other Blackstone Accounts), and to retain such amounts not ultimately syndicated after having used reasonable efforts to syndicate. The equity committed/used in any such underwriting by the Underlying Blackstone Managers and their 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 Account. In such circumstances, Blackstone will have the right to earn underwriting and/or syndication fees from the Underlying Blackstone Account, the Portfolio Entity, or the purchasers of such equity, and the Underlying Blackstone Account 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, the Underlying Blackstone Managers 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 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.

More specifically, the Clients 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 (inclusive of allocable expenses related thereto) (and the Clients may similarly acquire a portion of certain Investments with the intent to syndicate such portion to one or more comparable Clients, or, potentially Other Blackstone Accounts). A Client could also syndicate such portion to third parties that are designated strategic investors as described herein, in which case such syndication may be on more favorable terms (e.g., at no additional syndication charge) to such third parties compared to those available to other co-investors described in the preceding sentence. The value of the investment during such period could increase, but the Clients will not receive the full benefit of any such increase. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the Clients.

Secondary Transfers of LP Transactions. In addition, to the extent the Registrant or any Underlying Blackstone Manager has discretion over a secondary transfer of interests in an Underlying Blackstone Account pursuant to the Constituent Documents, or is asked to identify potential purchasers in a secondary transfer, the Registrant or the Underlying Blackstone Manager will do so in its sole discretion, taking into account the following factors, among others:

- The Registrant's or any Underlying Blackstone Manager's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Registrant's or any Underlying Blackstone Manager'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 the Registrant or any Underlying Blackstone Manager and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Registrant or any Underlying Blackstone Manager, the applicable Underlying Blackstone Account, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another fund (including any commitment, or agreement to make a commitment, into a future fund);
- Requirements in such Underlying Blackstone Account's Constituent Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Continuation Vehicles and Continuation Transactions. The Registrant and Underlying Blackstone Managers could, subject to the requirements of the Constituent Documents, from

time to time establish other investment vehicles for the purpose of purchasing one or more investments from a Client or Underlying Blackstone Account (sometimes, but not always, where the selling Client or Underlying Blackstone Account is approaching the end of its term), which may be made in connection with, or alongside, another Underlying Blackstone Account making the investment (such vehicles, “**Continuation Vehicles**”, and such transactions, “**Continuation Transactions**”). In such circumstances, the Registrant or Underlying Blackstone Manager is acting on behalf of, and making the investment decision for, both a Client and/or Underlying Blackstone Account 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 Client and/or Underlying Blackstone Account and the Continuation Vehicle more generally. Further, because the Registrant, Underlying Blackstone Managers and/or their 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, the Registrant or Underlying Blackstone Manager 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 advisory committee of a Client and/or an Underlying Blackstone Account, certain Continuation Transactions may be able to be completed at the initiation of the Registrant or an Underlying Blackstone Manager without any such approval.

Broken Deal Expenses. Any expenses that may be incurred by the Clients for actual investments as described herein or in the Constituent Documents may also be incurred by the Clients with respect to broken deals (i.e., investments that are not consummated). The Registrant and the Underlying Blackstone Managers are 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 Clients or Underlying Blackstone Accounts on a regular or periodic basis and/or as part of an overall co-investment program or arrangement related to Other Blackstone Accounts). Moreover, expenses related to the organization of co-invest vehicles formed to invest in broken deals may be borne by the Clients, 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, meals, travel and entertainment, (including non-disclosure agreements with counterparties), deposits or down payments which are forfeited in connection with unconsummated transactions, 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 Clients, and any expenses of a partnership representative or designated individual, as applicable), printing and publishing expenses, expenses incurred, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), and legal, accounting, tax and other due diligence and pursuit costs and expenses (including, for the avoidance of doubt, any Consultant expenses and

including, in certain instances, broken deal expenses associated with services provided by portfolio companies, as detailed herein), which may include expenses incurred prior to the commencement of a Client's effective date. Any such broken deal expenses could, in the sole discretion of the Registrant or the Underlying Blackstone Managers, be allocated solely to the applicable Clients or the Underlying Blackstone Accounts and not to Other Blackstone Accounts or co-investment vehicles that could have made the investment (including any situation where an Other Blackstone Account was initially allocated an investment opportunity and incurred such expenses before such investment opportunity was reallocated to a Client), even when the Other Blackstone Account or co-investment vehicle commonly invests alongside a Client or the Underlying Blackstone Accounts in its investments or Blackstone or Other Blackstone Accounts in their investments. In such cases a Client's or the Underlying Blackstone Accounts' shares of expenses would increase. As a general matter, the Registrant and its affiliates expect that until a potential investment of a Client or Underlying Blackstone Account is formally allocated to an Other Blackstone Account (it being understood that final allocation decisions are typically made shortly prior to closing an investment), such Client or Underlying Blackstone Account 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 an Other Blackstone Account or a co-investment vehicle, the Underlying Blackstone Managers or a Client will, in certain circumstances, advance such fees and expenses without charging interest until paid by the Other Blackstone Account or co-investment vehicle, as applicable. In addition, certain Portfolio Entities will provide transaction support services (including identifying potential investments) to the Clients, Other Blackstone Accounts and their respective Portfolio Entities in respect of certain investments that are not ultimately consummated. Further, any fees and expenses incurred in connection with the organization of a co-investment vehicle for an Underlying Blackstone Account (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 Clients or Underlying Blackstone Account in an investment are expected to be borne by the Clients and Underlying Blackstone Account to the extent such co-investment vehicle does not ultimately make such investment, whether or not such investment is consummated by the Clients or Underlying Blackstone Account. The Clients 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 Clients 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 Accounts and their portfolio entities, in addition to or in lieu of the Clients. 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 Accounts, BIS expects to allocate a portion of such fees, costs and/or expenses attributable to such investment that would otherwise be borne by the Clients to the Other Blackstone Accounts ultimately consummating such investment. Additionally, to the extent a potential investment is formally allocated to an Other Blackstone Account by a determination of Blackstone, instead of the Clients and such investment is not ultimately consummated, such Other Blackstone Account 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 Clients will bear the portion of the retainer attributable to such potential investment). 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 Clients. 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. Conflicts exist in the allocation of the costs and benefits of these arrangements, and limited partners rely on BIS to handle them in its sole discretion, and there can be no assurance that BIS will resolve such conflicts of interest in a manner that is favorable to the limited partners or the Clients.

Related Party Leasing. The Clients and Underlying Blackstone Accounts and their Portfolio Entities will, in certain circumstances, lease property to or from Blackstone, Other Blackstone Accounts and their Portfolio Entities and affiliates and other related parties. The leases are generally expected to 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 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. There can be no assurance that the Clients, the Underlying Blackstone Accounts and their Portfolio Entities will lease to or from any such related parties on terms as favorable to the Clients, the Underlying Blackstone Accounts and their Portfolio Entities as would apply if the counterparties were unrelated.

Asset Pooling. The Clients and Underlying Blackstone Accounts have in the past, and may in the future, continue to pool certain or all investments with one or more other Clients or Other Blackstone Accounts (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 the Registrant or any of its affiliates (or Other Blackstone Accounts) and securities or other interests in the Asset Pool will be owned by such Client, other Clients and other affiliated funds. The consummation of any such transaction will generally not require the consent of the Client, Underlying Blackstone Account or limited partner advisory committee or limited partners thereof and will involve the exercise of the Registrant'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, the Registrant 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 Constituent Documents, to determine the proportionate interest of such Client, the other Clients and the Other Blackstone Accounts (as applicable) in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), which will require the Registrant 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 Clients that participated in such contributed assets, each of which may have a material impact on limited partners' returns in respect of such investments or the Clients more generally. In making these determinations the Registrant 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 Client's interest in, or proceeds received from, any Asset Pool, will be subjective. A Client 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 Clients or Other Blackstone Accounts (as applicable) may not perform as well as those investments contributed by such Client. Accordingly, the returns of such Client 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 Client or its limited partners for purposes of the applicable Constituent 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 Client'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 Constituent 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 Clients or the limited partners.

Cross-Guarantees and Cross-Collateralization. In certain circumstances, the Clients and their Portfolio Entities may enter into cross-collateralization or any cross-guarantee arrangements with other Clients (including with respect to Asset Pools), Other Blackstone Accounts (including co-invest vehicles) and their Portfolio Entities, particularly in circumstances where better financing terms are available through such arrangement or where the assets of each portfolio company are similar in nature. It is often better (or commercially required) for a counterparty to view the various entities as one single "Blackstone" party and therefore appropriate for these obligations to be addressed among Clients, Other Blackstone Accounts by way of a back-to-back or reimbursement type agreement. Also, while cross-collateralization of investments may enable the Clients, Underlying Blackstone Accounts to obtain more favorable terms in respect of certain indebtedness across certain investments (for example, such as where investments of different but overlapping classes are located in the same region) on a modest scale, any cross-collateralization arrangements between other Clients, Other Blackstone Accounts and their Portfolio Entities could result in Clients or Underlying Blackstone Accounts losing their interests in otherwise performing investments or other assets due to poorly performing or non-performing investments or other assets of Clients or Other Blackstone Accounts 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 Clients' obligations under such cross-collateralization arrangements are expected to apply to investments in which the Clients have not participated). Investors in the Clients may also be required to fund capital contributions to cover the Clients' obligations under such a default. A Client can, in certain circumstances, be exposed to risks associated with borrowings or other indebtedness of other Clients and/or Other Blackstone Accounts when such

other entities are not in turn exposed to risks associated with such Client's borrowing for a similar purpose if, for example, the such other entities or the partners thereof are excused from cross-collateralizing certain partnership expenses, management fees or other obligations of such Client and other Clients. Through cross-collateralization, such other Clients may nevertheless be indirectly exposed to risks associated with leverage on fees, expenses and/or other obligations of the Client.

Similarly, a lender could require that it face only one Portfolio Entity, even though multiple Portfolio Entities and Other Blackstone Accounts 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 or Other Blackstone Accounts, and (ii) Portfolio Entities and Other Blackstone Accounts 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 and Other Blackstone Accounts benefiting from a financing may enter into a back-to-back or other similar reimbursement agreements whereby each agrees that no Portfolio Entity or Other Blackstone Accounts bears more than its *pro rata* portion of the debt and related obligations. It is not expected that any Portfolio Entities would be compensated (or provide compensation to other Portfolio Entities or Other Blackstone Accounts) for being primarily liable, or jointly liable, for such other Portfolio Entities' *pro rata* share of any financing.

Joint Venture Partners. The Clients and Underlying Blackstone Accounts may from time to time enter into one or more joint venture arrangements with third-party joint venture partners ("**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 the Registrant or Underlying Blackstone Managers in their sole discretion. The Joint Venture Partners could provide services to the Clients or Underlying Blackstone Accounts similar to those provided by the Registrant or Underlying Blackstone Managers. Yet, generally no compensation or fees paid to the Joint Venture Partners would reduce or offset management fees payable by investors in an Underlying Blackstone Account (including a Client) or carried interest payable to the Registrant or Underlying Blackstone Manager. 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 Registrant, the Underlying Blackstone Accounts, Other Blackstone Accounts, or their respective Portfolio Entities, or any affiliate, personnel, officer or agent of any of the foregoing.

Acquisition Vehicle Operations. A Client from time to time will establish one or more transaction-specific acquisition vehicles through which the Client and Other Blackstone Accounts (as applicable) will invest in connection with the acquisition of interests in one or more investments in connection with such transaction. Follow-on investments in or relating to such Portfolio Entities may also be made through such acquisition vehicle. Proceeds received by any such acquisition vehicle from any of the Portfolio Entities may be used to satisfy the acquisition vehicle's (or the Client's indirect) obligations with respect to such Portfolio Entity or any other Portfolio Entity in which such acquisition vehicle is invested (or is expected to invest in connection

with the transaction). Such obligations include, without limitation, funding any subsequent purchases in connection with the transaction, satisfying any deferred purchase price payments in connection with the transaction, funding any underlying capital commitment to any such Portfolio Entity, repaying any indebtedness incurred by the acquisition vehicle or any other vehicle through which such investment was made and paying any taxes or other expenses of such acquisition vehicle or any other vehicle through which such investment was made. Proceeds received by an acquisition vehicle related to a Portfolio Entity and used to satisfy such obligations are not treated as distributed to the partners of the Client (and subsequently recontributed by such partners).

Conflicts will arise in connection with the foregoing. For example, following the expiration of the Client's investment period (if applicable), distributions from an investment are generally not subject to recall, whereas funding such obligations through proceeds received by the acquisition vehicle as provided above are not treated as capital contributions. Therefore, such deployment of proceeds at the acquisition vehicle-level will in those circumstances often result in the Client having more unpaid capital commitments than it otherwise would have had if such proceeds had been distributed and recontributed by the partners of the Client. In addition, this practice may result in certain metrics of performance (e.g., MOICs) being more favorable with respect to BIS than otherwise.

Insurance. Clients and the Underlying Blackstone Accounts will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure a Client, the Registrant, the Underlying Blackstone Accounts, Portfolio Entities, the Underlying Blackstone Managers, Blackstone and their respective directors, officers, employees, agents, Independent Client Representative (if any) and representatives, member of any limited partner advisory committee and other indemnified parties (and in certain circumstances, such person's agents and representatives), against liability in connection with the activities of a Client or the Underlying Blackstone Accounts. 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 a Client, the Underlying Blackstone Accounts, the Underlying Blackstone Managers, the Registrant and Blackstone (including their respective directors, officers, employees, agents, Independent Client Representative (if any), and representatives, member of any limited partner advisory committee or any limited partner representatives and other indemnified parties). The Registrant and the Underlying Blackstone Managers will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella", group or other insurance policies among one or more of a Client, the Underlying Blackstone Accounts, the Registrant, the Underlying Blackstone Managers and Blackstone on a fair and reasonable basis, in their sole discretion, and may make corrective allocations should they determine subsequently that such corrections are necessary or advisable.

Similarly, the Clients and Underlying Blackstone Accounts and their Portfolio Entities may enter into arrangements with Other Blackstone Accounts and their respective Portfolio Entities whereby property and/or other types of insurance is procured as a group where the insurance provider may charge lower premiums to the group than it would on an individual property-by-property basis. In such event, the obligation to pay the premiums on such group policies may be allocated in accordance with the relative values of the respective assets that are insured by such

policies (or other factors that Blackstone can be expected to reasonably determine). Additionally, a Client, the Underlying Blackstone Accounts and Other Blackstone Accounts (and their respective Portfolio Entities) may 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 properties that are insured by such policies (or other factors that Blackstone can be expected to reasonably determine).

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

Captive Insurance; Gryphon. The Clients, the Underlying Blackstone Accounts and Other Blackstone Accounts (and their portfolio entities) will also, in certain circumstances (including with respect to property insurance and terrorism insurance), self-insure through Gryphon Mutual Insurance Company (“**Gryphon**”), a captive insurance company (the “**Captive**” or “**Gryphon**”), owned entirely by its participants (including the Underlying Blackstone Accounts and Other Blackstone Accounts). An affiliate of the Registrant manages the Captive, oversees its operations and service providers, provides a guarantee for a letter of credit to help capitalize it and receives a fee based on a percentage of the premiums (subject to the benchmarking process described above), and a third-party insurance services firm will provide brokerage, administration and insurer management services. The fees and expenses of the Captive, including insurance premiums and fees paid to its manager, will be borne by the Client, the Underlying Blackstone Accounts and Other Blackstone Accounts *pro rata* based on estimates of insurance premiums that would have been payable for each party’s respective properties, as benchmarked by third parties, and will be paid by each participant annually. While the Clients do not expect to provide any funding in addition to such annual contribution, it is possible that each member of the Captive, including a Client, is required to make additional capital contributions in certain circumstances.

This arrangement is expected to provide the Clients and Underlying Blackstone Accounts with greater control over their property insurance and terrorism insurance programs and reduce overall costs of insurance through lower premiums and reduction or elimination of insurance brokerage costs. The Clients and Underlying Blackstone Accounts may, however, be negatively affected to the extent there are disproportionate losses incurred on properties held by the Other Blackstone Accounts participating in the Captive, including through increased future premiums or the lost ability to recoup capital contributions, and there can be no assurance that the arrangement will not result in under- or over-allocation of costs to the Clients and Underlying Blackstone Accounts relative to the Other Blackstone Accounts or that different allocations or arrangements than those provided above would not result in the Clients, the Underlying Blackstone Accounts and their portfolio companies bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies. Gryphon currently engages, and is expected to continue to engage, Revantage to provide corporate support services in respect of Gryphon’s

activities (including maintaining Gryphon's license and the establishment and maintenance of the core Gryphon entity from which the captive cells operate). In connection therewith, Revantage is expected to earn commissions for such services related to the Gryphon property program placement, terrorism insurance, casualty program and other lines of coverage and may earn additional commissions during each such policy year. Such commissions will initially be used to offset costs of the Captive (which may include fees to Blackstone and allocated costs associated with Revantage's account payroll, professional services, travel and entertainment, employee development, technology costs and facilities and office services), with any excess funds being returned to or used for the benefit of participating funds in a reasonable manner, which may include reserving for (or advance payment of) additional anticipated costs or direct reimbursement in accordance with a reasonable allocation. Any such services and fees are in addition to the services provided and fees received by Blackstone.

Additional Potential Conflicts of Interest. The officers, directors, members, managers and personnel of the Registrant and the Underlying Blackstone Managers can be expected to trade in securities, including the securities of the Clients' Portfolio Entities and Portfolio Entities of Other Blackstone Accounts, 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 the Registrant or the Underlying Blackstone Managers. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest to the extent they relate to (i) a company in which the Clients and Underlying Blackstone Accounts 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 Clients and Underlying Blackstone Accounts or pursue similar investment opportunities as the Clients or Underlying Blackstone Accounts. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of the Registrant and the Underlying Blackstone Managers can be expected to take into account certain considerations and other factors in connection with the management of the business and affairs of a Client, the Underlying Blackstone Accounts 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 a Client and the Underlying Blackstone Accounts. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to a Client, the Underlying Blackstone Accounts, the Registrant or the Underlying Blackstone Managers could decline to undertake investment activity or transact with a counterparty on behalf of a Client or the Underlying Blackstone Accounts for reputational reasons, and this decision could result in a Client or the Underlying Blackstone Accounts foregoing a profit or suffering a loss.

Line of Credit Disclosure. The Clients and Underlying Blackstone Accounts are typically parties to one or more subscription-based and/or net asset value credit facilities and borrowings by the Clients and Underlying Blackstone Accounts under such facilities will generally be secured by the capital commitments of Clients and limited partners in Underlying Blackstone Accounts (including the Clients) and/or by the Clients' and Underlying Blackstone Accounts' assets, and the terms of such facilities may provide that during the continuance of a default under such facilities, the

interests of the limited partners in Underlying Blackstone Accounts and Clients may be subordinated to such facilities. Use of a subscription-based credit facility or asset-backed facility (or other facility) may result in a higher reported IRR (on an investment level and/or a fund-level) for a Client or Underlying Blackstone Account than if the facility had not been utilized because such borrowings were used in lieu of capital contributions or in advance of related capital contributions that would only be made at a later date (although the use of a subscription-based line (or other long-term leverage) may also result in a lower total return for a Client or Underlying Blackstone Account), and as a result of this and other factors (including that the interest rate on such borrowings is typically less than the rate of the preferred return (if any) and that such preferred return (if any) does not accrue on such borrowings, and only accrues on capital contributions when made) may present conflicts of interest and the general partners of the Clients (as applicable) or Underlying Blackstone Accounts may make distributions prior to the repayment of outstanding borrowings. As a result, use of such facilities or other long-term leverage arrangements with respect to investments may reduce or eliminate the preferred return (if any) received by the limited partners or investors of the Underlying Blackstone Accounts and the Clients and provide the general partners of the Clients (as applicable) or the Underlying Blackstone Accounts with an incentive to fund investments through long-term borrowings in lieu of capital contributions. Subject to the limitations in the Constituent Documents, the use of a subscription-based credit facility by a Client or Underlying Blackstone Account is within the applicable general partner's discretion. In addition, subject to the applicable partnership agreement, lenders to a Client or Underlying Blackstone Account may include limited partners and their affiliates and/or the limited partners (or affiliates of limited partners) of Underlying Blackstone Accounts or Other Blackstone Accounts.

Possibility of Different Information Rights. Limited partners of Clients or Underlying Blackstone Accounts (including the Clients) may request information from the Registrant or Underlying Blackstone Managers relating to the Clients or Underlying Blackstone Accounts, and the Registrant and the Underlying Blackstone Managers can in their discretion provide such limited partners (including the Clients) with the information requested. Limited partners that request and receive such information from the Registrant or the Client or Underlying Blackstone Accounts relating to the Client or Underlying Blackstone Accounts, or otherwise receive additional information with respect to a portfolio entity, including as a result of any rights obtained as a co-investor or Joint Venture Partner in an investment, will consequently possess information regarding the business and affairs of the Underlying Blackstone Accounts that is not generally known to other limited partners. As a result, certain limited partners may take or not take actions on the basis of such information which, in the absence of such information, other limited partners do or do not take. Furthermore, at certain times Blackstone may be restricted from disclosing to the limited partners material non-public information regarding any assets in which the Clients and/or Underlying Blackstone Accounts invests, particularly those investments in which an Other Blackstone Account or portfolio entity that is publicly registered co-invests with the Underlying Blackstone Accounts.

Loan Refinancings; Investments in Portfolio Entities. The Clients expect to participate in investments relating to (i) the refinancing of loan investments or portfolios held by certain Underlying Blackstone Accounts and/or (ii) Portfolio Entities of one or more Underlying

Blackstone Accounts, including primary or secondary issuances of loans or other interests by such Portfolio Entities. While it is expected that the participation by the Clients in connection with any such transactions will be at arms' length and on market terms, such transactions will generally give rise to potential or actual conflicts of interest, which could adversely impact the Clients.

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 Clients, Underlying Blackstone Accounts or their portfolio companies 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 companies or Other Blackstone Accounts. Blackstone's compensation for such services is expected to be paid by the applicable seller (including the Clients, Underlying Blackstone Accounts 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 Client, Underlying Blackstone Accounts or their portfolio companies, or as dealer, broker or advisor to a counterparty to the Client, Underlying Blackstone Accounts or their portfolio companies, and purchase securities from or sell securities to the Clients, Underlying Blackstone accounts or their portfolio companies and Other Blackstone Accounts, or advise on such transactions. Blackstone will also from time to time, on behalf of the Client, Underlying Blackstone Accounts or their portfolio companies, or other parties to a transaction involving the Client or Underlying Blackstone Accounts or their portfolio companies, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by the Client or Underlying Blackstone Accounts or their portfolio companies 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, Clients, Underlying Blackstone Accounts or their portfolio companies are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with the Clients, and management fees will not be reduced by such amounts. Blackstone has sole discretion to approve the

foregoing arrangements if it believes in good faith that such transactions are appropriate for the Clients and/or Underlying Blackstone Accounts. Sales of securities for the account of Clients, Underlying Blackstone Accounts or their portfolio companies will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Accounts. It could be impossible, as determined by the Registrant 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 Clients.

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

Blackstone employees, including employees of Registrant, 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.

Blackstone Involvement in Financing of Third-Party Acquisitions and Dispositions by the Investment Funds. The Clients are able to dispose, of all or a portion of an investment by way of a third party purchaser’s bid or acquisition whereby Blackstone or one or more Underlying Blackstone Accounts provide financing as part of such bid or acquisition of such investment or the underlying assets thereof. This generally would include circumstances where Blackstone or one or more Underlying Blackstone Accounts makes a commitment to provide financing at, prior to, or around the time such third-party purchaser commits to purchase or purchases such investment or assets from a Client. In addition, Blackstone or one or more Underlying Blackstone Accounts are able to provide financing with respect to one or more Portfolio Entities or borrowers in connection with a proposed acquisition or investment by a Client relating to such Portfolio Entities, their underlying assets, and/or the assets that they manage. The involvement of Blackstone or one or more Underlying Blackstone Accounts as a provider of debt financing in connection with the potential acquisition or disposition of portfolio investments or assets by third parties from or to a Client will give rise to potential or actual conflicts of interest. In circumstances where one or more Underlying Blackstone Accounts is providing debt financing in connection with the potential acquisition or disposition of portfolio investments or assets, the Underlying Blackstone Account alongside (or through) which the Client participates in such investment may be motivated to cause such Underlying Blackstone Account (and thus the Registrant) to agree to terms that are less favorable to the applicable Portfolio Entity and/or the Underlying Blackstone Account than might have otherwise been obtained if such debt financing was not available, which may adversely impact such Client.

ESG Framework Risk. Blackstone has established a firm-wide environmental, social and governance (“ESG”) policy and related programs and procedures, including any business or

Client-specific policies that may be developed by the Registrant and Underlying Blackstone Managers from time to time (collectively the “**ESG Framework**”), that the Registrant and Underlying Blackstone Managers intend to apply, as applicable, across investments, consistent with and subject to their fiduciary duties and applicable legal, regulatory or contractual requirements. The Registrant and Underlying Blackstone Managers will endeavor to consider material¹ ESG factors, where applicable, in the ESG Framework in connection with a Client’s 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 the Registrant, Underlying Blackstone Managers or a third-party ESG specialist (if any) will reflect the beliefs, values, internal policies or preferred practices of any particular investor or align with the beliefs, 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 the Registrant or Underlying Blackstone Managers not to make an investment that they would have made or to make a management decision with respect to a portfolio entity differently than they would have made in the absence of such consideration. Additionally, ESG factors are only some of the many factors that the Registrant and Underlying Blackstone Managers expect to consider in making an investment and, depending on the nature of the investment, ESG factors may not be considered for certain investments or assets. Although the Registrant and Underlying Blackstone Managers consider application of the ESG Framework to be an opportunity to potentially enhance or protect the performance of investments over the long-term, the Registrant and Underlying Blackstone Managers cannot guarantee that their ESG Framework, which depends in part on skill and qualitative judgments, will positively impact the performance of any individual portfolio entity or Client or Underlying Blackstone Account. For the avoidance of doubt, the Registrant will not subordinate investment returns or increase investment risks as a result of (or in connection with) the consideration of any ESG factors.

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 or providing reporting regarding such investment, the Registrant and Underlying Blackstone Managers often depend 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 the Registrant or Underlying Blackstone Managers to incorrectly identify, prioritize, assess or analyze the entity’s ESG practices and/or related risks and opportunities. While the Registrant and the Underlying Blackstone Managers believe such sources to be reliable, they will neither update any

¹ As used in this instance, “material” ESG factors are defined as those factors that the Registrant and Underlying Blackstone Managers determine 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.

such information nor undertake an independent review of any such information provided by third parties.

In addition, Blackstone's ESG Framework is expected to change over time. Blackstone and its affiliates, in certain circumstances, could determine, in their discretion, to revisit the implementation of certain of their 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 the Registrant or Underlying Blackstone Managers to adhere to all ESG-related elements of a particular Client's or Underlying Blackstone Account'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 Client's or Underlying Blackstone Account'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. Blackstone's ESG Framework is subject to evolving regulations and could become subject to additional regulation in the future, along with an increased risk of related enforcement. Compliance with such future additional regulation, and changing reporting frameworks and best practices, is expected in certain instances to lead to increased management burdens and costs, which has the potential to adversely affect the Clients. The Registrant and Underlying Blackstone Managers cannot guarantee that their current approach will meet future regulatory requirements, reporting frameworks or best practices. There is also risk of mismatch between US, EU and UK initiatives relating to ESG.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks and methodologies being implemented by other asset managers. For example, the ESG Framework does not represent a universally recognized standard for assessing ESG considerations and may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends.

Additionally, Blackstone has established certain enterprise-level and business group-specific ESG goals and initiatives. Although the aim of these goals and initiatives 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 Clients or Underlying Blackstone Accounts. Further, these ESG-related initiatives and goals are aspirational and not guarantees or promises that all or any such initiatives and goals will be achieved.

Sustainability Risks. Certain Luxembourg parallel funds of the Underlying Blackstone Accounts ("**Lux Parallel Fund**") 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 an Underlying Blackstone Account or a Luxembourg Parallel 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 Underlying Blackstone Accounts may have to capture and report EU Taxonomy data in relation to investments.

Certain SFDR supporting and related regulations are likely to be amended in the near to medium term and new guidance may also be issued by the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority either collectively or separately, and/or the European Commission. These factors and events have the potential to increase related compliance and other costs which would be borne by a Client. Compliance with frameworks of this nature will create an additional compliance burden and costs to funds and/or fund managers because of the need to collect certain information to meet the disclosure requirements.

Data. Blackstone receives, generates or obtains various kinds of data and information in connection with the Clients, Other Blackstone Accounts, their Portfolio Entities, and, at their election, certain investors in the Clients and investors in Other Blackstone Accounts, 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, energy usage, 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, use, distribution and derived works rights over) this data and information from the Clients, Other Blackstone Accounts, their Portfolio Entities and investors in the Clients and in Other Blackstone Accounts. 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 Clients, Other Blackstone Accounts, their Portfolio Entities, and, at their election, certain investors in the Clients and investors in Other Blackstone Accounts, 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 Clients and Other Blackstone Accounts, information obtained from the Clients, Other Blackstone Accounts, their Portfolio Entities and, at their election, certain investors in the Clients and investors in Other Blackstone Accounts also provides material benefits to Blackstone, Other Blackstone Accounts or Portfolio Entities, typically without compensation or other benefit accruing to the Clients, their investors or Portfolio Entities of the Clients. For example, information from Portfolio Entities owned by the Clients 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 Accounts that do not own an interest in the Portfolio Entity, typically without compensation or benefit to the Clients or their Portfolio Entities. Further, data is expected to be aggregated across the Clients, Other Blackstone Accounts 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 Account, 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 Client may receive data from a portfolio company of an Other Blackstone Account). 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 Clients' 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 Account. Any confidentiality obligations in the Constituent 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 Clients or their investors.

The sharing and use of "big data" and other information presents potential conflicts of interest and the Client 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 Clients or their investors. As a result, BIS has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Accounts. (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, to certain investors in the Clients and in Other Blackstone Accounts, and will provide such services directly to the Clients and Other Blackstone Accounts and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Accounts 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 Constituent Documents and any other applicable contractual limitations, with the Clients, Other Blackstone Accounts, Portfolio Entities, investors in the Clients and in Other Blackstone Accounts, and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Accounts 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, Clients will indirectly bear their share of such compensation based on their *pro rata* ownership of such Portfolio Entities (including through a Client or Underlying Blackstone Account in addition

to any annual flat fee paid as part of expenses for data science-related services). 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 Clients or Client 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 Accounts 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 Clients 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 Clients. (See also “**Data**” herein.)

Other Financial Industry Affiliations

The Registrant is an affiliate of the following entities:

Bank Entity	
Luminor Bank AS*	A Baltic bank purchased by Blackstone Capital Partners
Broker-Dealer Entities	
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 into repurchase agreement transactions for themselves or as agent for their customers
Blackstone Securities Partners L.P.	Provides a variety of limited investment banking services

Currencies Direct Ltd.**	Provides money transfer services to individuals and businesses on a global basis
Everlake Distributors, L.L.C.*	Provides underwriting and 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
Investment Advisor Entities	
Alight Financial Advisors, LLC (D/B/A Aon Hewitt Financial Advisors, LLC)*	Provides advisory services to participants of plan sponsored 401(k) retirement plans
ASK Investment Managers Ltd.*	Provides investment advisory services to funds and high net worth individuals in India
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds predominantly engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Credit Advisors LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
Blackstone Alternative Investment Advisors LLC	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 predominantly participate in a broad range of direct investment opportunities
Blackstone Asset Based Finance Advisors LP	Provides investment advisory services to a number of separately managed accounts and vehicles that primarily engage in asset backed securities and whole loan investments
Blackstone CLO Management LLC (Management Series)	Provides investment advisory services to U.S. CLOs

Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Credit BDC Advisors LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
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 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 Life Sciences Advisors L.L.C.	Provides investment advisory services to various private investment funds specializing in the life sciences industry
Blackstone Liquid Credit Advisors I LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone Liquid Credit Strategies LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone 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 and pooled investment vehicles
Blackstone Real Estate Advisors Europe 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 Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private real estate and real estate-related debt investments
Blackstone Strategic Alliance Advisors L.L.C.	Provides investment advisory services to private investment funds primarily engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Provides investment advisory services to private funds engaged primarily in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds and separately managed accounts
BSCA Advisors L.L.C. (Relying Adviser)	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BXMT Advisors L.L.C.	Provides investment advisory services to a publicly traded REIT and its related entities
BX REIT Advisors L.L.C.	Provides investment advisory services to a non-traded REIT and its operating subsidiary
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
Clover Credit Management, LLC	Provides investment advisory services to CLOs

Clover CLO Advisors, LLC (Relying Adviser)	Provides investment advisory services to CLOs
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 and private fund and account clients that predominantly engage in investments in the commercial real estate debt sector
Finance of America Capital Management LLC **	Provides investment advisory services to mortgage related asset private funds and managed accounts
First Eagle Alternative Capital BDC, Inc.*	Provides investment advisory services to private funds and institutional separate account clients
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 Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
First Eagle Separate Account Management, LLC*	Provides investment advisory services to a business development company

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
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
First Eagle Direct Lending Manager III, LLC*	Serves as the manager of a private direct lending fund
Napier Park Global Capital GmbH*	Provides Swiss investment advisory services
Napier Park Global Capital Ltd*	Provides investment advisory services to credit and private investing private investment funds and institutional accounts and collateral management services to securitized asset funds
Napier Park Global Capital (US) LP*	Provides investment advisory services to credit and private investing private investment funds and institutional accounts and collateral management services to securitized asset funds
NIBC Bank N.V.***	Advisory/banking affiliate of NIBC, a PE and BTO portfolio company
NIBC Credit Management, Inc.***	Advisory affiliate of NIBC, a PE and BTO portfolio company
Regatta Loan Management LLC* (Relying Adviser)	Provides collateral management services to securitized asset funds
Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities	
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
Napier Park Global Capital Ltd* (CTA/CPO)	Provides investment advisory services to credit and private investing private investment funds and institutional accounts and collateral management services to securitized asset funds
Napier Park Global Capital (US) LP* (CTA/CPO)	Provides investment advisory services to credit and private investing private investment funds and institutional accounts and collateral management services to securitized asset funds
Insurance Entities	
Agents National Title Holding Company**	A wholly owned subsidiary of Incenter and is a title insurance broker serving consumers and lenders through a network of independent title agents
Boston National Holdings LLC**	A wholly owned subsidiary of Incenter and is a title insurance agency
ELIC Reinsurance Company*	A captive insurance company and wholly-owned subsidiary of Everlake Life Insurance Company
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
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
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 affiliated tactical opportunities funds

***Portfolio company of affiliated private equity and tactical opportunities funds

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

*****Portfolio company of Blackstone Credit funds

The Registrant may enter into “side letters” with investors in the Clients, which allow for certain additional rights in the event of tax, regulatory or legal circumstances applicable to such investors. Side letters generally do not provide for reduction in management fees or performance allocations.

Various management and marketing personnel are registered with Blackstone’s broker-dealer, BSP, which may serve as placement agent to funds managed by the Registrant in the U.S. but is not compensated for such services. Blackstone does not believe these registrations, in and of themselves, create conflicts for the Clients’ investors.

A more detailed description of applicable conflicts of interest is set forth in the relevant Constituent Documents.

Item 11 – Code of Ethics

The Registrant is governed by the Blackstone Code of Ethics (the “**Code of Ethics**”). The Code of Ethics governs a number of potential conflicts of interest which exist when providing advisory services to the Clients. The Code of Ethics is designed to ensure that the Registrant meets its fiduciary obligation to the Clients (or prospective clients) and to instill a culture of compliance within the Registrant. An additional benefit of the Code of Ethics is to detect and prevent violations of securities laws.

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

The Code of Ethics 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
- 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 of Ethics.

Certain Potential Conflicts of Interest

Blackstone offers many different products and services, and there are several potential conflicts of interest which may arise, including, but not limited to, those investment related potential conflicts identified in **Item 10 – Other Financial Industry Activities and Affiliations** and below. The Registrant has adopted policies and procedures reasonably designed to address such potential conflicts of interest.

Potential investors are encouraged to also review the information and disclosures regarding certain potential risk factors and potential conflicts of interest included in the separate offering and/or disclosure documentation and Constituent Documents provided to potential investors with respect to the Clients.

The Registrant and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that all such personal securities transactions (other than certain transactions excepted under the Code of Ethics) receive pre-clearance from the Blackstone Legal and Compliance Department (provided, however, that the guidelines prohibit the purchase of all single-name securities). 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 of Ethics, 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 of Ethics is available for review upon request.

Clients may request a copy of the Code of Ethics by contacting the Registrant's Chief Compliance Officer Neil Schwartz at +1 (212) 583-5000 or neil.schwartz@blackstone.com.

Item 12 – Brokerage Practices

The Registrant will, in certain circumstances, trade in public securities. In the event the Registrant executes a brokerage transaction for the Clients (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), the Registrant 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.

Principal Transactions and Cross Trades

The Registrant or an affiliate on occasion may engage in principal transactions with a Client. A principal transaction occurs when an investment advisor, acting for its own account (or the account of an affiliate) buys a security from, or sells a security to, a client's account. The Registrant will conduct all principal transactions according to the disclosure and client consent requirements of Section 206(3) of the Advisers Act. The Registrant must determine that any principal transaction is in the best interest of the participating Client.

The Registrant, to the extent permitted under applicable law, also may effect cross transactions in which the Registrant causes a transaction to be effected between a Client and another account advised by the Registrant or any of its affiliates (a "**Cross Trade**"). Cross trades, which may or may not constitute principal transactions, will be conducted in accordance with the Registrant's fiduciary responsibility to each participating Client, must be in the best interest of each participating Client and must be consistent with the Registrant's duty to seek best execution.

An Independent Client Representative will be retained for the Clients, as needed, for purposes of considering whether to grant, and granting or withholding, client (including, as pertinent, investors in the Client) consent to certain transactions that may give rise to conflicts of interest.

Trade Errors

Trade errors will be evaluated on a case-by-case basis. If the Registrant determines that the Registrant's gross negligence, willful misconduct or fraud was the direct cause of a trade error, the Registrant generally will compensate the affected Client for any losses resulting from such trade error. If a third party's negligence or other wrongdoing causes a trading error that is material to a Client, the Registrant will attempt to recover the amount of loss from the third party for such Client. The Registrant does not assume responsibility for compensating the applicable Client, or making the third party compensate the applicable Client, in such cases.

Underlying Managers

The managers of the Underlying Accounts engage brokers based on their own criteria. To the extent the Registrant effectuates any brokerage transactions in the future, there will be no

limitations as to which broker-dealers are used or as to the commission rates or similar charges paid, subject to the Registrant's duty to seek best execution.

Research and Other Soft Dollar Benefits

The Registrant does not currently utilize soft dollars to pay for research or brokerage services. To the extent the Registrant utilizes soft dollars in the future, it will do so within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "**Section 28(e) safe harbor**"). Research products or services might include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and other products or services used by the Registrant in the performance of its investment decision-making responsibilities. Managers of the Underlying Blackstone Accounts may use soft dollars both within and outside of the Section 28(e) safe harbor to obtain both research and non-research products and services.

Brokerage for Client Referrals

The Registrant does not use brokerage relationships for client referrals. The Registrant does not currently engage any unaffiliated person or entity to provide client referrals, although it may do so in the future.

Item 13 – Review of Accounts

Review of Accounts

The investment team monitors the performance of the Clients on an ongoing basis and the Registrant's operations team will monitor and reconcile investments, expense payments, and other cash movements. The Clients' accounts and investment positions will be monitored by the Registrant's investment personnel, including certain senior Blackstone investment professionals from Blackstone's other investment businesses on a regular and current basis. There are certain BIS committees which review operations, risk and conflicts.

Such committees will hold formal sessions regularly and meet ad hoc or make decisions by email as required to review and/or approve:

- Compliance with the investment strategy and limitations of the provided in the Investment Guidelines of the relevant Client
- General portfolio composition
- Strategy allocation percentages
- Investment concentrations
- Investment allocations and opportunities
- Constrained Opportunities
- Co-Investments
- Market conditions
- Potential conflicts of interest
- Recent trading activities

Reports to Investors

The Clients and investors therein will receive reporting as agreed upon between the Registrant and/or the Clients and such investors in the Clients and as described in the relevant Constituent Documents. The Registrant makes use of a website, BX Access, available at www.bxaccess.com for the distribution of reports and other information to the Clients and investors in the Clients.

Certain investors in the Clients may request additional information relating to the Clients and/or Portfolio Entities and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, the Registrant 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 Clients that may not

be known to other investors. As a result, certain investors can be expected 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 the Registrant may be restricted from disclosing to investors material non-public information regarding any assets in which a Client invests, particularly those investments in which an Other Blackstone Account or Portfolio Entity that is publicly registered co-invests with a Client.

Item 14 – Client Referrals and Other Compensation

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

Item 15 – Custody

Rule 206(4)-2, as amended (the “**Custody Rule**”), under the Advisers Act defines custody as holding, directly or indirectly, client securities or funds or having any authority to obtain possession of them.

Certain Clients have an affiliate of the Registrant acting as general partner and, as such, the Registrant is generally deemed to have custody of such Clients’ securities and funds. In such cases, the Registrant generally complies with the Custody Rule by, among other things, providing all investors in such Clients with audited financial statements.

Item 16 – Investment Discretion

Investment decisions are made within the investment guidelines as described in the applicable Client's Constituent Documents. The Registrant has discretion in determining the Underlying Accounts or Portfolio Entities in or alongside which the Clients may invest and the amount to invest.

In making investment decisions on behalf of the Clients, the Registrant will seek to invest their assets across a range of Underlying Blackstone Accounts, Portfolio Entities and, where applicable, other investment opportunities and asset classes related thereto in good faith in accordance with their respective investment guidelines and Constituent Documents.

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

Rule 206(4)-6 under the Advisers Act (the “**Proxy Rule**”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies.

Because the Registrant may be deemed to have authority to vote proxies relating to the companies in which its clients invest, the Registrant has adopted a set of policies and procedures (together, the “**Proxy Policy**”) in compliance with the Proxy Rule. To the extent that the Registrant exercises or is deemed to be exercising voting authority over its clients’ securities, the Proxy 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 Clients, as determined by the Registrant in its sole discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, the Registrant may not always vote proxies in accordance with the Proxy Policy. In addition, many possible proxy matters are not covered in the Proxy Policy. Generally, the Registrant 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 Proxy Policy.

From time to time, conflicts can be expected to arise between the interests of a Client, on the one hand, and the interests of the Registrant, Blackstone or its affiliates, on the other hand. If the Registrant determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Registrant will address matters involving such conflicts of interest on a case-by-case basis in a fair and equitable manner, subject to legal, regulatory, contractual or other applicable considerations. The Registrant, in its sole discretion, may elect not to vote a proxy if unduly burdensome.

The Clients and investors therein may request a copy of the Proxy Policy and the voting records relating to proxies as provided by the Proxy Rule by contacting Neil Schwartz - Chief Compliance Officer; (212) 583-5000; neil.schwartz@blackstone.com.

Item 18 – Financial Information

The Registrant has never filed for bankruptcy as of the date of this Brochure and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the Clients.

Item 19 – Requirements for State Registered Advisers

Not applicable as the Registrant is not registered in any state.