



**STRATEGIC PARTNERS FUND SOLUTIONS ADVISORS L.P.**

345 Park Avenue

New York, NY 10154

+1 (212) 583-5000

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

March 2024

Form ADV, Part 2A – the “**Brochure**” – as required by the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), provides important information about Strategic Partners Fund Solutions Advisors L.P. (the “**Registrant**” or “**Strategic Partners**”).

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 the Registrant at +1 (212) 583-5000. Additional information about the Registrant also is available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search”, select “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 with the SEC as an investment adviser does not imply any level of skill or training. The oral and written communications the Registrant provides to you, including this Brochure, serve as information for you to use to evaluate the Registrant and should be considered in your decision whether 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 affiliates, “**Blackstone**”). It also contains important disclosures such as certain practices of the Registrant, potential material conflicts that can be expected to arise and key investment risks.

There has not been a material change to this Brochure since the last annual update on **March 31, 2023**.

However, please carefully read Items 4, 5, 8, 10 and 14, which have been expanded upon the description of the Registrant’s assets under management, certain fees and expenses, potential risk of loss, potential conflicts of interest and client referrals and other compensation, respectively.

The Registrant also notes this Brochure has been updated to reflect that, effective as of March 12, 2024, Blackstone’s private markets-focused GP Stakes business managed by Blackstone Strategic Capital Advisors L.L.C. (“**GP Stakes**”) was moved from the Blackstone Multi-Asset Investing group and integrated into the Blackstone Strategic Partners platform. Nevertheless, the GP Stakes business has its own registered investment adviser, and for the avoidance of doubt, references to the Strategic Partners business throughout this Brochure exclude any GP Stakes affiliates.

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

### Item 3 – Table of Contents

Item 2 – Material Changes .....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	7
Item 6 – Performance-Based Fees and Side-By-Side Management.....	15
Item 7 – Types of Clients .....	17
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	18
Item 9 – Disciplinary Information .....	44
Item 10 – Other Financial Industry Activities and Affiliations.....	45
Item 11 – Code of Ethics.....	156
Item 12 – Brokerage Practices.....	158
Item 13 – Review of Accounts .....	162
Item 14 – Client Referrals and Other Compensation .....	163
Item 15 – Custody.....	164
Item 16 – Investment Discretion .....	165
Item 17 – Voting Client Securities (Proxy Voting) .....	166
Item 18 – Financial Information.....	167
Item 19 – Requirements for State Registered Advisors.....	168

## Item 4 – Advisory Business

### Description of the Registrant

In connection with the August 2013 closing of the transaction pursuant to which Blackstone Inc. acquired the right to manage the business and affairs of certain secondary private investment funds previously managed by affiliates of Credit Suisse Group AG (collectively, the “**Legacy Sponsor**”) as part of its Strategic Partners business (the “**Transaction**” and, such funds, the “**Legacy Secondary Funds**”), the Registrant (i) changed its name to Strategic Partners Fund Solutions Advisors L.P. and (ii) assumed the investment advisory agreements relating to the Legacy Secondary Funds.

As a result of the Transaction, the Registrant became the investment adviser to the Legacy Secondary Funds, which focus primarily on making investments in mature private investment fund interests through secondary market purchases, and no longer serves as investment adviser with respect to any Blackstone-sponsored private investment funds that focus primarily on making direct investments in debt and “mezzanine” interests (which advisory responsibilities were assigned to an affiliate of Blackstone).

The Registrant serves as investment manager for pooled investment and custom vehicles operating as private investment funds, which focus primarily on making secondary investments in, or relating to, mature private investment funds or general partner led (“**GP-led**”) investments in secondary transactions, and will, in certain circumstances, include funds in which affiliates or employees of the Registrant invest alongside such other private investment funds (together, with the Legacy Secondary Funds, the “**Secondary Funds**”). The Registrant also serves as investment manager to separately managed accounts or commingled funds and/or custom vehicles operating as private investment funds, which make co-investments directly in issuers (the “**Direct Equity Program**” and, together with the Secondary Funds, the “**Funds**”). Affiliates of the Registrant serve as general partner (each, a “**General Partner**”) of the Funds. In addition, the Registrant provides investment advisory services to separately managed accounts or similar arrangements, which focus primarily on making primary investments in or relating to private investment funds (collectively, the “**Advisory Accounts**,” and together with the Funds, the “**Clients**”).

The ultimate parent of the Registrant is Blackstone Inc., which is a publicly traded corporation listed on the New York Stock Exchange and which trades under the ticker symbol “BX”. Blackstone is a leading global alternative investment manager with investment vehicles focused on private equity, real estate, hedge fund solutions, credit, secondary funds, tactical opportunities, infrastructure, insurance solutions and life sciences.

### Description of Advisory Services

As described above, the Registrant provides advisory services to the Secondary Funds, the Direct Equity Program and the Advisory Accounts. The Registrant offers advice in respect of

investments primarily in private investment fund interests, including private investment fund interests acquired through secondary market purchases, and certain other matters related thereto. The Secondary Funds generally seek to achieve capital appreciation through the purchase of secondary interests in mature private investment funds (including leveraged buyout funds, real estate funds, real asset and infrastructure funds, venture capital funds, distressed or mezzanine funds, fund of funds and other similar products) or GP-led investments in secondary transactions, but the Secondary Funds will also invest, to a lesser extent, on a primary basis in other investment funds or directly in portfolio companies (including other Blackstone funds and their portfolio companies).

With respect to the Direct Equity Program, the Registrant provides advice in respect of co-investments that the Registrant believes are high-quality, by investing alongside aligned sponsors (including Blackstone) and management in sponsor-backed private equity transactions. The co-investment opportunities considered for the Direct Equity Program will vary, including with respect to vintage year, fund sponsor, investment strategy, leverage level, type of asset (e.g., equity interests or debt instruments) and sector.

When serving as adviser to an Advisory Account, the Registrant provides services pursuant to the applicable investment advisory agreement relating to such Advisory Account. These advisory services will be either discretionary or non-discretionary. The Advisory Accounts generally seek to achieve capital appreciation through the purchase of interests in private investment funds on a primary basis in newly-formed limited partnerships, limited liability companies and other pooled investment vehicles, including investments in leveraged buyout, mezzanine, venture capital, distressed securities, fund of funds and other asset classes, with opportunities to invest on a secondary basis in private investment funds (in each case including through arrangements involving a sale or roll of interests in such private investment funds) and in direct equity, equity-like and debt investments.

As described above, effective as of March 12, 2024, Blackstone's private markets-focused GP Stakes business was moved from the Blackstone Multi-Asset Investing group and integrated into the Strategic Partners platform. Nevertheless, the GP Stakes business has its own registered investment adviser, and for the avoidance of doubt, references to the Strategic Partners business throughout this Brochure exclude any GP Stakes affiliates.

## **Assets Under Management**

The Registrant's regulatory assets under management are approximately \$71,279,836,478 (as of December 31, 2023), all of which are managed on a discretionary basis. Please note this figure is an unaudited estimate.

The assets reported above include assets with respect to which an investment adviser that is a "related person" (as defined in Form ADV) of the Registrant has delegated investment advisory authority to the Registrant. Such sub-advisory assets are excluded from the

regulatory assets under management reported in the ADV Part 2As of the affiliated advisers that delegated the authority.

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 regulatory assets under management of both the Registrant and such other affiliated advisers.

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

The assets reported above exclude assets attributable to an investment by one client in another client that would represent a duplication of assets already included in calculating regulatory assets under management (so that such assets are counted only once).

## Item 5 – Fees and Compensation

### Management Fees

For its investment advisory services with respect to the Secondary Funds, the Registrant or an affiliated entity generally receives a management fee at an annual rate of up to 1.5% of the capital commitments or reported value (as provided by the Underlying Vehicles), as applicable. Fees for the Secondary Funds will vary and are disclosed in the relevant Secondary Fund offering and/or governing documents, which have been provided to prospective investors.

For its investment advisory services with respect to the Direct Equity Program, the Registrant or an affiliated entity generally receives a management fee per tranche of 0.1875% per quarter on invested capital or reported value (as provided by the Underlying Vehicles), as applicable. However, it is anticipated that fees for the Direct Equity Program will vary and the fees applicable to any particular Direct Equity Program vehicle will be disclosed in the applicable Direct Equity Program vehicle's governing documents.

For its investment advisory services with respect to the Advisory Accounts, the Registrant or an affiliated entity generally receives a management fee at an annual rate of up to 0.4% on invested capital (excluding investable capital that has been committed to Other Blackstone Clients (as defined in Item 10 below)) or up to 0.3% on reported value (as provided by the Underlying Vehicles and excluding the reported value of the Advisory Account's managed capital that is invested in Other Blackstone Clients). Fees for the Advisory Accounts will vary and are disclosed in the relevant Advisory Account governing documents.

While the Registrant's policy is that its fees are not negotiable, the Registrant reserves the right to waive or reduce its fees for certain investors. In particular, certain affiliates or employees of the Registrant or the Legacy Sponsor that are investors in the Funds and/or the interests held thereby are generally not subject to management fees. Further, Other Blackstone Clients will have investment objectives that overlap with those of the Clients in certain material respects, and the Registrant's or its affiliates' management thereof will give rise to conflicts of interest relating to the Clients from time to time. For example, differing management fees charged to the Clients on the one hand, and such Other Blackstone Clients on the other, that invest on a side-by-side basis, will create conflicts of interest for the Registrant and its affiliates, including with respect to the allocation of investment opportunities. The Registrant has an investment allocation policy that addresses this conflict of interest. Please refer to **Item 12 – Brokerage Practices** for a discussion on the Registrant's Allocation and Aggregation Procedures.

Generally, the management fee payable by a Secondary Fund to the Registrant will be reduced by all or a portion (disclosed in the governing agreements of the relevant Fund) of any fees (including commitment, transaction, break-up, organization, "topping", advisory, directors', monitoring, financing or similar fees, or other cash or non-cash consideration, in

respect of a Fund's purchase, monitoring or disposition of an investment) received by the Registrant for transactions effected for such Fund's account.

### **Timing of Fee Payments**

Generally, management fees payable by a Secondary Fund are payable semi-annually, partially in arrears and partially in advance, and management fees payable by a Direct Equity Program vehicle and an Advisory Account are payable quarterly in arrears. The Registrant is permitted to elect to defer payment of all or part of the management fee. Management fees payable by a Secondary Fund are generally deducted from the applicable Secondary Fund distributions or paid through capital contributions drawn down from limited partners of the applicable Secondary Fund. Management fees payable by a Direct Equity Program vehicle are generally paid through capital contributions drawn down from the limited partner of the applicable Direct Equity Program. Management fees payable by an Advisory Account are invoiced to the Advisory Account client and the invoiced amount is generally payable within 15 calendar days of the client's receipt of such invoice.

### **Blackstone Strategic Relationships and Multi-Client Arrangements**

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 certain Clients and one or more Other Blackstone Clients (which can be expected to include one or more commitments already made to an Other Blackstone Client and/or certain Clients) (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 could be a Client. Investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) or receive any other disclosure or reporting of the terms of or existence of any Strategic Relationship 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 any further disclosure or reporting information will be shared with the fund investors about any Strategic Relationship). Specific examples of such additional rights and benefits can be expected to include, among others, specialized reporting, discounts or reductions on and/or reimbursements or rebates of management fees or incentive allocation, 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 incentive allocation



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 such discounts or reductions on management fees with respect to a limited partner due to a Strategic Relationship result in a reduction in the amount of capital contributions such investor makes to the Clients, the unused capital commitments of such investor will fluctuate disproportionately as compared to the unused capital commitments of any other investor without such discount or reduction (and the same consequences will result from the different management fee terms amongst investors in certain Clients as provided for in the management agreement of the Clients). Blackstone, including its personnel, can be expected to receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from a Client to, or source investment opportunities for, Strategic Relationships. Strategic Relationships will, in certain circumstances, therefore result in fewer co-investment opportunities (or reduced allocations) being made available to other investors in the Clients. In addition, from time to time, Blackstone will enter into economic and/or fee sharing arrangements with respect to one or more Clients and/or certain investors thereof, which rights will not generally be made available to other investors.

### **Additional Fees and Expenses**

The offering and/or governing documents of each Client provide a description of any additional fees and expenses for which such Client will be responsible in addition to the management fees and any performance-based allocations or fees (see Item 6 below).

Generally, each Client is responsible for all costs and expenses relating to the organization of such Client and of maintaining the operations of such Client and the investments made by or on behalf of such Client, including, without limitation, (i) all organizational expenses of the Client (in certain cases subject to a cap), including in certain circumstances, the organizational expenses of the General Partner of a Client; (ii) all unreimbursed expenses incurred by or on behalf of the Client in connection with the identification, investigation, structuring or making of any investment, proposed investment or temporary investment and the disposition thereof (including all such expenses relating to any investment which the Client ultimately does not make (or a proposed investment that was initially considered by an Other Blackstone Client and subsequently allocated to a Client) or any proposed disposition that is not actually consummated, including, in the case of a proposed investment not made, any portions of such expenses that will ultimately have been borne by co-investors had the investment been consummated), or the holding, monitoring, financing or refinancing (including the delivery of guarantees of a Client), pledging, sale or proposed financing, refinancing, pledging or sale of all or any portion of any such investment, including, in each case, brokerage, custody, currency conversion or hedging costs, travel and accommodation expenses in conjunction with the Client's investment activities (in certain cases, such travel

and accommodation expenses not to exceed an annual cap, as specified in the offering documents of the Clients), including any expenses related to attending trade association and/or industry meetings, the costs of services provided to the Client by persons who are not employees of the General Partner, including fees and expenses for and/or relating to attorneys (including compensation costs specifically allocated to or attributed by the Registrant, the General Partner or their affiliates with respect to in-house attorneys to provide transactional legal and related tax advice and/or services to the Clients on matters related to potential or actual portfolio investments; provided, that any such compensation costs attributable to affiliates of the General Partner shall not be greater than what would be paid to, or duplicative of services provided by (as determined by the General Partner in good faith), an unaffiliated third party for substantially similar services), accountants, administrative agents, tax advisors, finders, consultants (including environmental, social and corporate governance (“ESG”) consultants), auditors, investment bankers, fund administrators, depositaries and paying agents, custodians, independent representatives, operating partners and other professionals, advisors (including senior advisors), and third-party professionals and fees and expenses of affiliates of the General Partners and other third-party professionals, asset/property management and other service providers; (iii) legal, auditing, compliance with applicable laws and regulations and consulting expenses, including expenses associated with the preparation of amendments to the governing agreements of the Client and the solicitation of consent to such amendments and the Client’s financial statements, all fees, costs and expenses incurred in connection with energy, sustainability and ESG-related programs and initiatives with respect to the Client, expenses relating to compliance-related matters and regulatory filings relating to the Client’s or any parallel fund’s activities (including, without limitation, expenses relating to the preparation and filing of Form PF, reports and notices to be filed with the U.S. Commodity Futures Trading Commission and/or reports, filings, disclosures and notices prepared in connection with the laws and/or regulations of jurisdictions in which the Client or any parallel fund engages in activities, including any notices, disclosures, reports and/or filings required under the Luxembourg law of July 12, 2013 on Alternative Investment Fund Managers (as amended), the European Union Sustainable Finance Disclosure Regulation and any other applicable legislations or regulations related to the European Commission’s Action Plan on Financing Sustainable Growth (“SFDR”) and, in each case, any related regulations, and other notices or disclosures of the Registrant and/or its affiliates relating to the Client, the parallel funds and their activities), ongoing compliance with U.S. federal, state, local, non-U.S. or other laws and regulations relating to the Client’s activities, including amounts required to be paid to the managing general partner of the Luxembourg parallel funds pursuant to the governing agreements of the Luxembourg parallel funds and any travel and accommodation expenses related to such parallel funds reasonably necessary and/or advisable for the maintenance and operation of such entities, preparing, printing and publishing reports or responses to one or more partners (including the preparation of financial statements, tax returns, and, if applicable, Schedule K-1s and other communications or notices relating to the Clients), research, market data (including news and quotation equipment and services), valuation (without limitation, expenses incurred in connection with services performed by valuation advisors), expenses of loan servicers and other service providers (including travel expenses

related to on-site review of service providers), insurance expenses and accounting, administrative, technology, technology-related expenses (including, without limitation, costs and expenses of technology service providers and related software/hardware and market data and research utilized in connection with the Client's or parallel fund's investment and operational activities), accounting and administration expenses, including any additional tax return preparation and reporting expenses to the extent such expenses relate to services provided either by third party or by an Affiliate of the General Partner that is in the business of providing such services, as well as data collection costs, including costs allocated by Blackstone's internal research group (which are generally based on time spent), internal printing (including a flat service fee) and publishing (including time spent performing such internal printing and publishing services), and/or data science related expenses and related costs (including costs, expenses, charges and/or fees (including compensation costs) charged or specifically attributed or allocated by the Registrant and its affiliates to provide (A) accounting or administrative services relating to the Client, any parallel fund and/or the Client's and/or parallel fund's regulatory-reporting obligations and/or (B) technology, technology-related and/or data science-related services (e.g., data analytics and statistical modeling) provided to the Client and any parallel fund and/or its portfolio entities (including in connection with prospective investments); provided, that with regard to both clauses (A) and (B), any such expenses, fees, charges or related costs shall not be greater than what would be paid to an unaffiliated third party for substantially similar services); (iv) expenses related to organizing, administering, maintaining and liquidating any vehicle used to acquire, hold or dispose of any one or more portfolio investment(s) or otherwise facilitating the Fund's investment activities or any other Persons (including parallel funds) directly or indirectly through or in which portfolio investments will be made, including, to the extent not reimbursed by a third party, the organization of any potential parallel fund, alternative investment vehicle, feeder vehicle, Comparable Vehicle or investment vehicle formed for co-investors in connection with a proposed portfolio investment that is not ultimately made directly or indirectly through such entity, in each case, including, without limitation, any travel and accommodation expenses related to such entity, the salary and benefits of any personnel (including personnel of the Registrant or its affiliates) reasonably necessary and / or advisable for the maintenance and operation of such entity or other overhead expenses in connection therewith; (v) expenses of the advisory committee of each Client and its members and observers, including expenses of any advisors retained by, or at the direction or for the benefit of, such advisory committee; (vi) to the extent not paid by an intermediate entity or intermediate entity partners, the intermediate entity expenses of such intermediate entity (which expenses shall be specially allocated to such intermediate entity partners in proportion to their respective direct and indirect interests in such intermediate entity); (vii) costs and expenses that are classified as extraordinary expenses; (viii) expenses of any annual meeting of the Client; (ix) taxes and other governmental charges, fees and duties payable by the Client; (x) indemnified losses; (xi) all expenses incurred in connection with any litigation, investigation, audit, claim or proceeding involving the Client or any portfolio entity (including the cost of any investigation, preparation or discovery related thereto) and the amount of any judgments, assessments, fines, remediation or settlements paid in connection therewith, directors and

officers, liability or other insurance (including title insurance) and indemnification (including advancement of any fees, costs or expenses to persons entitled to indemnification) or extraordinary expense or liability relating to the affairs of the Client, in each case, to the extent such costs, expenses and amounts relate to claims or matters that are otherwise entitled to indemnification under the governing agreement of the Client; (xii) all unreimbursed expenses incurred in connection with the collection of amounts due to the Client from any person; (xiii) all interest, fees, expenses and other amounts payable in respect of or in connection with borrowings, financings, guarantees or derivative transactions (including related legal expenses); (xiv) all expenses incurred in connection with administrative proceedings relating to the determination of Client items of income, gain, loss, deduction and credit at the Client level, and any audit with respect to taxes; (xv) costs, fees and/or expenses of third-party advisors and advisory committees of the Client; (xvi) fees and expenses incurred in connection with complying with or monitoring compliance with or amending (including pursuant to “most favored nations” provisions) any side letters or other written agreements between the Client (or a feeder vehicle) and one or more investors (or feeder vehicle investors); (xvii) unreimbursed out-of-pocket expenses incurred by the General Partner of the Client or the Client in connection with any actual or proposed transfer of interest; and (xviii) costs of winding up and liquidating the Client. The General Partner of each Client, in its sole discretion, will determine not to allocate certain expenses to its respective funds, which would otherwise be permitted pursuant to each Client’s offering and/or governing documents, which in such instances would result in an increased internal rate of return to investors.

Investors in a Client are typically allocated (or otherwise bear) their pro rata share of such fees and expenses, which will 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.

Additionally, as a result of a public health emergency like the COVID-19 pandemic, the Registrant has determined in the past, and will 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 is expected to increase due to the pandemic, shall be an expense of the Clients subject to and in accordance with the Registrant’s policies. The Registrant also could determine to use alternative methods, including the use of technology, when sourcing and conducting diligence on potential investments and monitoring existing investments.

From time to time, a General Partner of a Client will be required to decide whether costs and expenses are to be borne by a Client, on the one hand, or the General Partner, the Registrant, Other Blackstone Clients and/or co-investors, on the other hand, and/or whether certain costs and expenses should be allocated between or among a Client, on the one hand, and Other Blackstone Clients and/or co-investors, on the other hand. Certain expenses will be

suitable for only a particular Client or Other Blackstone Client participating in specific investments and will be allocated to and borne only by such funds, or, as is more often the case, expenses will be allocated pro rata (or in some other manner reasonably determined by the General Partner) among the Client and Other Blackstone Clients or other co-investing vehicles even if the expenses relate only to or are prepared primarily for the benefit of particular vehicle(s) and/or investor(s) therein (including, for example, the expenses of any feeder entities and any parallel funds and each of their respective alternative investment vehicles and/or expenses in connection with assessing, monitoring, conducting diligence, reporting and attestation with respect to the social and environmental impact of any portfolio investment or proposed investment, including fees payable to third parties incurred in connection therewith (including expenses related to the development and monitoring of any impact assessment program) irrespective of whether any such information is made available to investors in the Clients or such Other Blackstone Clients, as applicable). The General Partner of the applicable Client will make such allocation judgments in its fair and reasonable discretion, notwithstanding its interest in the outcome, and will make corrective allocations should, based on periodic reviews, it determine that such corrections are necessary or advisable. This will result in (i) a Client bearing a portion of certain partnership expenses and/or organizational expenses attributable to a Luxembourg parallel fund (and/or another parallel fund) that are not directly connected to such Client and its activities, and (ii) a Luxembourg parallel fund (and/or another parallel fund) bearing certain partnership expenses and/or organizational expenses of the Client that are not directly connected to such parallel fund or its activities. There can be no assurance that a different manner of allocation would not result in a Client or Other Blackstone Client bearing less (or more) expenses.

Additionally, the Registrant will require, pursuant to each Client's offering and/or governing documents, that limited partners investing less than a specified amount in such Client pay an additional servicing fee to the Registrant. This fee, if any, will generally be payable semi-annually, partially in arrears and partially in advance.

For certain Clients, the Registrant will also charge back a portion of the cost of overhead expenses attributable to the management of or operations related to such Client. Note that the offering and/or governing documents for certain Clients provide for a cap on the organizational expenses chargeable to such Client; organizational expenses in excess of such cap are paid by the Registrant or one of its affiliates, as applicable.

Similarly, the Advisory Accounts will bear the expenses incurred by the Registrant in connection with the services provided to the Advisory Accounts, including: (i) expenses incurred in connection with the identification, investigation, structuring or making of any investment or proposed investment or the monitoring, financing or refinancing, pledging, sale or proposed financing, refinancing, pledging or sale of all or any portion of such investment including, in each case travel and related expenses (such travel and related expenses not to exceed an amount as specified in the applicable investment management agreement); (ii) legal, auditing, technological and consulting expenses, including expenses

associated with the preparation of reports to the applicable Advisory Account client; (iii) accounting and administration expenses of third parties; (iv) expenses related to organizing, administering and maintaining any persons through or in which investments will be made; (v) all fees and expenses owed to any independent U.S. registered investment adviser not affiliated with Blackstone that is retained by the Advisory Account client (an “**Independent Evaluator**”) in connection with such Independent Evaluator’s services in respect of investments in the Clients; and (vi) costs of terminating the Advisory Account’s investment management agreement and transitioning the management of the managed capital to the Advisory Account client or its designee.

Further, the Clients bear the additional layer of fees and expenses charged at the level of private investment funds (including, in the case of the Direct Equity Program, any vehicles established to facilitate a co-investment) in which the Clients acquire interests (the “**Underlying Vehicles**”).

The Registrant, its affiliates and their respective personnel also can be expected to receive certain intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Clients, the value of which will not offset or reduce management fees or otherwise be shared with the Clients, their portfolio entities or investors therein. For example, airline travel or hotel stays incurred as Client expenses will result in “miles” or “points” or credit in loyalty/status programs, and such benefits will, whether or not de minimis or difficult to value, inure exclusively to the benefit of the Registrant, its affiliates and their personnel or related parties receiving it (and not a Client or investors therein), even though the cost of the underlying service is borne by a Client as partnership expenses or by its portfolio entities. The Registrant, its affiliates and their respective personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Underlying Vehicles and/or customers or suppliers of such Underlying Vehicles.

### **Employee Compensation for Sales of Securities**

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

Please also see **Item 12 – Brokerage Practices**.

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

### **Performance-Based Allocations**

In addition to the management fees and other fees described in Item 5 above, the Registrant or one of the General Partners generally receives a performance-based allocation of up to 12.5% (or, in certain instances, up to 15% for certain investors that either commit to a Secondary Fund through a feeder vehicle established by a private bank to invest in the Secondary Fund or invest less than a specified minimum commitment) of each Secondary Fund's cumulative net profits, subject to a preferred return and customary clawback provisions. Performance-based allocations are based on cumulative net distributions attributable to a Secondary Fund, and all performance-based allocations for a Secondary Fund are disclosed in the relevant offering and/or governing documents of such Secondary Fund.

In addition to the management fees and other fees described in Item 5 above, the Registrant or one of the General Partners generally receives a performance-based allocation of up to 7.5% of each Direct Equity Program vehicle's net profits, subject to a preferred return. Performance-based allocations will be based on cumulative net distributions attributable to a Direct Equity Program vehicle or on an investment-by-investment basis. The specific performance-based allocations applicable to a Direct Equity Program vehicle are disclosed in the applicable offering and/or governing documents of each such Direct Equity Program vehicle.

It is not anticipated that performance-based fees will be charged by the Registrant with respect to the Advisory Accounts, however, an Advisory Account will be subject to performance-based fees with respect to its direct or indirect investments in the Underlying Vehicles.

While the Registrant's policy is that its performance-based allocations are not negotiable, the Registrant reserves the right to waive or reduce such allocations for certain investors. In particular, certain affiliates or employees of the Registrant that are investors in certain Clients do not bear any performance-based allocation.

In addition, the Clients bear the additional layer of fees, performance-based allocations and expenses charged at the level of private investment funds in which the Clients invest.

Note that the existence of a performance-based allocation will incentivize the Registrant to manage a Client's assets in a more aggressive manner than if there were no such allocation. Further, Other Blackstone Clients will have investment objectives that overlap with those of the Clients in certain material respects, and the Registrant's or its affiliates' management thereof will give rise to conflicts of interest relating to the Clients from time to time. For example, differing performance-based allocations or fees for Clients on the one hand, and such Other Blackstone Clients or another Client on the other, that invest on a side-by-side

basis, will create conflicts of interest for the Registrant and its affiliates, including with respect to the allocation of investment opportunities. However, the Registrant will manage each Client's assets in accordance with the investment strategy disclosed in each Client's offering and/or governing documents to help ensure that investors are aware of the investment strategy and the risks associated with such strategy. The Registrant has an investment allocation policy that addresses this conflict of interest. Please refer to **Item 12 – Brokerage Practices** for a discussion on the Registrant's Allocation and Aggregation Procedures.

### **Timing of Performance-Based Allocations**

As described in the respective offering and/or governing documents of each Client, performance-based allocations are generally allocated or paid, as applicable, upon the making of any distribution to investors following the return of all capital contributions, or all capital contributions for realized investments, as applicable, to the investors, and a preferred return thereon in accordance with the governing agreements of the Client.



## Item 7 – Types of Clients

The Registrant manages the Funds. The Funds are marketed to certain institutional investors and sophisticated, high-net worth individual investors capable of understanding the risks of their investments, including the following types of investors:

- 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
- State and municipal government agencies
- Sovereign wealth funds
- Family offices and fund of funds
- High net worth individuals (including related retirement accounts)
- Corporations
- Business entities other than those listed above

All potential investors admitted to the Funds are subject to certain suitability requirements (including that each investor in the Funds be an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended, and a “qualified purchaser” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended) and compliance procedures (including anti-money laundering procedures), prior to acceptance of any subscription or investment amount for any Fund. In addition, any separate maintenance or other investment-related provisions (*e.g.*, minimum commitment sizes) will be provided in the offering and/or governing documents of each Fund established by the Registrant after the date hereof, which documents are made available to each potential investor prior to investment.

The Registrant also advises Advisory Accounts. The Advisory Account clients consist of family offices and insurance companies, among others.

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

### Methods of Analysis

The Registrant's investment process for evaluating potential opportunities and investments will include a variety of proprietary and non-proprietary research models and methods of analysis. The Registrant generally derives information used to make investment decisions on behalf of its Clients from private offering memoranda, quarterly and annual reports of the Underlying Vehicles, personal interviews with the Underlying Vehicles' managers, and financial information regarding the underlying portfolio companies, to the extent available.

The Registrant's evaluation criteria will include, but are not limited to:

- Fundamental investment analysis of Underlying Vehicles and portfolio companies
- Investment performance
- Investment strategies and philosophies
- Factors relating to management of, and investment professionals associated with, Underlying Vehicles (e.g., experience, commitment and reputation)
- The fees associated with Underlying Vehicles and the Underlying Vehicles' terms (e.g., term, investment period, preferred return)
- Investment capacity
- Concentrations/diversification
- Prevailing market conditions and other considerations

The Registrant will allocate investment opportunities among the Secondary Funds, Direct Equity Program and Advisory Accounts in a manner that it determines, in good faith, to be fair and equitable, measured over time and taking into account considerations deemed relevant by the Registrant. The factors the Registrant will consider in making allocation decisions include, but are not limited to:

- Anticipated returns and risk profile of the investment (including appropriate commitment size for the account given the circumstances)
- Pricing considerations
- Regulatory, legal or tax considerations
- The relative amounts of capital available for investment in each account
- Applicable contractual obligations and investment limitations in each account
- The nature of the investment focus for each account
- Portfolio diversification concerns for each account
- The specific nature (including size, liquidity, holding period and anticipated maturity) of the investment
- The source of the investment opportunity (e.g. whether the investment was sourced from a particular account's limited partner)
- Other anticipated needs or uses of capital of each account

- The duration of the investment period of each account
- Whether the investment is a follow-on investment to a primary investment of a particular account
- Whether the investment is otherwise related to an existing investment held by a particular account (e.g., a direct co-investment alongside an Underlying Vehicle of the account)
- Other considerations deemed relevant by the Registrant's investment committee

The Registrant is permitted to, in its sole discretion, offer one or more of the Fund limited partners, another Blackstone vehicle or other third-parties, or another Client, an opportunity to co-invest with a Client in any investment on such terms as will be agreed among such parties. In determining which limited partners will be offered co-investment opportunities, the Registrant expects to consider, among other things:

- whether a limited partner played a role in sourcing a particular opportunity
- the ability of a limited partner to execute a co-investment transaction quickly and efficiently
- the reliability and creditworthiness of a limited partner
- indications of interest from a limited partner in co-investment opportunities (it being understood, for the avoidance of doubt, that a limited partner's indication of its interest in co-investment opportunities will not ensure its consideration for any opportunity)
- any other strategic considerations (including, but not limited to, the length of time that a limited partner has had an investment relationship with the Registrant or Blackstone and the size of a limited partner's capital commitment to the Client or product managed by the Registrant or Blackstone)

Where consistent with a Client's offering and/or governing documents, the Registrant also seeks to integrate Environmental, Social, and Governance ("**ESG**") principles into its investment process and operating philosophy. The Registrant has adopted an ESG policy, which outlines the Registrant's approach to integrating an analysis of ESG factors in its investment activities (the "**ESG Policy**").

## **Investment Strategies**

### ***Secondary Funds***

The Secondary Funds generally seek to achieve capital appreciation through the purchase of secondary interests in mature private investment funds (including leveraged buyout funds, real estate funds, venture capital funds, distressed or mezzanine funds, fund of funds and other similar products), but the Secondary Funds will also invest, to a lesser extent, on a primary basis in other investment funds or in underlying funds or directly in portfolio companies. The Secondary Fund strategies include leveraged buyout funds, real estate funds, infrastructure and real asset funds and will likely include other sector or strategy specific

Secondary Funds. Additionally, the Secondary Fund strategies will also, in certain circumstances, seek to acquire investments through purchases in GP-led investments in the secondary market, and in certain cases directly. Additional information regarding the investment strategy and corresponding method of analysis for each Secondary Fund is specified in the offering documents of such Secondary Fund.

### ***Direct Equity Program***

The specific investment strategy and corresponding method of analysis for each Direct Equity Program vehicle is specified in the offering documents of such Direct Equity Program vehicle. The Direct Equity Program generally seeks to construct a portfolio of high-quality co-investments in sponsor-backed private equity transactions, which will include investments with any of the primary investment mandates of other funds, accounts or investment vehicles sponsored by Blackstone (including the Registrant) or third-parties (including managers of Underlying Vehicles).

### ***Advisory Accounts***

The specific investment strategy and corresponding method of analysis for each Advisory Account is specified in the investment management agreement of each such Advisory Account. The Advisory Accounts generally seek to achieve capital appreciation through the purchase of interests in private investment funds on a primary basis in newly-formed limited partnerships, limited liability companies and other pooled investment vehicles, primarily investments in leveraged buyout, real estate, mezzanine, venture capital, distressed securities, fund of funds and other asset classes, with opportunities to invest on a secondary basis in Underlying Vehicles (in each case including through arrangements involving a sale or roll of interests in such private investment funds) and in direct equity, equity-like and debt investments.

### **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 associated with an investment in a Client and bearing the risks such investment represents. A successful program of investing is dependent upon and subject to certain risks, including risks relating to, among other things (i) the quality of the management and controls of the Clients the Underlying Vehicles and their portfolio companies; (ii) the ability of the management of the Clients and the Underlying Vehicles to identify and consummate attractive investment opportunities; (iii) general economic conditions; and (iv) the ability of the Clients and the Underlying Vehicles to liquidate their investments on attractive terms. The offering and/or governing documents of each Client will contain detailed descriptions of certain of the risks associated with an investment in such Client. Below is a non-exhaustive list of certain risks associated with such investments (some of which will not apply to a particular Client):

1. Loss of all or part of investment

2. No assurance of investment return
3. Technological, scientific and other innovations
4. Limitations of investment performance data
5. Broad investment mandate
6. Changes in legal, fiscal, tax and regulatory regimes
7. Clients treated as partnerships for U.S. federal income tax purposes will be liable for adjustments to its tax returns as a result of recently enacted legislation
8. Lack of liquidity of Client interests and of Underlying Vehicle interests
9. Dilution from subsequent closings
10. Failure to make payments
11. Electronic delivery of certain documents
12. Recycling; reinvestment
13. Capital calls
14. Multiple levels of fees and expense
15. Payment of carried interest or fees if net loss
16. Highly competitive market for secondary investment opportunities
17. Sector concentration
18. Client's limited operating history
19. Reliance on underlying vehicle sponsors
20. No established market for secondary investments
21. Secondary investment opportunities in Underlying Vehicles will be "pooled" opportunities from a seller on an "all or nothing" basis
22. Importance of valuation and acquisition terms
23. Competition for secondary investments
24. Pooled secondary investments
25. Joint venture secondary transactions; counterparty risk
26. Reliance on the Registrant and certain of its professionals and employees and professionals and employees of the managers of the Underlying Vehicles
27. Access to information from Underlying Vehicles
28. Restrictions on acquisitions of Underlying Vehicle interests by the Clients or Advisory Accounts
29. Restrictions on the Registrant's use of Blackstone's resources because of information walls and other internal policies and procedures
30. Consequences of a Client's failure to satisfy capital calls of an Underlying Vehicle
31. Recall of distributions
32. Illiquidity of Underlying Vehicle investments
33. Follow-on investments
34. Investments longer than the Client's term
35. Lack of coordination among investment decisions of Underlying Vehicles
36. Multiple exposure to portfolio entities
37. Risks from operations of other portfolio entities
38. The portfolio companies in which the Underlying Vehicles have invested or will invest can involve a high degree of business and financial risk

39. Misconduct of employees and third party service providers and of employees and service providers with respect to the Underlying Vehicles
40. General economic and market conditions
41. United Kingdom relations with the EU
42. Potential collapse of the Euro
43. No market for limited partnership interests; restrictions on transfers
44. Illiquidity of interests
45. Nature of secondary investments, including reliance on management of the Underlying Vehicles, potential obligations to return distributions to satisfy Underlying Vehicle liabilities, and other matters related to holding secondary interests in Underlying Vehicles
46. Leverage
47. Preferred financing; margin loans
48. Risks related to bearing the additional layer of fees and expenses charged at the level of the Underlying Vehicles
49. "Phantom" income
50. Filing obligations in non-U.S. jurisdictions and in state and local jurisdictions
51. Tax-inefficient structuring of certain Underlying Investments
52. Cyber security breaches, identity theft, denial of service attacks, ransomware attacks and social engineering attempts
53. Software Code Protection
54. Investors subject to regulation
55. Lack of diversification
56. Non-U.S. investments
57. Uncertainty of estimates and financial projections
58. Risk of limited number of portfolio investments
59. Non-controlling investments; investments and joint ventures with third parties
60. Public company holdings
61. "Platform" investments; additional capital
62. Terrorist activities
63. Weather and climatological risks
64. Natural disasters
65. Availability of insurance against certain catastrophic losses
66. Litigation
67. Exclusion
68. Sponsor voting
69. Bankruptcy
70. Debt securities
71. Investments in regulated industries
72. Financial leverage; incurrence of indebtedness
73. Future investment techniques and instruments
74. Increased government regulation
75. OFAC and FCPA considerations
76. FATCA withholding

77. General tax considerations
78. DAC 6
79. Handling of mail
80. Absence of oversight under the 1940 Act
81. Risk control framework
82. Operational risk
83. Agreements with certain investors
84. Risks associated with infrastructure investing
85. Risks associated with direct investments and investments of Underlying Vehicles
86. China-related risks
87. Misconduct by sponsor employees and partnership service providers
88. Tax-exempt and non-U.S. Investors in the Client
89. Taxes borne by the offshore feeder fund
90. Risks relating to due diligence of and conduct at portfolio entities of Underlying Vehicles
91. Counterparty risks
92. Hedging risks; derivatives
93. Foreign currency and exchange rate risks
94. Base erosion and profit shifting
95. European anti-tax avoidance package: ATAD I and ATAD II
96. European anti-tax avoidance package: ATAD III
97. OECD's pillars one and two
98. EU-list of non-cooperative tax jurisdictions
99. BEFIT
100. Registration under the U.S. Commodity Exchange Act
101. Tax legislation adversely affecting Blackstone employees and other service providers
102. Limitations on deductions of business interest
103. Potential withholding on transfers of partnership interests, including Underlying Vehicles
104. Financial industry regulation
105. Potential re-emergence of the Eurozone crisis
106. Inflation
107. Economic, political and social risks/ war
108. Political activities (including political contributions, hiring lobbyists and other permissible political activities in U.S. or non-U.S. jurisdictions)
109. Regional risk; interdependence of markets
110. Trade policy
111. Corruption risk; FCPA
112. Benchmark reform and the impact on LIBOR and other IBORs
113. Subscription credit facility
114. Financial market fluctuations; availability of financing
115. Adequacy of reserves; participation in follow-on investments
116. Deployment of capital

117. Distributions in-kind
118. OFAC and sanctions considerations
119. Change of law risk
120. Legal, tax and regulatory Risks
121. U.S. tax reform
122. Accounting, disclosure and regulatory standards
123. CFIUS and similar Non-U.S. regulatory regimes
124. Partnership/organizational expenses
125. Additional parallel funds and feeder entities
126. Indemnification
127. GDPR/Privacy
128. Placement agents
129. Side letters and agreements
130. Compliance with the AIFMD, Cayman Islands Private Fund Law and other international law
131. European market infrastructure regulation
132. AIFMD II
133. MIFID II Obligations
134. EU/UK Risk Retention Requirements
135. Possibility of different information rights
136. FOIA
137. Disclosure of information by the sponsor
138. Cayman Islands data protection
139. Data protection
140. European Commission's Action Plan on Financing Sustainable Growth/SFDR
141. Pay-to-Play laws, regulations and policies
142. Reliance on the sponsor
143. Role of investment professionals
144. Expedited transactions
145. Lack of management rights; dependence on key personnel
146. Recourse to the fund's assets; underlying portfolio entity liabilities
147. Negative consent
148. Sustainability risks
149. Blackstone charitable foundation and programs
150. No independent advice
151. Legal representation
152. Selling assets to or buying assets from Other Blackstone Clients
153. Certain investments inside the partnership's mandate that are not pursued by the partnership
154. Fees received by the sponsor
155. Blackstone affiliated service providers
156. Restrictive covenants; restrictions on fund activities
157. Slowdown of growth of the Chinese economy



**Epidemics/Pandemics.** Certain countries have been susceptible to epidemics, which can be designated as pandemics by world health authorities, 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 can be expected to 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, the performance of their investments, Portfolio Entity (as defined in Item 10 below) operations, and the ability of the Clients to achieve their investment objectives.

**Coronavirus and Public Health Emergencies.** From 2020 to 2022, in response to the COVID-19 pandemic, many countries instituted quarantine restrictions and took other measures to limit the spread of the virus. This resulted in labor shortages and disruption of supply chains and contributed to prolonged disruption of the global economy. It is 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. In addition, a widespread reoccurrence of COVID-19 (including any new or variant outbreaks) or another pandemic or global health crisis could increase the possibility of periods of increased restrictions on business operations, labor shortages and disruption of supply chains, which could have a significant adverse impact on the Clients’ and Portfolio Entities’ business, financial condition, results of operations, liquidity and prospective investments and exacerbate many of the other risks discussed herein.

In the event of another pandemic or global health crisis like the COVID-19 pandemic, Portfolio Entities could experience decreased revenues and earnings, which could adversely impact the Registrant’s ability to realize value from such investments and in turn reduce the Clients’ performance. Investments in certain sectors, including hospitality, location-based entertainment, retail, travel, leisure and events, office and residential, and in certain geographies could be particularly negatively impacted, as was the case during the COVID-19 pandemic. Portfolio Entities could also face increased credit and liquidity risk due to volatility in financial markets, reduced revenue streams and limited access or higher cost of financing, which could result in potential impairment of the Clients’ investments. In the event of significant credit market contraction as a result of a pandemic or similar global health crisis, certain Clients could be limited in their ability to sell assets at attractive prices or in a timely manner in order to avoid losses and margin calls from credit providers.

A pandemic or global health crisis can be expected to also pose enhanced operational risks. For example, the Registrant’s employees could become sick or otherwise unable to perform their duties for an extended period, and extended public health restrictions and remote working arrangements can be expected to impact employee morale, integration of new employees and preservation of Blackstone’s culture. Remote working environments could

also be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. Moreover, the Registrant's third-party service providers could be impacted by an inability to perform due to pandemic-related restrictions or by failures of, or attacks on, their technology platforms. Additionally, restrictions on immigration and processing of visas and other work permits could affect the work force of the Clients' Portfolio Entities, some of which rely on foreign talent as an important part of their work force, which could have a material adverse impact on their ability to implement their business plans.

In connection with a public health emergency like the COVID-19 pandemic, the Registrant determined in the past, and could 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 the Registrant's personnel are currently living (even if different than where the Registrant has historically had offices). The cost of such private air or charter travel, which could be increased due to the pandemic, shall be an expense of the Clients subject to and in accordance with the Registrant's policies and the Clients' organizational documents.

**Recent Developments in the Banking Sector.** Events involving limited liquidity, defaults, non-performance of contractual obligations, or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or that affect the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past led and could in the future lead to market-wide liquidity problems. Notably, recent bank closures in the United States and Europe have caused uncertainty for financial services companies and fear of instability in the global financial system generally. Recent developments, such as the UBS Group AG's acquisition of Credit Suisse Group AG and JPMorgan Chase Bank's assumption of all of First Republic Bank's deposits and substantially all of its assets, and any similar future developments can be expected to also have other implications for broader economic and monetary policy including interest rate policy, and could impact the financial condition of banks and other financial institutions globally. In addition, certain financial institutions – in particular, smaller and/or regional banks but also certain global, systemically important 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 stabilize the banking sector and 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 a Client and/or its Portfolio Entities) 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) financial regulators and central banks would take in such circumstances. As a consequence, for example, a Client and/or its Portfolio Entities could be delayed or prevented from accessing money, making any required payments under their own debt or

other contractual obligations (including making payroll obligations) or pursuing key strategic initiatives, and investors could 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, lenders, co-lenders, syndicate lenders or other parties to undertake and/or execute transactions with a Client, which in turn would result in fewer investment opportunities being made available to the Client, result in shortfalls or defaults under existing investments, or impact the Client's ability to provide additional follow-on support to Portfolio Entities. In addition, in the event that a financial institution that provides credit facilities and/or other financing to a Client or its Portfolio Entities closes or experiences distress, there can be no assurance that such financial institution will honor its obligations or that the Client or such Portfolio Entities will be able to secure replacement financing or capabilities at all or on similar terms and/or in a timely manner. See also "Custody and Banking Risks" herein. 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. 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 a Client, its Portfolio Entities or their respective financial performance.

**Geopolitical Conflicts and Risk.** As economies and financial markets worldwide become increasingly interconnected, the likelihood increases that geopolitical conflicts in one country or region will adversely impact markets or issuers in other countries or regions, including in ways that are difficult to predict or foresee. The impacts of these conflicts or events can be exacerbated by failures of governments and societies to respond adequately to a geopolitical conflict and subsequent emerging events or threats. For example, local or regional armed conflicts have led to significant sanctions by the U.S., EU, and other countries against certain countries and persons and companies connected with certain countries. Such armed conflicts and sanctions and other local or regional developments can exacerbate global supply and pricing issues, particularly those related to oil and gas, and result in other adverse developments and circumstances, as well as increased general uncertainty, for markets, economies, issuers, businesses, and societies both globally and in specific jurisdictions. Although these types of conflicts have occurred and could also occur in the future, it is difficult to predict when similar conflicts affecting the U.S. or global financial markets and economies will occur, the effects of such events or conditions, potential retaliations in response to sanctions or similar actions, and the duration or ultimate impact of those conflicts. Any such conflicts could have a significant adverse impact on the operations, risk profile, and value of the Clients and their Portfolio Entities, with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.

*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.

*Israel–Hammas War.* On October 7th, 2023, Hamas (an organization which governs Gaza, and which has been designated as a terrorist organization by the United States, the United Kingdom, the European Union, Australia and other nations), committed a terrorist attack within Israel (the “October 7th Attacks”). Israel responded by initiating a full-scale invasion of Gaza and, as of the date of this Brochure, Israel and Hamas remain in active armed conflict. It is possible the armed conflict will expand and ultimately more actively involve the United States, Lebanon (and/or Hezbollah), Syria, Iran and/or other countries or terrorist organizations, any of which will exacerbate the risks described above. In response to the October 7th Attacks, the United States has announced sanctions and other measures against Hamas-related persons and organizations, and the United States (and other countries) can be expected to announce further sanctions related to the ongoing conflict in the future.

The aforementioned ongoing conflicts and the measures taken 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 the Clients invest), and therefore could adversely affect the performance of the Clients’ investments. The severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) are impossible to predict, and as a result, present material uncertainty and risk with respect to the Clients, the performance of their investments, Portfolio Entity operations, and the ability of the Clients to achieve their investment objectives. Similar risks exist to the extent that any Portfolio Entities, service providers and vendors of Blackstone, the Clients and any Portfolio Entities, or certain other parties have material operations or assets in the countries where such conflicts are taking place or in the immediate surrounding areas.

Other geopolitical conflicts could arise in the future and such conflicts could have material adverse consequences on Blackstone, the Clients and their Portfolio Entities.

Furthermore, if after subscribing to a Client, any investor 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 OFAC, or under similar EU and UK Regulations or under other applicable law, or are operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the U.S., United Nations, EU, UK, Luxembourg, the Cayman Islands and/or other applicable jurisdictions, the Client would likely be required to cease any further dealings with such investor or freeze any dealings with the interests or accounts of the investor (e.g., by prohibiting payments by or to the investor or restricting or suspending dealings with the interests or accounts) or freeze the assets of the Client until such sanctions are lifted or a license is sought under applicable law to continue dealings. Clients could further have to report to the relevant competent

authorities the implementation of any restrictive measures carried out pursuant to international financial sanctions. 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 investor. Although Blackstone expends significant effort and resources to comply with the sanctions regimes in the countries where it operates, one of these rules could be violated by Blackstone's or a Client's activities or investors, which would adversely affect such Client.

**Regulation with Respect to Private Funds and Advisers.** The Registrant is subject to regulation by the SEC. In recent years, the SEC staff's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, custody practices, allocation of investment opportunities, terms agreed to in side letters and similar arrangements with investors, consistency of firms' practices with their disclosures, handling of material non-public information and insider trading, use of affiliated service providers, adviser-led restructurings, ESG investing, purported waivers or limitations of fiduciary duties and the existence of, and adherence to, policies and procedures with respect to conflicts of interest.

In August 2023, the SEC voted to adopt rules and amendments to existing rules under the Advisers Act (collectively, the "Private Funds Rules") specifically related to investment advisers and their activities with respect to the private funds they advise. In particular, the Private Funds Rules will, among other things, (i) impose quarterly reporting by private funds to investors that is required to contain detailed information on performance, investments, adviser-compensation, fees and expenses, and capital inflows and outflows; (ii) require registered investment advisers to obtain an annual audit for all private funds that meet the requirements of the existing Advisers Act custody rule; (iii) require registered investment advisers to obtain a fairness or valuation opinion and make certain disclosures in connection with adviser-led secondary transactions (also known as GP-led secondaries); (iv) restrict advisers from engaging in certain practices unless they satisfy certain disclosure requirements and, in some cases, consent requirements, including, without limitation, (a) charging regulatory or compliance fees or expenses, or fees or expenses associated with an examination, of the Registrant or its related persons to private fund clients, (b) seeking reimbursement for certain investigation-related expenses, (c) reducing the amount of the General Partner's clawback by actual, potential or hypothetical taxes applicable to the General Partner or its employees, (d) borrowing from a private fund, or (e) making non-pro rata investment-related expense allocations; (v) restrict advisers from providing certain forms of preferential treatment to private fund investors related to liquidity and information rights if they would be reasonably expected to have a material negative effect on other investors and otherwise require advisers to make certain disclosures regarding preferential treatment of investors; and (vi) prohibit an adviser from having a private fund bear the costs of any fees or expenses related to an investigation resulting in a court or governmental authority imposing a sanction for violating the Advisers Act. The Private Funds Rules also impose additional requirements on advisers to document their annual compliance reviews

in writing and retain additional required books and records relating to private funds they advise. Although the legality of the Private Funds Rules is currently being challenged in federal court, it is uncertain whether this legal challenge will succeed.

While the full impact of the Private Funds Rules cannot yet be determined, it is generally anticipated that these rules will have a significant effect on private fund advisers and their operations, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory inquiries and actions (including public regulatory sanctions) and limiting the Registrant's ability or willingness to negotiate certain types of individualized terms with investors in the Clients or similar pools of assets, which can be expected to cause certain investors to not subscribe to the Clients who otherwise might have. The Clients are expected to bear (either directly or indirectly through their Portfolio Entities) certain regulatory and compliance costs relating to the Private Funds Rules, which could include (without limitation): fees, costs and expenses incurred in connection with preparing and distributing to investors the quarterly statements required by the rules; soliciting and obtaining from investors any consents required by the rules; providing investors with any notices or disclosures required by the rules; and obtaining and distributing to investors fairness or valuation opinions in connection with adviser-led secondary transactions (including fees paid to third parties engaged by the Registrant or the Clients to perform or assist with such actions or processes), which fees, costs and expenses could be expected to be material.

In addition, in July 2023, the SEC proposed new predictive data analytics rules (the "Predictive Data Proposal"), which would require broker-dealers and registered investment advisers to (1) identify certain covered technologies (defined to include any analytical, technological, or computational function, algorithm, model, correlation matrix, or similar method or process that optimizes for, predicts, guides, forecasts, or directs investment-related behaviors or outcomes, and not limited to "artificial intelligence", algorithmic trading or machine learning processes) which present or could present conflicts of interest in direct or indirect interactions (including exercising investment discretion, managing investments, providing information or soliciting new investment) with investors (including investors in pooled investment vehicles) and (2) eliminate or neutralize (rather than just disclose) such conflicts. Registrants using covered technologies would be required to adopt policies and procedures reasonably designed to prevent violations of the proposed rule, detailing the processes for identifying and evaluating covered technologies and conflicts of interest and for eliminating or neutralizing the effect of such conflicts, and advisers would also be subject to associated annual review and recordkeeping requirements (such as, maintaining a record of all covered technologies used in investor interactions, including the date of first use and each date on which the technology is materially modified). If adopted, the proposed rule could expose the Registrant to additional regulatory uncertainty, liability and increased compliance and other costs related to procuring, utilizing and monitoring covered technologies used in direct or indirect interactions with investors (including the costs of onboarding service and technology providers).

If adopted, the Predictive Data Proposal could also cause the Registrant to limit or discontinue its use of certain covered technologies (even in cases where such technologies benefit the Clients or investors, including in connection with the Registrant's management of investments in Portfolio Entities) in order to: eliminate or neutralize conflicts associated therewith or to avoid the costs or burdens of complying with the rule with respect to such technologies; limit certain direct or indirect interactions with investors that involve the use of a covered technology; or otherwise alter how it integrates covered technologies into its investment management services and related processes, which could be detrimental to the Clients and their investors, particularly given the proposed rule's breadth.

In February 2023, the SEC proposed extensive amendments to the Registrants Act custody rule (the "Proposed Safeguarding Rule"), which would, if adopted as currently proposed, extend the existing custody rule's requirements beyond cash and securities to any positions held in an advisory client's accounts (including assets such as real estate, artwork and rights to music catalogs); require registered investment advisers to enter into new or amended written agreements with each qualified custodian ("QC") used to maintain client assets and obtain written assurances from that QC related to, among other matters, indemnification of client losses and the QC's standard of care; require that a QC maintains possession or control of client assets, whereby the QC is required to participate in and effectuate any change of beneficial ownership of the assets, except with respect to certain privately offered securities and physical assets that the adviser reasonably determines (and documents in writing) cannot be maintained by a QC in a manner in which such QC can maintain possession or control of those assets. If adopted, the proposed amendments could expose the Registrant to additional regulatory liability, increase compliance costs and costs related to custodying the Clients' assets (including costs of identifying and negotiating with new and existing QCs), limit the number of QCs available (or make it more costly for such QCs to operate, which might result in higher expenses to the Clients) and impose limitations or requirements on certain assets, which could result in the Registrant avoiding making certain types of investments on behalf of the Clients.

In May 2022, the SEC proposed ESG-related rules for investment advisers and for 1940 Act funds that address, among other things, enhanced ESG-related disclosure requirements concerning the incorporation of ESG factors in their investment activities (the "Proposed ESG Rules"). This could increase the risk that the Registrant will be perceived as, or accused of, greenwashing (i.e., the making of inaccurate or misleading statements related to ESG). Such perception or accusation could damage the Registrant's reputation, result in litigation or regulatory actions, and adversely impact the Registrant's ability to raise capital and attract new investors.

The SEC also adopted amendments to Form PF in May 2023 and in February 2024, which impose additional reporting obligations on registered investment advisers with respect to the private funds they manage (the "Form PF Amendments"). In addition, the SEC has also recently proposed, and can be expected to propose, additional new rules and rule amendments under the Advisers Act in respect of cybersecurity risk governance for advisers

and broker-dealers, the outsourcing of certain functions to service providers and changes to Regulation S-P (together with the Proposed ESG Rules, the Proposed Safeguarding Rule and the Predictive Data Proposal, the “Proposed Rules”).

The Private Funds Rules and the Form PF Amendments, as well as the Proposed Rules, to the extent adopted, are expected to result in material alterations to how Blackstone and the Registrant operate their business and/or the Clients, as well as the Registrant’s implementation of the Clients’ investment strategy, to significantly increase compliance burdens and associated costs (which, to the extent permitted under the Clients’ organizational documents, and consistent with applicable law, including the Private Funds Rules (once they become effective), will be treated as Client Expenses), and to possibly restrict the ability of the Registrant to receive certain expense reimbursements or allocate certain expenses in certain circumstances. This regulatory complexity, in turn, could increase the need for broader insurance coverage by fund managers and increase such costs and expenses charged to the Clients and their investors, if permitted. Certain of the proposed rules could also increase the cost of entering into and maintaining relationships with service providers to the Registrant and the Clients and/or limit the number of service providers in a manner detrimental to the Registrant or the Clients. In addition, these amendments could increase the risk of exposure of the Clients, the Registrant, and Blackstone to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect the Registrant, Blackstone, and the Clients’ reputation, and to negatively impact the Clients in conducting their business. There can be no assurance that the Private Funds Rules and any other new SEC or other regulatory rules and amendments will not have a material adverse effect on the Registrant, Blackstone, the Clients, their investments, and/or the Clients’ investors or that such rules or amendments will not materially reduce returns to Client investors.

**ESG Matters.** As noted above, the Registrant has established an ESG Policy that the Registrant intends to apply, as applicable, across investments consistent with and subject to its fiduciary duties and applicable legal, regulatory or contractual requirements. The Registrant will endeavor to consider material<sup>1</sup> ESG factors where applicable 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 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 or values or preferred practices of other asset managers or with market trends. Additionally, ESG factors are only some of the many factors that the Registrant will consider in making an

---

<sup>1</sup> As used in this instance, “material” ESG factors are defined as those factors that the Adviser determines have – or have the potential to have – a material impact on an investment’s going-forward ability to create, preserve or erode economic value, including as related to environmental and social value, for that organization and its partners. 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 US federal securities laws or any similar legal or regulatory regime globally.



investment and, depending on the nature of the investment, except to the extent required by law, ESG factors will not be considered for certain investments or assets. Although the Registrant considers application of the ESG Policy to be an opportunity to enhance or protect the performance of investments over the long-term, the Registrant cannot guarantee that the application of its ESG Policy, which depends in part on skills and qualitative judgments, will positively impact the performance of any individual Portfolio Entity or Client. Similarly, to the extent the Registrant or a third-party ESG specialist engages with portfolio investments on ESG related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of the investment. Successful engagement efforts will depend on the Registrant's ability to properly identify and analyze material ESG considerations and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful.

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 often depends upon (and will not independently verify) information and data provided by the entity or obtained via third-party reporting or advisors, which will, in certain circumstances, be incomplete or inaccurate and could cause the Registrant to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities. The Registrant can be expected to decide in its discretion not to utilize certain information or data. While the Registrant believes such sources to be reliable, it will neither update any such information or data nor undertake an independent review of any such information or data provided by third parties. Subject to any applicable legal or regulatory requirements, any ESG reporting will be provided in the Registrant's sole discretion.

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

There is also growing regulatory and investor interest, particularly in the US, UK, and EU (which will 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. The Registrant can be expected to be subject to increasing scrutiny from regulators, elected officials, and investors with respect to ESG matters. In recent years, certain investors, including public pension funds, have placed increasing importance on the impacts of investments made by the private funds to which they commit capital, including with respect to climate change, among other aspects of ESG. Conversely, certain investors have raised concerns as to whether the incorporation of ESG

factors in the investment and portfolio management process is inconsistent with the fiduciary duty to maximize returns for investors. The Registrant can expect to be subject to competing demands from different investors and other groups with divergent views on ESG matters, including the role of ESG in the investment process. Investors, including public pension funds, which represent a significant portion of the Clients' investor bases, could decide to withdraw previously committed capital (where such withdrawal is permitted) or not commit capital to future fundraises based on their assessment of how Blackstone approaches and considers the ESG cost of investments and whether the return-driven objectives of Blackstone's funds align with their ESG priorities. This divergence increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some investors and/or interested parties and adversely impact the Registrant's reputation and business.

Regulatory initiatives to require investors to make disclosures to their investors regarding ESG matters have become increasingly common, which will further increase the number and type of investors who place importance on these issues and who demand certain types of reporting from Blackstone or the Registrant. In addition, government authorities of certain U.S. states have requested information from and scrutinized certain asset managers with respect to whether such managers have adopted ESG policies that could restrict such asset managers from investing in certain industries or sectors, such as conventional energy. These authorities have indicated that such asset managers could lose opportunities to manage money belonging to these states and their pension funds to the extent the asset managers boycott certain industries. The U.S. Securities and Exchange Commission (the "SEC") maintains an enforcement task force to examine ESG practices and disclosures by public companies and investment managers and identify inaccurate or misleading statements, often referred to as "greenwashing." The SEC has commenced enforcement actions against at least three investment advisers relating to ESG disclosures and policies and procedures failures, and Blackstone expects there will continue to be significant enforcement activity in this area. The SEC has also proposed ESG-related rules for investment advisers and for 1940 Act funds that address, among other things, enhanced ESG-related disclosure requirements concerning the incorporation of ESG factors in their investment activities. This could increase the risk that the Registrant will be perceived as, or accused of, greenwashing. Such perception or accusation could damage the Registrant's reputation, result in litigation or regulatory actions, and adversely impact the Registrant's ability to raise capital and attract new investors. Outside of the United States, the European regulatory environment for alternative investment fund managers and financial services firms can be expected to evolve and increase in complexity and make compliance more costly and time-consuming. The Registrant's ESG Policy is subject to evolving regulations and could in the future become subject to additional regulation, penalties and/or risks of regulatory scrutiny and enforcement. Compliance with new requirements will lead to increased management burdens and costs, which has the potential to adversely affect Clients. The Registrant cannot guarantee that its current approach will meet future regulatory requirements, reporting frameworks or best practices. If the SEC or any other governmental authority, regulatory agency or similar body were to take issue with past or future practices of Blackstone or the

Registrant, then the Registrant will be at risk for regulatory sanction, and any such investigations could be costly, distracting and/or time consuming for the Registrant and its Clients. There is also risk of regulatory 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. The Registrant's ESG Policy does not represent a universally recognized standard for assessing ESG considerations and can be expected to 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 firmwide and business group-specific ESG-related initiatives. Although the aim of these initiatives is to create strong returns for investors, the pursuit of these initiatives (which could include data collection, analysis and reporting, among other activities) will involve the dedication of time and resources and there is consequently a risk that the pursuit of these initiatives could adversely affect the performance of the Clients. Further, these ESG-related initiatives are aspirational and not guarantees or promises that all or any such initiatives will be achieved.

**Sustainability Risks.** Certain Clients are impacted by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 ("SFDR") either because they are marketed within the European Economic Area ("EEA") or because they form part of a wider fund structure that includes funds managed by an EEA alternative investment fund manager. There is legal uncertainty around the parameters applicable when categorizing a financial product under SFDR, and there is no guarantee that regulators will agree with the relevant characterization. In circumstances where there is a determination that a product has been characterized incorrectly, there could be a risk of investigation, enforcement proceedings and/or sanctions. SFDR and certain supporting and related regulations are likely to be amended in the near to medium term and it is possible new guidance will 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 compliance and other costs for, and relating to, affected Clients.

The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. Blackstone, the Registrant (or its delegate), Clients, Portfolio Entities, and other parties, such as service providers or Client or Portfolio Entity counterparties, can be expected to be negatively affected by sustainability risks. If appropriate for an investment, it is possible the Registrant (or its delegate) will conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materializes. Similarly, even if Blackstone, the Registrant (or its delegate), Clients, Portfolio

Entities and other parties maintain insurance to protect against certain sustainability risks, such insurance is subject to customary deductibles and coverage limits and it can be expected that such insurance will not be sufficient to recoup all losses. Sustainability risks could therefore adversely affect the performance of the Clients and their investments.

**Custody and Banking Risks.** The Clients will maintain funds with one or more banks or other depository institutions (“Banking Institutions”), which include US and non-US Banking Institutions, and the Clients will enter into credit facilities or have other financial relationships with Banking Institutions. The distress, impairment or failure of one or more Banking Institutions with whom the Clients, their Portfolio Entities and/or the Registrant transact could inhibit the ability of the Clients or their Portfolio Entities to access depository accounts or lines of credit at all or in a timely manner. In such cases, it is possible that the Clients would be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Clients. In the event of such a failure of a Banking Institution where the Clients or one or more of their Portfolio Entities holds depository accounts (including accounts used for depositing principal and interest payments from borrowers on loans owned by the Clients), access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (“FDIC”) protection will generally not be available for balances in excess of amounts insured by the FDIC (and similar considerations could apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such instances, it is possible that the Clients and their affected Portfolio Entities would not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the Banking Institution and participate pro rata with other unsecured creditors in the residual value of the Banking Institution’s assets. The loss of amounts maintained with a Banking Institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Clients or their Portfolio Entities. One or more investors or the Registrant could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, the Registrant will not always be able to identify all potential solvency or stress concerns with respect to a Banking Institution or to transfer assets from one bank to another in a timely manner in the event a Banking Institution comes under stress or fails.

Additionally, there can be no assurances that a Client or its Portfolio Entities will establish banking relationships with multiple financial institutions. The Clients and their Portfolio Entities 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). Moreover, the Advisers Act custody rule generally prohibits the Registrant from transferring Client funds to an account of the Registrant or its related persons. Circumstances could arise where such a bank shows signs of distress or impairment and Blackstone and Portfolio Entities would need to decide between (1) moving assets to another bank in breach of such contractual obligations or to an account of the Registrant or its related persons in potential violation of the Advisers Act custody rule (thereby exposing the Clients or Portfolio Entities to breach of contract liability and/or regulatory risk), on the one hand, and (2) honoring the contractual obligations and

adhering to the Advisers Act custody rule but running the risk of losing the assets, on the other hand. Either decision could have a material adverse effect on the Clients or Portfolio Entities.

**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 loss of confidentiality, integrity or availability of such systems and the data held by 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' or Other Blackstone Clients' and their underlying investors' 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. Attacks on Blackstone's systems could also involve ransomware or other forms of cyber extortion. Cyberattacks and other data 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, consultants, independent contractors or other service providers.

There has been an increase in the frequency and sophistication of the cyber and data 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, Other Blackstone Clients and their respective Portfolio Entities, 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 adequate protection, especially because cyberattack techniques are continually evolving and it is possible cyberattacks will persist undetected over extended periods of time and/or will not be mitigated in a timely manner to prevent or minimize the impact of an attack on Blackstone, the Clients, Other Blackstone Clients and their respective Portfolio Entities, potential investments or investors. If Blackstone's systems or those of third-party service providers are compromised either as a result of malicious activity or through inadvertent transmittal or other loss of data, 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, increased costs, a disruption of Blackstone's businesses, liability to Blackstone's counterparties, the Clients, Other Blackstone Clients and their respective investors, regulatory intervention or reputational damage. It can be expected that costs related to certain cyber or other data 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 and Other Blackstone Clients, 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, the U.K. Data Protection Act, 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 requiring the adoption and implementation of cybersecurity policies and procedures, enhanced disclosure in regulatory filings and prompt reporting of certain cybersecurity incidents to the SEC, which, if adopted, 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’, Other Blackstone Clients’, Portfolio Entities’ or their respective investors’ or counterparties’ 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’, Other Blackstone Clients’, Portfolio Entities’, their respective investors’ or counterparties’ or third parties’ business and operations, which could result in significant financial losses, increased costs, liability to the Clients’ and Other Blackstone Clients’ 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’ and Other Blackstone Clients’ investors and clients to lose confidence in the effectiveness of Blackstone’s security measures and Blackstone more generally.

The Clients’ and Other Blackstone Clients’ Portfolio Entities also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information, which in some instances are provided by third parties. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. Certain Clients and Other Blackstone Clients 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 a 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 Entities to increase preventative security measures or expand insurance coverage.

Finally, the Clients' and Other Blackstone Clients' 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' and Other Blackstone Clients' 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' and Other Blackstone Clients' Portfolio Entities 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 Blackstone Clients' portfolio companies.

***Rapidly developing and changing global data security and privacy laws and regulations could increase compliance costs and subject Blackstone to enforcement risks and reputational damage.***

Blackstone, the Clients, Other Blackstone Clients and their respective Portfolio Entities are subject to various risks and costs associated with the collection, storage, transmission and other processing of personally identifiable information ("PII") and other sensitive and confidential information. This data is wide ranging and relates to Blackstone's investors, employees, contractors and other counterparties and third parties.

Blackstone's data security and privacy compliance obligations impose significant compliance costs on Blackstone, which could increase significantly as laws and regulations evolve globally. Blackstone's compliance obligations include those relating to U.S. laws and regulations, including, without limitation, state regulations such as the CPRA, which provides for enhanced consumer protections for California residents, a private right of action for data breaches and statutory fines and damages for data breaches or other California Consumer Privacy Act ("CCPA") violations, as well as a requirement of "reasonable" cybersecurity. At the U.S. federal level, the SEC has proposed changes to Regulation S-P, which would require, among other things, that investment companies, broker-dealers, and SEC-registered investment advisers notify affected individuals of a breach involving their personal financial information within 30 days of becoming aware that it occurred.

Blackstone's compliance obligations also include those relating to foreign data collection and privacy laws, including, for example, the GDPR and U.K. Data Protection Act, as well as laws in many other jurisdictions globally, including Switzerland, Japan, Hong Kong, Singapore, India, China, Australia, Canada and Brazil. Global laws in this area are rapidly increasing in

the scale and depth of their requirements, and are also often extra-territorial in nature. In addition, a wide range of regulators and private actors are seeking to enforce these laws across regions and borders. Furthermore, Blackstone frequently has privacy compliance requirements as a result of Blackstone's contractual obligations with counterparties. These legal, regulatory and contractual obligations heighten Blackstone's data protection and privacy obligations in the ordinary course of conducting Blackstone's business in the U.S. and internationally.

Any inability, or perceived inability, by Blackstone, the Clients, Other Blackstone Clients or their respective Portfolio Entities to adequately address data protection or privacy concerns, or comply with applicable laws, regulations, policies, industry standards and guidance, contractual obligations, or other legal obligations, even if unfounded, could result in significant legal, regulatory and third party liability, increased costs, disruption of Blackstone's, the Clients', Other Blackstone Clients' or their respective Portfolio Entities' business and operations, and a loss of client (including investor) confidence and other reputational damage. In addition, any such inability or perceived inability of Portfolio Entities, even if unfounded, could result in reputational damage to Blackstone. Many regulators have indicated an intention to take more aggressive enforcement actions regarding data privacy matters, and private litigation resulting from such matters is increasing and resulting in progressively larger judgments and settlements. Furthermore, as new data protection and privacy-related laws and regulations are implemented, the time and resources needed for Blackstone, the Clients, Other Blackstone Clients and Portfolio Entities to comply with such laws and regulations continues to increase and become a significant compliance workstream.

**Inflation.** The U.S. and other developed economies are experiencing 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 had in the past, and could in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a Portfolio Entity is unable to increase its revenue in times of higher inflation, its profitability will likely be adversely affected, including, without limitation, as a result of increased operating costs. Portfolio Entities could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. Nevertheless, as inflation rises, even if a Portfolio Entity earns more revenue, it will typically also incur higher expenses. Furthermore, as inflation declines, it is possible that a Portfolio Entity will not be able to reduce expenses commensurate with any resulting reduction in revenue. Additionally, 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 could continue to impose wage and price controls or otherwise intervene in the economy, and certain central banks have raised and could 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 a material adverse impact on Clients' returns.

**Artificial Intelligence Developments.** Recent technological developments in artificial intelligence, including machine learning technology and generative artificial intelligence such as ChatGPT (collectively, "AI Technologies"), pose risks to the Registrant, the Clients, and the Portfolio Entities (including Portfolio Entities of the Clients and Other Blackstone Clients expected to provide services to Clients). Any of these technological innovations could result in harm to the Registrant or the Portfolio Entities, significantly disrupt the market in which they operate and subject them to increased competition, which could materially and adversely affect their business, financial condition and operations, and have an adverse impact on Clients.

The Registrant, the Clients, and the Portfolio Entities intend to avail themselves of the benefits, insights and efficiencies that are available through the use of AI Technologies. However, the use of AI Technologies presents a number of risks that cannot be fully mitigated. For example, AI Technologies are highly reliant on the collection and analysis of large amounts of data and complex algorithms, but it is not possible or practicable to incorporate all relevant data into models that AI Technologies utilize to operate. Moreover, with the use of AI Technologies, there often exists a lack of transparency of how inputs are converted to outputs and the Registrant cannot fully validate this process and its accuracy. The accuracy of such inputs and the resulting impact on the results of AI Technologies cannot be verified and could result in a diminished quality of work product that includes or is derived from inaccurate or erroneous information. Further, inherent bias in the construction of AI Technologies can lead to a wide array of risks, including but not limited to accuracy, efficacy and reputational harm. Therefore, it is expected that data in such models will contain a degree of inaccuracy and error, and potentially materially so, and that such data, as well as algorithms in use, could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technologies and could adversely impact the Registrant, the Clients, or Portfolio Entities and investments to the extent they rely on the work product of such AI Technologies. At the same time, any interruption of access to or use of AI Technologies could impede the ability of the Registrant, the Clients, and Portfolio Entities to generate information and analysis that could be beneficial to them and their business, financial condition and results of operations. AI Technologies will likely also be competitive with certain business activities or increase the obsolescence of certain organizations' products or services, particularly as AI Technologies improve. This could also have an adverse impact on Portfolio Entities, the Registrant, and the Clients.

AI Technologies can also be misused or misappropriated by third parties and/or employees of the Registrant or Portfolio Entities. For example, there is a risk that a user will input confidential information, including material non-public information, or personal identifiable information, into AI Technologies applications, resulting in such information becoming part of a dataset that is accessible by other third-party AI Technologies applications and users, including competitors of the Registrant, the Clients, and their Portfolio Entities. Moreover, the Registrant, the Clients, and Portfolio Entities will not necessarily be in a position to control the manner in which third-party AI Technologies are developed or maintained or the manner in which third parties use AI Technologies to provide services, even where they have sought contractual protections. The use of AI Technologies, including potential inadvertent disclosure of confidential information or personal identifiable information of the Registrant, Clients, or Portfolio Entities, could also lead to legal and regulatory investigations and enforcement actions. Relatedly, the Registrant, the Clients and Portfolio Entities could be exposed to risks to the extent third-party service providers or any counterparties use AI Technologies in their business activities.

The Registrant expects to be involved in the collection of such data and/or development of proprietary AI Technologies in the ordinary course. To this end, the Clients will pay and bear all expenses and fees associated with developing and maintaining such technology, including the costs of any professional service providers, subscriptions and related software and hardware, server infrastructure and hosting, internal Blackstone expenses, fees, charges and/or related costs incurred, charged or specifically attributed or allocated (based on methodologies determined by Blackstone) to the Clients, the Registrant or their affiliates in connection with such AI Technologies. See “Additional Fees and Expenses” herein.

Regulations related to AI Technologies could also impose certain obligations on organizations, and the costs of monitoring and responding to such regulations, as well the consequences of non-compliance, could have an adverse effect on Blackstone, the Registrant, the Clients, and Portfolio Entities. For example, the EU is in the process of introducing a new regulation application to certain AI Technologies and the data used to train, test and deploy them (the “EU AI Act”). Once in effect, the EU AI Act would impose material requirements on both the providers and deployers of AI Technologies, with infringement punishable by sanctions of up to 7% of annual worldwide turnover or EUR 35 million (whichever is higher) for the most serious breaches. See also the description of the Predictive Data Proposal in “Regulation with Respect to Private Funds and Advisers” herein. Complying with the EU AI Act and the Predictive Data Proposal, once effective, and other regulations related to AI Technologies, could involve material compliance costs and/or adversely affect the operations or results of Blackstone, the Registrant, and Portfolio Entities, and have an adverse impact on the Clients.

AI Technologies and their current and potential future applications, including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is not possible to predict the full extent

of current or future risks related thereto. For more information on risks relating to information security, see “Cybersecurity and Data Protection” herein.

## Item 9 – Disciplinary Information

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

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a lawsuit or arbitration. 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 or the Registrant’s clients. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone’s or the Registrant’s public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which can be accessed through the web site of the SEC ([www.sec.gov](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>), and (ii) materials made available through Blackstone’s BXAccess online portal related to the Clients and/or certain of their respective affiliates, which is accessible to Blackstone’s limited partners for the funds and/or accounts in which they are invested. Anything disclosed in Blackstone’s or the Registrant’s public filings and/or which are otherwise made available to the Advisory Accounts or 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

### Other Financial Industry Activities

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Registrant, the Clients, the Other Blackstone Clients, the investments of the Clients (including Underlying Vehicles) and Other Blackstone Clients and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. Additional conflicts of interest are also expected to arise by virtue of the Clients' investments in third-party fund managers and their investment activities (including, where applicable, their management of pooled investment vehicles), although such fund managers and pooled investment vehicles will not be considered "affiliates" of Blackstone or the Clients for any purpose under the Clients' organizational documents. However, not all potential, apparent and actual conflicts of interest are included herein, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. Potential limited partners should review this section and the applicable Client's offering and/or governing documents carefully for additional risks and conflicts disclosure before making an investment decision.

Any references to Blackstone and/or the Registrant in this section will be deemed to include their respective affiliates (including the General Partners), partners, members, shareholders, officers, directors and employees. References throughout this section to "Portfolio Entity" describes, individually and collectively, any entity owned, directly or indirectly through subsidiaries, by the Clients or Other Blackstone Clients, including, as the context requires, Underlying Vehicles, portfolio companies, holding companies, special purpose vehicles and other entities through which investments are held. References throughout this section to "Other Blackstone Clients" describes as the context requires, individually and collectively, any other funds, vehicles or accounts, including separately managed accounts, managed or advised by Blackstone (including those in existence on the date hereof and those that will be formed in the future), other than the Clients and their alternative investment vehicles.

If any matter arises that the Registrant determines in its good faith judgment constitutes an actual and material conflict of interest, the Registrant and relevant affiliates will take the actions they determine appropriate to mitigate the conflict, which will be deemed to fully satisfy any fiduciary duties they will have to the Clients or the limited partners. Thereafter, the Registrant and relevant affiliates will be relieved of any liability related to the conflict to the fullest extent permitted by law.

Actions that could be taken by the Registrant or its affiliates that are designed to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described herein, (ii) presenting a material conflict of interest to the advisory committee and/or the limited partners of the Clients as expressly provided for in the applicable partnership agreement, (iii) obtaining from the advisory committee and/or the

limited partners advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the advisory committee and/or the limited partners to address the conflict, (iv) disposing of the investment or security giving rise to the conflict of interest, (v) disclosing the conflict to the advisory committee and/or the limited partners of the Clients (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications), (vi) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the limited partners or the advisory committee, the limited partners (or advisory committees or limited partner representatives) of the applicable Other Blackstone Clients or independent client representatives (if any) regarding the conflict of interest and either obtaining a waiver or consent from the limited partners, advisory committee or such independent client representative of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the limited partners, advisory committee or such independent client representative with respect to such conflict of interest, (vii) validating the arms-length nature of the transaction by referencing participation by unaffiliated third parties, (viii) appointing an independent client representative to act or provide consent with respect to the matter giving rise to the conflict of interest, (ix) in the case of conflicts among clients, creating groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise or represent one of the clients that has a conflicting position with Other Blackstone Clients, (x) implementing policies and procedures reasonably designed to mitigate the conflict of interest, or (xi) otherwise handling the conflict as determined appropriate by the Registrant in its discretion. For the avoidance of doubt, where the consent or approval of any advisory committee is sought with respect to any Other Blackstone Client matter, the consent or approval of a Client's advisory committee shall not be required in connection with such matter, and the lack thereof shall not prevent any Other Blackstone Client from proceeding on the basis of any Other Blackstone Client advisory committees' consent or approval (including in circumstances in which the Client does not similarly proceed). Conversely, to the extent the advisory committee of any Other Blackstone Client does not consent to or approve of a matter, notwithstanding the consent or approval of a Client's advisory committee to such matter or the determination that such consent or approval is not necessary, the Registrant could determine not to proceed, which could result in the applicable Client not participating in transactions that the Registrant otherwise believe would be beneficial for the Clients.

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 will generally 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 and waiver of 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.

***Performance-Based Compensation.*** The General Partners' carried interest creates a greater incentive for the General Partners to make more speculative investments on behalf of the

Clients or time the purchase or sale of investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist, as the General Partners receive a disproportionate share of profits (above the preferred return hurdle, where applicable under the Clients' offering and/or governing documents). However, the significant commitment by Blackstone to invest in the Clients (which commitment, for the avoidance of doubt, can be allocated other than pro rata among the Clients and any parallel funds) and the General Partner clawback and related guarantee should reduce the incentives for the General Partners 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 potentially creates other misalignments of interests between the General Partners and limited partners, such as an incentive for the General Partners to defer disposition of an investment that would result in a realized loss (or a return on investment that was less than the preferred return, where applicable under the Clients' offering and/or governing documents) and trigger the clawback, or delay the dissolution and liquidation of the Clients if doing so would trigger a clawback obligation. In addition, the Tax Cuts and Jobs Act 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 the General Partners to cause the Clients to accelerate deployment of capital at the beginning of a Client's investment period, hold investments longer to ensure long-term capital gains treatment or dispose of investments prior to any change in law that would result in a higher effective income tax rate on carried interest. Furthermore, upon a withdrawal by the limited partners from a Client in certain circumstances, including in the event of a transfer of interests, and upon the liquidation of a Client, the General Partner will receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the General Partner and could incentivize the General Partner to value the securities higher than if there were no carried interest. The General Partners can engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third-party opinion of value, but there can be no assurance such an opinion will reflect value accurately. Moreover, under the terms of the applicable partnership agreement, a General Partner is entitled to elect to receive its carried interest with respect to an investment that is otherwise being sold in the form of an in-kind distribution of marketable securities of the related portfolio entity, including, but not limited to if the purpose of such election is to permit Blackstone personnel to donate such securities to charity (which include private foundations, funds or other charities associated with any such personnel). The tax benefit derived from charitable giving has the effect of reinforcing and/or enhancing the incentives otherwise resulting from the existence of the General Partners' carried interest described above.

***Blackstone Policies and Procedures; Information Walls.*** Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Specified policies and procedures, 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 reduce the synergies and collaboration across Blackstone's various businesses that the Clients expect to draw on for purposes of identifying, pursuing and managing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, including, but not limited to, private equity, growth equity, a credit business, a secondary funds business, an infrastructure business, an insurance solutions business, a hedge fund business, a capital markets group, a life sciences business and a real estate advisory business, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses and to protect against the inappropriate sharing and/or use of information between the 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 synergies and collaborations that the Clients expect to utilize for purposes of identifying, 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 Clients are considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to the Clients, might become restricted to those other respective businesses and otherwise be unavailable to the Clients. In particular, although the Registrant intends to leverage the Blackstone platform to access, among other things, Blackstone's extensive knowledge of certain potential or existing Underlying Vehicles, the formal information barriers in place between Blackstone and Strategic Partners, along with procedures in place that are designed to identify potential business conflicts, will from time to time prevent Strategic Partners and other parts of Blackstone from discussing any investment. Further, confidentiality obligations owed by the Registrant to Underlying Vehicles prevent the Registrant from disclosing information to other parts of Blackstone concerning the portfolio investment information of any Underlying Vehicle. 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 objectives 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, personnel of Blackstone will be unable to assist with the activities of the Clients 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, the Client will not be able to initiate a transaction that it otherwise might have initiated and will not be able to arrange for the sale and liquidation of all or any portion of an investment that such Client otherwise might have purchased or sold, which could negatively affect such Client's operations and/or performance.



In addition, to the extent that Blackstone is in possession of material non-public information or is otherwise restricted from trading in certain securities, the Clients and the Registrant will also be deemed to be in possession of such information or otherwise restricted. This could reduce the investment opportunities available to the Clients, and there can be no assurance that such policies and procedures will be effective in accomplishing their stated purpose or that they will not otherwise adversely affect the ability of the Clients to effectively achieve their investment objectives by unduly limiting the investment flexibility of the Clients and/or the flow of otherwise appropriate information between business units at Blackstone. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone fund has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of the Clients and/or their Underlying Vehicles and investments and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone will (in certain circumstances) enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for the Clients, can require the Clients to share such opportunities or otherwise limit the amount of an opportunity the Clients can otherwise take.

Since GP Stakes's integration into the Strategic Partners platform, personnel for the Registrant and GP Stakes have had access to information regarding each strategy's Portfolio Entities, including information received from underlying sponsors related to the performance of such Sponsor's funds. The sharing of such information can be expected to impact a Clients' ability to engage in, or the Registrant's analysis of, certain transactions. See "Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally" and "Minority Investments in Asset Management Firms."

***Blackstone's Other Activities Could Limit the Strategic Partners Business.*** The investment opportunities that will be made available to the Clients will be limited by the other activities of Blackstone, and by reason of the Clients being affiliates of Blackstone. In addition, other business groups within Blackstone will possess material nonpublic information or other information that will effectively limit the ability of the Clients to make certain investments and, more importantly, sell certain investments. Any such restrictions can materially constrain the investment flexibility of the Clients.

Conflicts of interest will also arise with respect to Blackstone's provision of services to the Clients, Portfolio Entities, the Other Blackstone Clients and other clients of Blackstone, as well as actions taken by Blackstone on behalf of such Other Blackstone Clients and/or their affiliates. In performing services on behalf of the Clients, Portfolio Entities, Other Blackstone Clients and/or other clients and affiliates, Blackstone can take actions that will impact the Clients, and Blackstone's other activities, provision of services and management of such Other Blackstone Clients and/or affiliates will generally be carried out independently from the General Partners' and the Registrant's activities with respect to the Clients.

**Management of Other Blackstone Clients.** One of the core businesses at Blackstone is the management of Other Blackstone Clients. Blackstone's management of the Other Blackstone Clients will, from time to time, give rise to actual or potential conflicts of interest relating to the Clients, and there can be no assurance that such conflicts will be resolved in favor of the Clients. Moreover, the economic interests of Blackstone in such Other Blackstone Clients will incentivize Blackstone to take actions with respect to such Other Blackstone Clients which will conflict with or adversely affect the interests of the Clients, and it is possible that the interests of the Clients will be subordinated or adversely affected by virtue of Blackstone's management of such Other Blackstone Clients.

**Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally.** Through its other investment funds and collective investment vehicles (including vehicles in existence as of the date hereof and those that will be formed in the future, including, as applicable, any Overage Fund (as defined herein)), and its affiliates, Blackstone currently invests capital across a broad spectrum of asset classes and investment opportunities. As a result, there can be circumstances where such Other Blackstone Clients and/or other affiliates of Blackstone will participate in transactions in which the Clients indirectly participate through their secondary interests in Underlying Vehicles (including, where applicable, certain Other Blackstone Clients) or where Other Blackstone Clients directly or indirectly have a different principal investment relative to the investment by the Clients. To the extent a Client or an Underlying Vehicle holds securities in an investment that are different (including with respect to their relative seniority) than those held by Other Blackstone Clients in the same investment (and in certain circumstances the Registrant will be unaware of an Other Blackstone Client's participation, as a result of information walls or otherwise), the General Partners, the Registrant and their affiliates will be presented with decisions when the interests of the Client and such Other Blackstone Clients are in conflict. For example, Blackstone sponsors a number of Other Blackstone Clients, the investment strategies of which include making investments (in equity and debt) in which the Clients will have an indirect interest. To the extent any such Other Blackstone Clients acquire and/or otherwise hold debt securities or other similar interests in investments in which the Clients have an indirect equity interest, the interests of such Other Blackstone Clients and/or affiliates can be expected to diverge substantially from the interests of the Clients (including, in particular, in the event of financial distress or bankruptcy of such investments). In addition, conflicts of interest can be expected to arise in circumstances where the Clients make an investment in an Underlying Vehicle (including Other Blackstone Clients), which in turn has an interest in an investment in which an Other Blackstone Client, or an affiliate of Blackstone, also holds an interest. There will also be circumstances where Other Blackstone Clients and/or affiliates will make investments in the same investment in which the Clients have an indirect interest, including at different levels of such Portfolio Entity's capital structure. In that regard, the investment activities of such Other Blackstone Clients will generally be carried out without regard to the investment positions or interests of the Clients, and actions will be taken for the Other Blackstone Clients that are adverse to the Clients.

From time to time, the Clients are expected to participate in transactions with Other Blackstone Clients where one or more Other Blackstone Clients purchase a portion of one or more assets from an Underlying Vehicle and the Clients purchase a portion of such remaining assets in a transaction that provides a liquidity option to the existing investors of such Underlying Vehicle while enabling the third-party sponsor of such Underlying Vehicle to continue managing such Underlying Vehicle (or a successor entity thereof) and its remaining interests in such assets. The Clients, and such Other Blackstone Clients are expected to participate in any such transaction as part of a joint bid or some other collaborative manner or independently. It is expected that in such situations the Clients and such Other Blackstone Client(s) will participate in the investment in such assets on different terms and at different times. For example, the Clients will not share in any governance rights that the Other Blackstone Client(s) will have with respect to the underlying assets and can be expected to pay management fees, carried interest and other incentive compensation to the third-party sponsor of such Underlying Vehicle, while, as a direct purchaser of the relevant assets, the Other Blackstone Clients would not. Certain conflicts of interest can be expected to arise in connection with such transactions. For example, such third-party sponsor can agree to sell a portion of the assets to such Other Blackstone Clients (and on such terms that are more favorable to such Other Blackstone Clients) as a result of, among other considerations, the liquidity solution the Clients provide to the existing investors in the Underlying Vehicle while permitting the third-party sponsor to continue managing a portion of, and continue to earn fees, carried interests and/or other incentive compensation with respect to, such assets (including on terms that are less favorable to the Clients). In addition, conflicts of interest will arise following the consummation of such transaction between the Clients and such Other Blackstone Client(s), including, without limitation, those conflicts described in the preceding paragraph.

Furthermore, another Client can invest in the underlying vehicle of a particular asset manager that is selling its assets or otherwise transacting with another underlying vehicle in which a Client is invested in. Conflicts of interest can be expected to arise between such Clients in connection with any such transactions, and there can be no assurance that such conflicts will be resolved in favor of a Client. Other Blackstone Clients (and other Clients) can have an interest in an underlying vehicle sponsored by an asset manager in which a Client is invested (directly or indirectly) (or vice versa). In the event the consent of such Other Blackstone Client (or the other Clients, as applicable) is sought by such asset manager in connection with such Other Blackstone Client's (or the other Clients') interests in such underlying vehicle, there can be no assurances that such interests will be voted in a manner that is consistent with the best interest of the Clients (or such Other Blackstone Client, as applicable) with respect to their interests in such asset manager. Relatedly, in certain circumstances in the ordinary course of the Clients' and Other Blackstone Clients' investment activities, the Clients could from time to time bear fees or incentive compensation payable indirectly to an Other Blackstone Client (or another Client) as a result of such indirect ownership of such Other Blackstone Client or the Clients, as applicable, in the manager or advisor of an underlying vehicle.

In addition, conflicts can be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the return on a Client's investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction. In addition, it is possible that in a bankruptcy proceeding, a Client's interest can be subordinated or otherwise adversely affected by virtue of such Other Blackstone Clients' involvement and actions relating to its investment. As a result, the interests of the Clients can be subordinated or otherwise materially and adversely affected by the investment activities of such Other Blackstone Clients. While Blackstone will seek to resolve any such conflicts of interest in a fair and equitable manner, there can be no assurance that such conflicts will be resolved in favor of the Clients.

In these situations, in order to mitigate any such conflicts of interest, a Client can recuse itself from participating in any decisions relating or with respect to such investment by the Client or the applicable investments by the Other Blackstone Clients, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the actions described below that Blackstone can be expected to take to mitigate the conflict, Blackstone will, in certain circumstances, be required to take action when it will have conflicting loyalties between its duties to the Clients and such Other Blackstone Clients, which could adversely impact the Clients. In that regard, actions can be taken for Other Blackstone Clients that are adverse to the Clients (and vice versa). If a Client 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. 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 will have with respect to the parties to the transaction. In addition, under certain circumstances, a Client can be prohibited (or refrain) from decision-making or exercising other rights it would otherwise have with respect to a Portfolio Entity, as a result of the Client's affiliation with Other Blackstone Clients that own different interests in such Portfolio Entity. While the Registrant will seek, where applicable, to have a third party exercise rights on behalf of a Client for purposes of exercising voting rights and/or managing any conflicts of interest related to such investments (which can include third-party co-investors or independent representatives), in certain instances such investments will be made without any such third-party participation (for example, because the Client owns or acquires the entirety of the relevant instrument or tranche), and in such circumstances the absence of any such third party could adversely affect the Client or its interest in the Portfolio Entity (or the applicable Other Blackstone Client(s)) or its ability to effectively mitigate such conflicts of interest. Except to the extent expressly subject to the management fee offset provisions of the applicable offering and/or governing documents, the limited partners will in no way receive any benefit from fees paid to the Registrant or its affiliates from a Portfolio Entity in which any Other Blackstone Client also has an interest (including, for greater certainty, any fees Blackstone received as a result of the provision of services by the Registrant).

***Simultaneous Transactions.*** There will be instances where Blackstone negotiates transactions with counterparties that involve a Client, an Other Blackstone Client and/or Blackstone in different capacities. For example, a Client will, in certain circumstances, 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, or receives financing from or repays financing related to, a portfolio company of an Other Blackstone Client or Blackstone. While these transactions will be separate or non-contingent, due to the simultaneous or closely related timing of these transactions, there will be actual or perceived conflicts of interest in connection with such transactions due to Blackstone's duties to the applicable Client on the one hand, and such Other Blackstone Client or Blackstone participating in the related transaction on the other, for example with respect to ensuring each transaction is separately in the best interest of the applicable Other Blackstone Client and/or such Client 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 will, in certain circumstances, 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.

***Syndication; Warehousing.*** Blackstone, the Clients, Other Blackstone Clients, joint venture partners, or affiliates or related parties of the foregoing could, subject to the limitations in the applicable partnership agreements, commit to or initially acquire an investment as principal and subsequently sell some or all of it to the Clients, Other Blackstone Clients, co-investment vehicles and/or other third parties or co-investors in an affiliate or related party transaction. Similarly, subject to the limitations in the Clients' partnership agreements, the Clients will, in certain circumstances, commit to or initially acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, the Registrant, Other Blackstone Clients, co-investment vehicles, 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 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 such other party having more of the investment (including expenses relating to such unconsummated syndication) 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 other Clients or Other Blackstone Clients 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 will, in certain circumstances, participate in a syndication alongside the Clients but at a different interest rate, due to legal, regulatory, accounting, administrative or other considerations. The

Registrant 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 has declined below or increased above cost from the date of acquisition to the time of such transfer. The Registrant also reserves the right to determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, the Registrant will, in certain circumstances, charge fees on these transfers to either or both of the parties to them. The Registrant or its affiliates will 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. 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, the Registrant will have a conflict of interest when the Registrant receives fees, including the incentive allocation, from an Other Blackstone Client acquiring from or transferring to a Client all or a portion of an investment.

Furthermore, the Registrant and its affiliates have the right to commit to or initially acquire a portion of an investment alongside the Clients if it intends to syndicate such amounts to Other Blackstone Clients or third parties (which could include one or more limited partners or investors in Other Blackstone Clients), and to retain such amounts not ultimately syndicated after having used reasonable efforts to syndicate. The equity committed/used in any such underwriting by the Registrant and its affiliates could 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 could come from an Other Blackstone Client. In such circumstances, Blackstone will have the right to earn underwriting and/or syndication fees from the Clients, the portfolio entities, or the purchasers of such equity, and the Clients and 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 Registrant could be incentivized to underwrite and/or syndicate amounts of equity in investments due to the right to earn fees not subject to offset in favor of the limited partners, even if the capital used to underwrite such amounts do not come entirely from the Blackstone's own balance sheet as described above, and Blackstone could share such fees with one or more third parties that commit to such equity investments and could charge purchasers of the equity fees and carried interest with respect thereto.

More specifically, a Client 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 syndicate all or part of such co-investments to one or more co-investors (and the Clients could similarly acquire a portion of certain investments with the intent to syndicate such portion to one or more Other Blackstone Clients) in accordance with the terms of the applicable partnership agreement within a specified period of time of acquiring such co-investment at a price equal to the sum of (i) the Client's acquisition cost for the transferred portion of such co-investment, including any allocable expenses relating thereto (based on the amount syndicated relative to the

amount retained by the Clients), and (ii) in the event the syndication was initially funded by capital contributions from limited partners, interest on such amount from the closing date of such co-investment by the Client through the transfer date to the participating co-investors. Depending on the change in value of the investment during such interim period, the Clients will not, in certain circumstances, receive the full benefit of any increase in value. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the Clients and/or parallel funds.

These conflicts related to syndication of investments and warehousing will not necessarily be resolved in favor of the Clients, and investors will not be entitled to receive notice or disclosure of the occurrence of these conflicts.

***Secondary Transfers.*** To the extent the Registrant has discretion over a secondary transfer of interests in a Client pursuant to such Client's applicable organizational documents, or is asked to identify potential purchasers in a secondary transfer, the Registrant will do so in its sole discretion, taking into account the following factors, among others:

- The Registrant's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Registrant'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 provide indirectly longer-term benefits to current or future Clients and/or the Registrant and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Registrant, the applicable Client, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Client (including any commitment, or agreement to make a commitment, into an existing or a future Other Blackstone Client and/or other Client);
- Requirements in such Client's organizational documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

***Continuation Vehicles and Continuation Transactions.*** The Registrant could, subject to the requirements of the Clients' organizational documents, from time to time establish other investment vehicles for the purpose of purchasing one or more investments from a Client (including, but not always, where the selling Client is approaching the end of its term) in connection with, or alongside another Client making an investment (such vehicles,

**“Continuation Vehicles”** and such transactions, **“Continuation Transactions”**). In such circumstances, the Registrant is acting on behalf of, and making the investment decision for, both a Client 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 the Continuation Vehicle more generally. Further, because the Registrant and/or its affiliates will have the opportunity to earn additional management fees and/or receive additional carried interest and other benefits in respect of such Continuation Transactions, and because each purchaser’s commitment to acquire interests in a Continuation Vehicle will ordinarily be conditioned upon completion of the Continuation Transaction, the Registrant 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, certain Continuation Transactions will be able to be completed at the initiation of the Registrant without any such approval.

***Co-Investment Opportunities.*** The Clients will allocate co-investment opportunities to limited partners of the Clients, Other Blackstone Clients and their investors, Blackstone affiliates and other parties with whom Blackstone has a material relationship. The offering and allocation of co-investment opportunities is entirely and solely in the discretion of the Registrant, and it is expected that many investors who have expressed an interest in co-investment opportunities (including limited partners) will not be allocated any co-investment opportunities (notwithstanding any agreement by the Registrant to consider a limited partner for co-investment opportunities) or will, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested. For example, the Registrant intends to prioritize any overage account in the allocation of co-investment opportunities (See “Other Blackstone Clients; Allocation of Investment Opportunities”). To the extent Other Blackstone Clients and/or their limited partners, Blackstone affiliates or other parties with whom Blackstone has a material relationship make a capital commitment and/or contributions to a co-investment opportunity, it could reduce the amount of such co-investment available to the limited partners. Furthermore, co-investment opportunities offered by the Registrant 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 the Registrant determines to be appropriate in its sole discretion on a case-by-case basis, which will differ amongst co-investors with respect to the same co-investment. In addition, the performance of Other Blackstone Clients co-investing with the Clients is not considered for purposes of calculating the carried interest payable by the Clients to the General Partners. Furthermore, the Clients and co-investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold periods. The Registrant, 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.



The General Partners and their affiliates are permitted to make capital commitments and/or contributions to co-investment opportunities and co-investment vehicles investing alongside the Clients, including, without limitation, to the extent the applicable General Partner 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 co-investment opportunity or vehicle. Such amounts so committed or contributed are permitted, at the option of the applicable General Partner, to be deemed part of the amount Blackstone is otherwise required to contribute to the applicable Client or a separate commitment to such co-investment. If deemed part of the amount Blackstone is otherwise required to contribute to the applicable Client, such amounts would be in full or partial satisfaction of any such amounts that would otherwise be invested in such Client 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, it could reduce the amount of such co-investment available to the limited partners. Any such amounts invested by a General Partner or its affiliates in co-investments alongside a Client and deemed part of the amount Blackstone is otherwise required to contribute to such Client will result in such General Partner and its affiliates contributing less to such Client than Blackstone's capital commitment to the Client would otherwise imply.

- General Co-Investment Considerations: There are expected to be circumstances where an amount that would have otherwise been invested by the Clients is instead allocated to overage accounts and other co-investors (who can be expected to include limited partners or limited partners of Other Blackstone Clients, and can 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. With respect to investment opportunities shared with other funds, as further described below (see "Other Blackstone Clients; Allocation of Investment Opportunities"), amounts offered to co-investors will, in certain circumstances, reduce the amount allocated to Clients and their Comparable Vehicles pro rata or will, in certain circumstances, reduce the amount allocated to any of the Clients and their Comparable Vehicles disproportionately. As a general matter, the allocation of co-investment opportunities is entirely discretionary on the part of the applicable General Partner, and it is expected that many investors who have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or shall receive a smaller amount of co-investment opportunities than the amount requested. The Registrant will take into account various facts and circumstances deemed relevant by Blackstone and/or 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 Blackstone and/or 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 Blackstone's and/or 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 Clients and strategic third-party investors; whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone; whether a potential co-investor has committed to an Other Blackstone Client; the size of the potential co-investor's interest to be held in the underlying Portfolio Entity as a result of the Clients' investments (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, Strategic Partners, other affiliated funds, other co-investments (including the size of any such commitments) and/or Other Blackstone Clients (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that will, in certain circumstances, provide indirectly longer-term benefits to the Clients or Other Blackstone Clients and their respective underlying Portfolio Entities, or whether the co-investor has significant capital under management by Blackstone and/or the Registrant or intends to increase such amount); whether the potential co-investor has an overall strategic relationship (including a Strategic Relationship as defined herein) with Blackstone and/or the Registrant 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 has 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, their predecessor funds or Other Blackstone Clients (which will, in certain circumstances, include such potential co-investor's history of investment in the Clients, their predecessor funds or Other Blackstone Clients and/or other Blackstone co-investment opportunities); whether the underlying investment opportunity takes the form of a co-investment, including where such co-investment is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Clients, their predecessor funds, Comparable Vehicles or an Other Blackstone Client (i.e., a stapled co-investment opportunity); the extent to which a potential co-investor has been provided a greater or smaller 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 has 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 is investing or otherwise); whether there is any evidence to suggest that there is a heightened risk with respect to the potential co-investor maintaining confidentiality; whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of a Client, 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 deems relevant and appropriate to consider in the circumstances. Blackstone will establish more co-investment vehicles (including dedicated or "standing" or "overage" co-investment vehicles (including overage accounts)) 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. Certain Blackstone multi-strategy vehicles can be expected to make commitments to certain Clients or comparable vehicles and/or to overage accounts that will co-invest alongside other Clients in certain investments. Allocations of co-investment opportunities made to a Blackstone multi-strategy vehicle will be in the sole discretion of the applicable General Partner. These co-investment vehicles will nevertheless only participate in co-investment opportunities after the initial acquisition of an investment. The existence of these vehicles could reduce the opportunity for other limited partners to receive allocations of co-investment, and the amount and frequency of co-investment by any such co-investment vehicles would be at the discretion of the Registrant. Also, Blackstone will, in certain circumstances, agree with investors (including limited partners, Blackstone strategic relationships (including Strategic Relationships as defined herein) and third-party investors) to more favorable rights or pre-negotiated terms with respect to co-

investment opportunities, including with respect to discounts or rebates of performance-based compensation or management fees and/or tailored underwriting toward such investor's interests. To the extent any such arrangements are entered into, they will result in fewer co-investment opportunities (or reduced allocations) being made available to the limited partners. In addition, the allocation of investments to Other Blackstone Clients, including as described under "Other Blackstone Clients; Allocation of Investment Opportunities" herein, will result in fewer co-investment opportunities (or reduced allocations) being made available to limited partners.

- Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment: Blackstone and/or the Registrant and its affiliates will in certain circumstances be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship with Blackstone) opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation or management fees or other fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor with respect to such co-investor's participation in the Clients and/or any Other Blackstone Clients) or other aspects of such co-investor's relationship with Blackstone. The management fees, carried interest and other fees received by Blackstone from and the amount of expenses charged to the 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 applicable. In addition, other terms of existing and future co-investment vehicles can be expected to differ materially, and in some instances can be expected to be more favorable to Blackstone, than the terms of the 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 applicable. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that such conflicts of interests will be resolved in favor of the Clients and 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 Clients, the Registrant and its affiliates will be incentivized to cause the Clients, on the one hand, or such Other Blackstone Clients, on the other hand, to offer co-investment opportunities depending on the economic and other terms each will be permitted to offer co-investors. There will 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 Clients participate

in a single or related transactions with a particular seller where certain of such assets, properties, securities or instruments are specifically allocated (in whole or in part) to any of the Clients and such Other Blackstone Clients. The allocation of such specific items generally would be based on the Registrant's determination of, among other things, the expected returns for such items (e.g., specific items with lower expected returns will be allocated to a Client whereas those with higher relative expected returns will be allocated to an Other Blackstone Client), 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 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 or rebates will 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/or 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. Certain co-investment vehicles will generally not be permitted, pursuant to their governing documents, to bear broken deal expenses. Co-investment vehicles generally will not bear broken deal expenses or other investment-related expenses (including in respect of financing for such investment) (in which case the Clients would, to the fullest extent permitted by applicable law, bear such extra portion of such expenses) unless the applicable General Partner determines otherwise in its discretion. Such determinations will be made on a case-by-case basis by the applicable General Partner and can be expected to result in differing treatment of co-investment vehicles under certain circumstances. The foregoing will, under certain circumstances and where permitted by applicable law, result in the Clients bearing more than its pro rata share of broken deal expenses or such other expenses. This could be expected to give rise to conflicts of interest in connection with the Clients' investment activities, and, 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.

***Buying and Selling Investments or Assets from Certain Related Parties.*** The Clients and/or their Underlying Vehicles are expected to purchase investments or assets from or sell

investments or assets of such Client to the Clients' investors, other Clients, Portfolio Entities of other Clients, other Underlying Vehicles or Other Blackstone Clients or their respective related parties, including parties which such Client investors, other Clients, Other Blackstone Clients or Portfolio Entities own or have invested in. In certain circumstances, it can be expected that the proceeds received by a counterparty from a Client in respect of an investment or asset will be distributed, in whole or in part, to a related party of the Client (i.e., a Client investor, Other Blackstone Clients and/or Portfolio Entities thereof) when such related party indirectly holds interests in such underlying investment or asset through the counterparty (including, for example, in such related party's capacity as an investor in such counterparty). In other circumstances, where a Client or a related party of the Client (i.e., a Client investor, a Portfolio Entity of another Client or an Other Blackstone Client, another Client or an Other Blackstone Client) holds publicly traded securities in a Portfolio Entity and the Client or such related party has entered into a privately negotiated transaction with such Portfolio Entity, the Client or such related party can be expected to receive (directly or indirectly) proceeds from such related party or the Client, as applicable, upon the consummation of such privately negotiated transaction. In each such circumstance, Client investors, other Clients, Other Blackstone Clients, Portfolio Entities of other Clients or Other Blackstone Clients or their respective related parties, will, in certain circumstances, also have limited governance rights in respect of such counterparty or such investment or asset. Purchases and sales of investments or assets of the Clients between the Clients or their Underlying Vehicles, on the one hand, and limited partners and/or Portfolio Entities of other Clients or Other Blackstone Clients or their respective related parties, on the other hand, are not subject to the approval of any advisory committee of a Client or Client investor (or independent client representative (if any)), or any board of directors, as applicable, except as expressly required under the Clients' organizational documents or unless otherwise required under the Advisers Act or other applicable laws or regulations. A Client could originate or initially acquire an investment (or portfolio of related investments) in circumstances where it expects that certain portions or tranches thereof (which could be of different levels of seniority or credit quality) will be syndicated to one or more other Clients or Other Blackstone Clients or where such other Clients or Other Blackstone Clients provide equity or debt financing to the Clients or third-party purchasers in connection with the disposition of such assets (in which case Blackstone will have conflicting duties in determining the tranching thereof). See also "Syndication; Warehousing" herein. Blackstone will have conflicting duties to a Client and Other Blackstone Clients when a Client (or its Portfolio Entity) buys or sells assets from or to other Clients or Other Blackstone Clients (and, potentially, when the Client buys, sells, or redeems interests in other Clients or Other Blackstone Clients) or when such other Clients or Other Blackstone Clients provide equity or debt financing to a Client or third-party purchasers in connection with the disposition of such assets including as a result of different financial incentives Blackstone will have with respect to the Clients and such Other Blackstone Clients. These conflicts will not necessarily be resolved in favor of a Client, and the Clients' limited partners will not necessarily receive notice or disclosure of the occurrence of these conflicts. In addition, certain financings between a Client and Blackstone affiliates could involve structuring that in form is a transaction between the Clients and an affiliate, but will not be treated as the sale of an

investment to the Clients from a Blackstone affiliate (or vice versa) for purposes of the Clients' organizational documents, as determined by the Registrant in good faith. There can be no assurance that any investment or asset sold by a Client to a limited partner, other Clients, or Other Blackstone Clients, Portfolio Entities thereof, or any of their respective related parties (or where any such related parties are providing financing to the Clients or a third-party purchaser or where any interests in other Clients or Other Blackstone Client are being sold or redeemed by the Clients) will not be valued at or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third-party rather than to a limited partner, other Clients, or Other Blackstone Clients, Portfolio Entities thereof, or any of their respective related parties (or were sold in a transaction where the Clients or the third-party purchaser is not receiving financing from a related party, or in the case of interests in an Other Blackstone Client sold or redeemed by the Clients, if the issuer of the interests were a third-party rather than another Client or an Other Blackstone Client). Blackstone can, but will not be required to solicit third-party bids or obtain a third-party valuation prior to causing a Client's or any of its Portfolio Entities to purchase or sell any asset or investment from or to a Client's limited partner, other Client, or Other Blackstone Clients, Portfolio Entities thereof, or any of their respective related parties as provided above (or to purchase, sell, or redeem any interests in another Client or an Other Blackstone Client). In the event Blackstone does solicit third-party bids in a sale process of any such assets, the participation of another Client or an Other Blackstone Client (or a related party thereof) 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 working with, or has otherwise chosen not to work with, another Client or an Other Blackstone Client for such financing could perceive the process as favoring parties that are doing so. While Blackstone will seek to develop sale procedures that mitigate conflicts for a Client, there can be no assurance that any bidding process will not be negatively impacted by the involvement of any other Clients or Other Blackstone Clients in the relevant transaction. All the foregoing 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 could have with respect to the parties to the transaction. These conflicts will not necessarily be resolved in favor of a Client, and Client limited partners will not necessarily receive notice or disclosure of the occurrence of these conflicts.

In addition, the Clients participate in various types of GP-led secondary transactions, which can be expected to involve fund restructurings (e.g., through the formation of a "continuation fund"), strip sales, annex / top-up funds, tender offers and/or preferred equity. In addition, certain transactions include a "staple" component (i.e., where new investors purchase the interests of existing investors while also agreeing to make a commitment to a new fund). Conflicts of interest are expected to arise given the related-party nature of GP-led transactions, including for example with respect to the fairness of valuation determinations, the applicable transaction and consent process, and the terms of any continuation fund. There continues to be enhanced regulatory scrutiny regarding GP-led and other secondary transactions (including staples), and the SEC has recently focused on this area in a June 2020 risk alert and its 2021 and 2022 examination priorities. There can be no assurance that any

continued regulatory scrutiny or initiatives will not have an adverse impact on Strategic Partners or otherwise impede the Clients' activities. For example, from time to time a Client will participate in, and/or (including in respect of its interest in an Underlying Vehicle) will be required or requested to vote with respect to, a transaction where Other Blackstone Clients (or, later in the Clients' life, the Client) have an interest in an Underlying Vehicle that is either transferring one or more assets or is being reorganized as the Underlying Vehicle in which the Clients' (or such Other Blackstone Clients', in the alternative) investment will be made. In such transactions, such Other Blackstone Clients (or, alternatively, the Client) will from time to time have the option to roll their interests into the Underlying Vehicle and be an investor alongside the Client (or such Other Blackstone Clients, in the alternative) in such Underlying Vehicle (including instances where such Other Blackstone Client (or, alternatively, the Client) receives a distribution of cash in respect of its existing interests and then purchases interests in such Underlying Vehicle) or sell their interests as part of the transaction and/or (including in respect of their interest in an Underlying Vehicle) will be required or requested to vote with respect to the transaction. By selling its interests, such Other Blackstone Client (or, alternatively, the Client) will, in certain circumstances, be transacting directly or indirectly with the Client (or such Other Blackstone Client, in the alternative), and the Client (or such Other Blackstone Client, in the alternative) would be the provider of cash to the Underlying Vehicle for the purposes of consummating the purchase of such interests from such Other Blackstone Client (or alternatively, the Client). Separately, by rolling its interests into a continuation vehicle or other secondary transaction structure, the Clients (or such Other Blackstone Client, in the alternative) could help facilitate (or solidify) the consummation of such transaction where such Other Blackstone Client (or the Clients, in the alternative) is the provider of the cash to such Underlying Vehicle for the purposes of providing liquidity to other investors that opt to sell their interests. It is not expected that the transactions described herein will be subject to the approval of the advisory committee or any limited partner, except where such transactions create a material conflict of interest (e.g., where a Client expects to be the primary source of capital to the Underlying Vehicle and the Other Blackstone Client selling represents a significant percentage of the investment vehicle or vehicles that such Underlying Vehicle is transacting with (or vice versa)). The Registrant will, in certain circumstances, be motivated in part to cause the Clients to vote in favor of or otherwise pursue transactions similar to the ones described above as a means of providing liquidity to such Other Blackstone Clients and/or will be incentivized in part to cause the Clients to participate in such transactions on less favorable economic or other terms relative to such Other Blackstone Clients.

In the event the Clients and an Other Blackstone Client seek to buy and sell, respectively (and vice versa), interests in connection with the same GP-led secondary transaction (including, for the avoidance of doubt, tender offers and other cross transactions where a Client purchases interests from, or sells interests to, an Other Blackstone Client directly or indirectly), the Registrant has adopted guidelines for determining whether such transaction is required to be disclosed to, or approved by, the Advisory Committee. Such guidelines will be updated by the Registrant from time to time.



In addition, an Underlying Vehicle or Portfolio Entity of the Clients will, in certain circumstances, enter into agreements, transactions or other arrangements with another Underlying Vehicle or Portfolio Entity of the Clients or one or more Portfolio Entities of an Other Blackstone Client, which will, in certain circumstances, give rise to actual or potential conflicts of interest for the General Partner, the Clients and / or their respective affiliates. Such agreements, transactions or other arrangements will be entered into without the consent or direct involvement of the Clients and / or such Other Blackstone Client or the consent of the advisory committee and / or the limited partners of the Clients or such Other Blackstone Client (including, without limitation, in the case of minority investments by a Client in the sponsor of an Underlying Vehicle where another Client is invested in the Underlying Vehicle managed by such sponsor or the sale of assets or businesses from one Underlying Vehicle to another). This is because, among other things, Underlying Vehicles and Portfolio Entities of the Clients and Portfolio Entities of Other Blackstone Clients (and other Clients) are not considered affiliates of the General Partners or the Clients under the applicable partnership agreements. In any such case, the Clients will not be involved in the negotiation process and the terms of any such agreement, transaction or other arrangement will not be as favorable to the Clients as otherwise would be the case if the Clients was involved.

In connection with the foregoing transactions, the General Partners, the Registrant and any of their affiliates can be expected to engage in “agency cross transactions” as defined in Reg. § 275.206(3)-2 promulgated by the SEC under the Advisers Act in which such entity acts as a broker for the Clients and for another person on the other side of the transaction. The General Partners or any of their affiliates can be expected to receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such agency cross transactions.

***Investments in Other Blackstone Clients.*** Subject to applicable law, a Client will, in certain circumstances, acquire secondary investments in Other Blackstone Clients (and the other Clients). However, the ability of the Clients to acquire interests in an Underlying Vehicle sponsored by Blackstone will be materially limited or impeded as a result of the Clients being affiliates of Blackstone. The Registrant expects to conduct generally the same level of diligence and review of any potential investment in Other Blackstone Clients as it would conduct in connection with an investment in any unaffiliated Underlying Vehicle. If the Clients invest in an Underlying Vehicle managed by Blackstone, limited partners will pay the fees, expenses and Carried Interest of the Clients and will also indirectly pay the fees, expenses and carried interest of the Underlying Vehicle established by Blackstone, including other Clients. If a Client were an investor in another investment fund established by Blackstone, Blackstone might have a potentially conflicting division of loyalties and responsibilities regarding the Client and such other investment fund, and certain other conflicts of interest would be inherent in the situation. There can be no assurance that the interests of the Clients would not be subordinated to those of the other investment fund or to other interests of Blackstone.

**Multiple Blackstone Business Lines.** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Clients, Other Blackstone Clients, Underlying Vehicles of the Clients and third parties will, from time to time, 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 will, in certain circumstances, come into possession of information that limits the Clients' ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel will, in certain circumstances, be prohibited by law or contract from sharing information with the Registrant that would be relevant to monitoring the Clients' investments and other activities. Additionally, Blackstone or Other Blackstone Clients can be expected to enter into covenants that restrict or otherwise limit the ability of the Clients and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Clients could have granted exclusivity to a joint venture partner that limits the Clients and Other Blackstone Clients from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Client could have entered into a non-compete in connection with a sale or other transaction or agreed to other restrictions that could impact the Clients' ability to consummate investments. These types of restrictions will negatively impact the ability of the Clients to implement their investment programs. See also "Other Blackstone Clients; Allocation of Investment Opportunities" herein. Finally, Blackstone personnel who are members of the investment team or investment committee will be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, including other personal or business activities, in which case the Clients will not benefit from their experience. The limited partners will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to the Clients (e.g., investments in a competitor of a client or other person with whom Blackstone has a relationship). 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 behalf, the Registrant will consider such relationships (including any incentives or disincentives as part of such relationship) when evaluating an investment opportunity, and such relationships can be expected to influence the Registrant's decision to make or not make particular investments on a Client's behalf. The Clients could also co-invest with investors of Blackstone, other Clients or Other Blackstone Clients in particular investments, and the relationship with such parties could influence the decisions made by the Registrant with respect to such investments. The Clients will, in certain circumstances, be required to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone has or transactions or investments that Blackstone will make or has made. See "Other Blackstone Clients; Allocation of Investment Opportunities" and "Portfolio Entity Relationships Generally" herein. Therefore, there can be no assurance that

all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to the Clients. See “Other Blackstone Clients; Allocation of Investment Opportunities” and “Portfolio Entity Relationships Generally” and “Conflicting Fiduciary Duties to Debt Funds” herein. The Clients will, in certain circumstances, 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 Registrant with respect to the Clients’ investments and otherwise result in a conflict. See also “Other Blackstone Clients; Allocation of Investment Opportunities” herein.

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

***Minority Investments in Asset Management Firms.*** Blackstone and Other Blackstone Clients, including GP Stakes and its related parties, regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, the Clients, Other Blackstone Clients and their respective Portfolio Entities, and which will, in certain circumstances, 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 will, in certain circumstances, nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. Although Blackstone and Other Blackstone Clients, including GP Stakes, 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 Clients, including GP Stakes, 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 applicable partnership agreement or for any other purpose, Blackstone will, 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 will give rise to conflicts of interest. The Clients

will, in certain circumstances, from time to time participate in such investments alongside Other Blackstone Clients, including GP Stakes. 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 will 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 will result in the Blackstone-related party earning carried interest/performance-based incentive compensation and/or fee income in respect of any such transactions. In certain cases, the Clients and Comparable Vehicles could hold a significant portion of the interests in the vehicles sponsored by such third-party asset managers, and take an active role in negotiating the terms applicable to such investment. The Clients and Comparable Vehicles could also participate in GP-led secondary transactions, and the Clients' participation in any such transactions could result in the crystallization and/or realization of carried interest/performance-based incentive compensation for the benefit of a Blackstone-related party, including GP Stakes, from any existing limited partners in the underlying funds selling their interests as part of such transaction. In addition, it can be expected that a Blackstone-related party, including GP Stakes, will continue to earn carried interest/performance-based compensation in respect of the Clients' investment in the underlying fund. From time to time and in addition to the foregoing transactions, the Clients and Comparable Vehicles can be expected to participate in traditional secondary transactions involving funds that are sponsored by third-party asset management firms in which Other Blackstone Clients, including GP Stakes, have an interest, and in connection with such transactions, the Clients and Comparable Vehicles can make "staple" primary commitments to other funds sponsored by such third-party sponsor that results in such Other Blackstone Clients, including GP Stakes, earning carried interest/performance-based compensation or other compensation from such investment by the Client, Comparable Vehicles and other Clients. See also "Buying and Selling Investments or Assets from Certain Related Parties" herein. 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 hand, are not expected to be subject to approval by the advisory committees of the Clients, and any matter brought to the limited partners or investor advisory committee (or similar investor body) of such Portfolio Entity, including matters relating to the Clients, for a vote, consent, waiver or other action will not be presented to the advisory committees of the Clients, and the General Partners will, in certain circumstances, take such action as they deem appropriate with respect to such vote, consent, waiver or other action, which will, in certain circumstances, have the effect of indirectly benefiting such Other Blackstone Clients and/or their Portfolio Entities. See "Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally" herein. 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.

***Allocation of Personnel.*** The Registrant will devote such time and attention to the relevant Clients as it determines to be necessary to conduct the business affairs of the Clients in an appropriate manner. However, Blackstone personnel, including certain members of the Registrant's Investment Committee, will work on other projects and/or Other Blackstone Clients, will serve on other committees (including boards of directors, as applicable) and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients and their portfolio companies, including other investment programs to be developed in the future. Certain members of the Registrant's investment team are also members of Other Blackstone Clients' investment teams and will continue to serve in those roles (and, in certain circumstances, will devote a majority of their time and attention to such roles) and as a result not all of their business time will be devoted to the Registrant or the Clients. Certain non-investment professionals are not dedicated solely to the Registrant but rather perform functions that benefit the Clients as well as Other Blackstone Clients, the Registrant and/or Blackstone which is expected to detract from the time and attention such persons devote to the Clients. Even some key personnel of the Registrant who devote substantially all of their time and attention to the Clients' investment programs do not devote their time and attention solely to the Clients. Time spent on these other initiatives diverts attention from the activities of the Clients, which could negatively impact the Clients and limited partners. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside Strategic Partners share in the fees and performance-based compensation from the Clients; similarly, Strategic Partners personnel share in the fees and performance-based compensation generated by Other Blackstone Clients (including the Clients). In particular, certain members of the Registrant's Investment Committee will also serve on the investment committee for GP Stakes. Conflicts of interest could arise in situations where a Client is considering investing in a Portfolio Entity in which GP Stakes also has an investment in the sponsor of such Portfolio Entity. Any such transaction is not expected to be subject to approval by the advisory committees of the Clients (or by the advisory committees of clients of GP Stakes). See "Minority Investments in Asset Management Firms" herein. These and other factors create conflicts of interest in the allocation of time and attention by Blackstone personnel. The Registrant's determination of the amount of time and attention necessary to conduct the Clients' activities will be conclusive, and limited partners rely on the Registrant's judgment in this regard.

***Outside Activities of Principals and Other Personnel and their Related Parties.*** Certain personnel of Blackstone will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to the Clients, Other Blackstone Clients and their

respective Portfolio Entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the Clients, including if such other entities compete with the Clients for investment opportunities or other resources. The Blackstone personnel in question will, in certain circumstances, have a greater financial interest in the performance of the other entities than the performance of the Clients. This involvement would create conflicts of interest in making investments on behalf of the Clients and such other funds, accounts and other entities. 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 (it being understood that such personnel will make such investments for strategic reasons, including for purposes of sourcing investment opportunities for the Client, Other Blackstone clients and/or Blackstone), as well as engage in other personal trading activities relating to companies, assets, securities or instruments, it being understood that such personnel can make such investments for strategic reasons including for purposes of sourcing investment opportunities for the Client, Other Blackstone Clients and/or Blackstone (subject to Blackstone's Code of Ethics requirements) some of which will involve conflicts of interests. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by Other Blackstone Clients, including the Clients, or otherwise relate to companies or issuers in which the Clients have or acquire a different principal investment (including, for example, with respect to seniority), which can give rise to conflicts of interest related to misaligned interests between the Clients 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 Clients, there is a greater likelihood that the Clients or such Other Blackstone Clients will invest in companies in which Blackstone personnel hold an indirect interest. There could be situations in which such alternative investment funds invest in the same portfolio companies as the Clients and there could be situations in which such alternative investment funds purchase securities from, or sell securities to, the Clients. There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Clients. Limited partners will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to the Clients, and will not receive notice should the Clients make investments in which such persons hold indirect interests. See also "Additional Potential Conflicts of Interest" herein.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which the Clients invest 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 or other

counterparties of the Clients and their Portfolio Entities and/or assets. Moreover, in certain instances, the Clients or their Underlying Vehicles will, in certain circumstances, purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. These relationships have the potential to influence Blackstone, including the Registrant, in deciding whether to select, recommend or create such service providers to perform services for the Clients or Portfolio Entities (the cost of which will generally be borne directly or indirectly by the Clients or such Portfolio Entity, as applicable) and to incentivize Blackstone to engage such service provider over a third party. In certain circumstances, the fees for services provided by such service providers will not be at the same rate charged by other third parties and the Registrant undertakes no obligations to select service providers who can have lower rates. The Registrant undertakes no minimum amount of benchmarking. To the extent the Registrant 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 the Registrant has a relationship 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 applicable partnership agreements will not preclude the Clients from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies will be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Registrant. The limited partners rely on the Registrant to manage these conflicts in its sole discretion.

***Secondments and Internships.*** Certain personnel of Blackstone and its affiliates, and the Consultants (as defined herein), will, in certain circumstances, be seconded to one or more Portfolio Entities, vendors and service providers or limited partners of the Clients and/or Other Blackstone Clients to provide finance, accounting, operational support, technology, data management (including artificial intelligence) and other similar services, including the sourcing of investments for the Clients or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors, service providers (including law firms and accounting firms) and limited partners of the Clients and Other Blackstone Clients will, in certain circumstances, be seconded to, serve internships at, receive trainings from or otherwise provide consulting services to, the Registrant, Blackstone, the Clients, Portfolio Entities and Other Blackstone Clients. While often the Clients, Other Blackstone Clients and their Portfolio Entities are the beneficiaries of these types of arrangements, the Registrant or Blackstone are from time to time beneficiaries of these arrangements as well, including in circumstances where the vendor, Portfolio Entity, personnel or service provider or otherwise also provides services to the Clients, Other Blackstone Clients, the Registrant or Blackstone in the ordinary course. The Clients or their Portfolio Entities can be expected to pay compensation or cover fees or expenses associated with such secondees and interns, and

if a Portfolio Entity of a Client pays the cost, it will be borne directly or indirectly by the Client. If Blackstone or the Registrant pays salaries or covers expenses associated with such secondees and interns, they could seek reimbursement from the Clients or their Portfolio Entities for such amounts. Additionally, the Registrant, Blackstone, other Clients, Other Blackstone Clients or their respective Portfolio Entities could receive benefits from arrangements, including arrangements at no or reduced cost, with secondees or interns employed by service providers or vendors (or affiliates thereof) that provide services to, or whose employees serve as secondees or interns to, a Client (or its Portfolio Entities) that bears the compensation, fees or expenses associated with such services, secondees or interns. Furthermore, such arrangements, including those at no or reduced cost, could include secondees or interns who perform services for the benefit of the Registrant, Blackstone, other Clients, Other Blackstone Clients or their respective Portfolio Entities that do not benefit such Client or its Portfolio Entities. To the extent seconded or intern compensation, fees or expenses are borne by a Client, including indirectly through its Portfolio Entities or reimbursement of Blackstone for such costs, the management fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above can be expected to provide services in respect of multiple matters, including in respect of matters related to the Registrant, Blackstone, the Clients, Other Blackstone Clients, Portfolio Entities, each of their respective affiliates and related parties, and any costs of such personnel can be expected to be allocated accordingly. The Registrant and Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to the Registrant, Blackstone, the Clients, Other Blackstone Clients, Portfolio Entities and other parties based on time spent by the personnel or another methodology the Registrant or Blackstone deems appropriate in a particular circumstance.

In addition, there could be instances where current and former employees of Other Blackstone Clients' Portfolio Entities are seconded to or temporarily hired by the Clients' Portfolio Entities or, at times, the Clients' investments directly. Such secondments or temporary hiring of current and former employees of Other Blackstone Clients' Portfolio Entities by the Clients' Portfolio Entities (or their investments) will result in a potential conflict of interest between the Clients' Portfolio Entities and those of such Other Blackstone Clients. The costs of such employees are expected to be borne by the Clients or its relevant Portfolio Entities, as applicable, and the fees paid by the Clients or such Portfolio Entities to other Portfolio Entity service providers or vendors do not offset or reduce the management fee. See also "Portfolio Entity Service Providers and Vendors" herein.

***Other Benefits.*** The Registrant, its affiliates and their personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Clients, the value of which will not offset or reduce management fees or otherwise be shared with the Clients, their Portfolio Entities or the limited partners. For example, airline travel or hotel stays will result in "miles" or "points" or credit in loyalty or status programs, and such benefits will, whether or not *de minimis* or difficult to value, inure exclusively to the benefit of the Registrant, its affiliates or their



personnel or related parties receiving it, even though the cost of the underlying service is borne by the Clients as partnership expenses or by their Portfolio Entities. See also “Service Providers, Vendors and Other Counterparties Generally” herein. 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 Underlying Vehicles and customers or suppliers of such Underlying Vehicles. The limited partners consent to the existence of these arrangements and benefits.

***Advisors, Consultants and Partners.*** The Registrant, its affiliates and their respective personnel and related parties engage and retain strategic advisors, consultants, senior advisors, operating advisors, industry experts, joint venture and other partners and professionals and market participants, any of whom might be current or former executives or other personnel of the Registrant, its affiliates or Underlying Vehicles of the Clients or Other Blackstone Clients (collectively, “**Consultants**”), to provide a variety of services. Similarly, the Clients, Other Blackstone Clients and their Portfolio Entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by the Clients or a Portfolio Entity to Consultants in connection with the above services, including cash fees, profits, or equity interests in a Portfolio Entity, discretionary bonus awards, performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as partnership expenses or expenses of the Portfolio Entity, as applicable, 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, Consultants will receive intangible and other benefits resulting from their activities on behalf of the Clients, including access to privileged information regarding the Clients’ Portfolio Entities and possible future deal origination to the extent applicable with the Clients or Other Blackstone Clients. For example, in the same way that executives from portfolio entities of Other Blackstone Clients can provide insight and/or deal origination for the benefit of the Clients, the executives of the Clients’ Portfolio Entities can benefit Consultants and/or Other Blackstone Clients. Consultants can attend events and/or meetings sponsored by the Clients’ Portfolio Entities and/or Other Blackstone Clients or other members of the Blackstone network, and similarly, members of the Blackstone network can attend annual meetings of the Clients and can be involved in fundraising activities on behalf of Blackstone. Also, Consultants often co-invest alongside the Clients in Portfolio Entities, 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 after the termination of their engagement by or other status with Blackstone, and such co-investment opportunity or participation (which generally will result in the Clients being allocated a smaller share of an investment and less co-investment opportunity being available to limited partners) will not always 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. Moreover, in negotiating and structuring transactions with counterparties (such as investment banks, financial intermediaries and other service providers) of the Clients or Portfolio Entities, the Registrant will be free to consider relationship, reputational and market considerations, which can in some circumstances result in less favorable terms for the Clients or Portfolio Entities.

The time dedication, nature of the relationship and scope of work of a Consultant varies considerably. In some cases, a Consultant advises the Registrant on transactions, 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 will, in certain circumstances, rely on these Consultants to recommend the Registrant and the Clients as a preferred investment partner and carry out their investment programs, but there is no assurance that any Consultant will continue to be involved with the Clients for any length of time, including the entire investment period. The Registrant and Client will have formal or informal arrangements with Consultants that will, in certain circumstances, have termination options and will 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 certain attributes of Blackstone "employees" (e.g., they have dedicated 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 benefit arrangements typically reserved for Blackstone employees (e.g. the side-by-side program)), even though they are not Blackstone employees, affiliates or personnel for purposes of the applicable partnership agreement and the applicable investment management agreement, as applicable, 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 the Clients or their Portfolio Entities, while other Consultants will, in certain circumstances, have other clients, including Other Blackstone Clients, as described below. In particular, in some cases, Consultants, including those with a "Senior Advisor" or, "Operating Advisor" or "Executive Advisor" title, have been and 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 applicable investment management agreement and/or the partnership agreement, the compensation to such Consultants will, in certain circumstances, be borne fully by the Clients and/or Portfolio Entities (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 Blackstone 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 Clients. Any work performed by Consultants retained on behalf of the Clients will, in certain circumstances, benefit such Other Blackstone Clients (and alternatively, work performed by Consultants on behalf of Other Blackstone Clients will 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 to such Other Blackstone Clients, as described below. Additionally, from time to time, Consultants provide services on behalf of both the Clients and Other Blackstone Clients, and any work performed by Consultants retained on behalf of the Clients can benefit such Other Blackstone Clients (and alternatively, work performed by Consultants on behalf of Other Blackstone Clients can 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 Clients, except as described below.

In addition, a Client will, in certain circumstances, enter into an arrangement from time to time with one or more individuals (who can be former personnel of Blackstone or current or former personnel of Portfolio Entities of the Clients or Other Blackstone Clients, will, in certain circumstances, have experience or capability in sourcing or managing investments, and will, in certain circumstances, 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 will be, could include the following with respect to investments: 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 or a Portfolio Entity or asset of the Clients, or other long-term incentive plans. Such compensation could also be based on assets under management and/or a waterfall similar to a carried interest, or other similar metrics, which will not be subject to management fee offset. The professionals at such platform company, which in certain circumstances can be expected to include former employees of or current or former senior advisors or consultants to Blackstone, the Registrant, its affiliates and/or Portfolio Entities of Other Blackstone Clients, can be expected to undertake analysis and evaluation of potential investment and acquisition opportunities for such platform company. See also "Blackstone Affiliated Service Providers" herein. Although the Registrant is generally responsible under the Clients' organizational documents for certain overhead expenses and investment analysis associated with sourcing and managing investments, as well as compensation costs of the Registrant's investment professionals, the Clients would, in such circumstances, invest capital to fund some or all of the costs of such platform companies, including costs related to overhead (including rent, utilities, benefits, salary or retainers for the individuals and/or their affiliated entities) and the sourcing, due diligence and analysis of investments, as well as the compensation for the individuals and entity undertaking the build-up strategy. The activities performed by investment professionals at platform companies will in certain cases be similar to the investment management activities

performed by the Registrant's investment professionals in respect of the Clients. In such cases, a Client will both indirectly bear the compensation expenses for the platform companies' investment professionals and directly bear the management fees in respect of capital invested by the Client in such platform companies. The Registrant could have an incentive to cause a Client to invest in platform companies in circumstances where such investments have the effect of reducing (or avoiding a need to increase) the number of investment professionals that the Registrant needs to employ in respect of the Clients. Such expenses could be borne directly by the Clients as partnership expenses (or broken deal expenses, if applicable) or indirectly through expenditures by a Portfolio Entity. None of such Portfolio Entities or Consultants will be treated as affiliates of the Registrant for purposes of the applicable partnership agreement and none of the fees, costs or expenses described above will reduce or offset the management fee.

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

**Data.** Blackstone receives, generates or obtains various kinds of data and information from the Clients, Other Blackstone Clients, the Underlying Vehicles, their respective Portfolio Entities, and, at their election, certain investors in the Clients and investors in Other Blackstone Clients, and service providers, including but not limited to data and information relating to or created in connection with business operations, financial results, trends, budgets, plans, suppliers, customers, employees, contractors, ESG, energy usage, carbon emissions and related metrics, financial information, commercial and transactional information, customer and user data, employee and contractor 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 use, ownership, distribution, and derived works rights over) this data and information from the Clients, Other Blackstone Clients, their Portfolio Entities, and investors in the Clients and investors in Other Blackstone Clients. Blackstone has entered and will continue to enter into information sharing and use, measurement and other arrangements with the Clients, Other Blackstone Clients, their Portfolio Entities, and, at their election, certain investors in the Clients and investors in Other Blackstone Clients, as well as with related parties and service providers, which will give Blackstone access to (and rights

regarding, including use, ownership, distribution and derived works rights over) data that it would not otherwise obtain in the ordinary course. Further, this alternative data is expected to be aggregated across the Clients, Other Blackstone Clients and their respective Portfolio Entities. Although Blackstone believes that these activities improve Blackstone's investment management and other business activities on behalf of the Clients and Other Blackstone Clients, information obtained from the Clients, their Portfolio Entities and, at their election, certain investors in the Clients and in Other Blackstone Clients also provides material benefits to Blackstone or Other Blackstone Clients typically without compensation or other benefit accruing to the Clients, their investors or Portfolio Entities. For example, information obtained from a Portfolio Entity owned by a Client can be expected to enable Blackstone to better understand a particular industry, enhance Blackstone's ability to provide advice or direction to another Portfolio Entity's management team on strategy or operations, and execute trading and investment strategies in reliance on that understanding for Blackstone, other Clients and Other Blackstone Clients that do not own an interest in the Portfolio Entity, typically without compensation or benefit to such Portfolio Entity or the Client that owns it, Blackstone is expected to serve as the repository for data described in this paragraph, including with ownership, use and distribution rights therein.

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 a Client's and its Portfolio Entities' activities to assist in the pursuit of Blackstone's various other activities, including but not limited to trading activities or other uses for the benefit of Blackstone, another Client or an Other Blackstone Client. Any confidentiality obligations in the applicable organizational documents do not limit Blackstone's ability to do so. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry will, subject to applicable law, be enhanced by information of an Underlying Vehicle in the same or related industry. Such trading or other business activities are 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 any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not be subject to management fee offset or otherwise shared with the Clients or their investors. As a result, the Registrant has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Clients. See also "Blackstone Affiliated Service Providers" and "Data Services" herein.

***Other Blackstone Clients; Allocation of Investment Opportunities.*** Through its Other Blackstone Clients, Blackstone currently invests and will continue to invest third-party capital in a wide variety of investment opportunities globally. Investors should expect that in certain circumstances, not all of the investment opportunities suitable for the Clients will be presented to the Clients. The applicable partnership agreements set forth certain

exceptions that allow specific types of investment opportunities that might otherwise fall within the Clients' investment objectives or strategy to be allocated to Other Blackstone Clients (in whole or in part). Some of these exceptions are subject to reasonable interpretation and require the Registrant to exercise its good faith judgment in determining whether an investment opportunity should be allocated to the Clients or an Other Blackstone Client. Blackstone currently manages, and will, in certain circumstances, subsequently establish, Other Blackstone Clients, which will, from time to time, make secondary investments that would otherwise be appropriate for the Clients. Any such Other Blackstone Clients and/or affiliates (including other business units within Blackstone) will not be restricted from sourcing and/or making investments that will otherwise be appropriate for the Clients, which will result in increased competition for suitable investment opportunities and will ultimately affect the Clients' ability to effectively achieve their investment objectives. In addition, certain Other Blackstone Clients that have investment objectives that are adjacent to or overlap with those of the Clients (whether now in existence or subsequently established) will share and / or receive priority with respect to certain investment opportunities falling within the primary focus of such Other Blackstone Clients or otherwise receive allocations of investments otherwise appropriate for the Clients (including, for example, Other Blackstone Clients established to primarily pursue control oriented investments).

With respect to any such Other Blackstone Clients that have investment objectives or guidelines that overlap with those of the Clients, in whole or in part, investment opportunities that fall within such common objectives or guidelines will generally be allocated among the Clients and such Other Blackstone Clients on a basis that the General Partners determine is fair and reasonable in good faith, subject to (i) any applicable investment objectives, focus, parameters, limitations, guidelines, investor preferences and other contractual provisions and terms relating to the Clients and such Other Blackstone Clients and the duration of investment periods, (ii) the Clients and such Other Blackstone Clients having available capital with respect thereto and (iii) legal, tax, regulatory and other considerations deemed relevant by the General Partner, including, without limitation, (a) primary and permitted investment strategies and objectives of the Clients and the Other Blackstone Clients, including whether the Clients and such Other Blackstone Clients expect to invest in or alongside other funds or across asset classes based on expected return, (b) sourcing of the investment and the nature and extent of involvement of the respective teams of investment professionals dedicated to the funds, (c) the sector and geography/location of the investment, (d) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment, (e) expected investment return, (f) risk/return profile of the investment, (g) expected leverage on the investment, (h) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (i) remaining commitment and portfolio contributions required as part of the investment, (j) portfolio diversification concerns (including, but not limited to, whether a particular fund already has its desired exposure to the sponsor, sector, industry, geographic region or markets in question), (k) relation to existing investments in a fund, if applicable (e.g., "follow on" to existing investment or same security as existing

investment), (l) avoiding allocation that could result in de minimis or odd lot investments, (m) co-investment arrangements, (n) anticipated tax treatment of the investment, and (o) timing expected to be necessary to execute an investment, and (p) other considerations deemed relevant by Blackstone in good faith. The allocation of investments to Other Blackstone Clients, including as described above, will result in fewer co-investment opportunities (or reduced allocations) being made available to the Clients' investors. Under certain circumstances, the General Partners will determine not to pursue some or all of an investment opportunity for the Clients that would otherwise be within the Clients' objectives and strategies, and Blackstone will therefore offer some or all of such opportunity to Other Blackstone Clients. With respect to the General Partner's ability to allocate investment opportunities, including where such opportunities are within the common objectives and guidelines of the Clients and Other Blackstone Clients (which allocations are to be made on a basis that the General Partners believe in good faith to be fair and reasonable), Blackstone has established general guidelines for determining how such allocations are to be made, which, among other things, set forth priorities and presumptions regarding the sector classification of investment, ranges of rates of returns and relative risk profile for investments, presumptions regarding allocation for certain types of investments (e.g., mature vs young secondary opportunities, direct or primary investments vs secondary investments) and other matters. The application of those guidelines will result in the Clients not participating (and / or not participating to the same extent) in certain investment opportunities in which they would have otherwise participated had the related allocations been determined without regard to such guidelines and / or based only on the circumstances of those particular investments. The General Partners could also determine not to pursue opportunities. In addition, the allocation of investments to Other Blackstone Clients, including as described above, will result in fewer investment opportunities for the Clients and fewer co-investment opportunities (or reduced allocations) being made available to the Clients' investors.

Blackstone makes good faith determinations for allocation decisions based on expectations that will prove inaccurate. Information unavailable to Blackstone, or circumstances not foreseen by Blackstone at the time of allocation, will cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that Blackstone determines to be consistent with the return objectives of a lower yielding (e.g. core plus) fund rather than the Clients could exceed Blackstone's expectations and underwriting and generate an actual return that would have been appropriate for the Clients. Conversely, an investment that Blackstone expects to be consistent with the Clients' return objectives will fail to achieve them.

When the Registrant determines not to pursue some or all of an investment opportunity for a Client that would otherwise be within such Client's objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Clients, Blackstone, including its personnel (which will include Strategic Partners investment professionals), will receive compensation from the Other Blackstone Clients, 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 such Client to Blackstone. As a result, there is an incentive for the Registrant (including its personnel who receive such compensation) to allocate investment opportunities away from the Clients to or source investment opportunities for Other Blackstone Clients, 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 Clients participate alongside or instead of the Clients in an investment.

Blackstone has adopted guidelines at the firm level to address the allocation of investment opportunities among its business groups. Such guidelines are non-exclusive and subject to the provisions of the applicable partnership agreements, including the factors described above. The application of such guidelines will result in the Clients not participating, or not participating to the same extent, in investment opportunities in which they would have otherwise participated had the guidelines not existed.

In addition, in certain circumstances certain other investment vehicles will receive allocations of investments that are otherwise appropriate for the Clients (including Other Blackstone Clients), which will from time to time result in the Clients not participating (or participating to a lesser extent) in certain investment opportunities otherwise within their mandates. Under certain circumstances Blackstone will determine not to pursue an investment opportunity within the Clients' mandates, and thereafter disclose such opportunity to third parties (including Portfolio Entities of the Clients or Other Blackstone Clients, or limited partners of the Clients or Other Blackstone Clients), and such third parties will pursue such opportunity. Blackstone (including the Clients' investment professionals) will receive compensation from Other Blackstone Clients with regard to such investment opportunities, including in circumstances where such Other Blackstone Clients are permitted to pay additional fees to Blackstone in connection with investments made by such Other Blackstone Client in or alongside other funds or vehicles managed by Blackstone (including the Clients).

The Registrant has in the past established and is expected to continue to establish, at its discretion, sector-specific funds and/or accounts ("**Sector-Specific SP Clients**"), such as funds that focus on making secondary investments or co-investments in infrastructure or real estate sectors, and will in the future, in its sole discretion, establish Sector-Specific SP Clients, which have not yet been established, that focus on investments or co-investments in other specific sectors (e.g., energy) or geographical regions, and, in each case, such funds are expected to be Strategic Partners' primary vehicles for investment in such sectors, including, without limitation, general partner-led secondary opportunities with any such sectors in the case of infrastructure and real estate. The Registrant generally expects to select investments for the Sector-Specific SP Clients that are suitable for the investment objectives, target returns and/or risk profile of such funds. There will be circumstances in which an investment opportunity is suitable for both the Clients (including Comparable Vehicles (as defined herein)), on the one hand, and Other Blackstone Clients, including, without



limitation, Sector-Specific SP Clients and other investment vehicles sponsored by the Registrant, on the other hand. Such investment opportunity will, in the sole discretion of the Registrant, be allocated between the Clients and the Comparable Vehicles and such Sector-Specific SP Clients on a basis that the Registrant believes to be fair and reasonable, taking into account such factors as it deems relevant. The Registrant and Blackstone have in the past and will in the future, in their discretion, establish one or more investment vehicles the primary investment strategy of which differs from the primary investment strategy of the Clients, for example investment vehicles the primary investment strategy of which is making primary investments, young secondary investments, co-investments or direct equity and/or debt investments. Such investment vehicles will have priority with respect to certain investment opportunities that are within the primary investment objective of such investment vehicles.

As provided in the Clients' offering and/or governing documents, a portion of each investment will be allocated to Blackstone and its affiliates. The Clients will lend an amount to Blackstone with respect to their pro rata share of such investments in those circumstances where the Clients are borrowing with respect thereto on a short-term basis; provided, that any such amounts so borrowed shall be (x) on a short-term basis (based on the General Partner's reasonable belief at the time of the investment) and (y) on no more favorable terms than those applicable to the Clients' borrowing of the related proceeds and shall be in accordance with applicable law. In addition, subject to the terms of the applicable partnership agreement, the General Partners will permit certain Blackstone personnel and other professionals responsible for portfolio operations and other similar operational initiatives with respect to one or more Portfolio Entities to participate in these side-by-side rights on a whole-of-fund or an investment-by-investment basis, either through investments in the General Partners, as feeder vehicle limited partners in the Clients, or directly as limited partners in the Clients. The General Partners intend to limit participation by any such professionals to investments involving Portfolio Entities with respect to which the General Partners expect in good faith that such professionals will be materially involved following the consummation of such investment. Blackstone's participation in such "Side-By-Side Investment" program is expected to include Blackstone professionals and employees, Other Blackstone Clients or entities, other key advisors/relationships of Blackstone and/or endowment funds, charitable programs and/or other similar or related entities associated with Blackstone or its affiliates. Such side-by-side investments do not bear fees or carried interest and generally result in the Clients being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side investment rights. Additionally, Other Blackstone Clients will be (or have the preferred right to be) permitted to participate in Blackstone's side-by-side investment rights. In particular, certain funds, vehicles, accounts and other similar arrangements managed by Blackstone Multi-Asset Advisors L.L.C. ("**BMAA**," and such funds, the "**BMAA Advised Clients**") are expected to participate in investments alongside the Clients pursuant to Blackstone's side-by-side investment rights or other co-investment arrangements. The BMAA Advised Clients include vehicles that are part of a multi-strategy program designed to provide investors with exposure to a broad mix of Blackstone's key investment programs (e.g., private equity, real

estate, credit and opportunistic) and other vehicles that will focus specifically on one or more of Blackstone's investment programs. The BMAA Advised Clients will seek to invest substantially all of their assets in investments in which Other Blackstone Clients participate, and as part of their investment programs will seek to invest in opportunistic investments that are also appropriate for the Clients and the Comparable Vehicles. While such investments are expected to represent a small portion of the overall portfolio allocation of the BMAA Advised Clients, the BMAA Advised Clients will nonetheless participate in investments alongside the Clients and the Comparable Vehicles, which will from time to time result in the BMAA Advised Clients receiving a share of a material portion of investments by the Clients and the Comparable Vehicles. In such cases, BMAA and its affiliates would be eligible to receive fees and carried interest on its portion of any such investment. The overlapping objectives of the BMAA Advised Clients will also give rise to conflicts of interest relating to the allocation of investment opportunities, which Blackstone will seek to resolve in a fair and equitable manner although there is no assurance that Blackstone will be able to do so. Blackstone will form other similar private and / or registered funds in the future.

Certain funds, vehicles, clients, accounts and other similar arrangements (including vehicles for retail investors), including, among others, entities managed by Blackstone Multi-Asset Advisors L.L.C. ("**BTAS Clients**") and Blackstone Private Investments Advisors L.L.C. ("**BXPE Clients**," and together with the BTAS Clients, "**Blackstone Multi-Strategy Vehicles**"), are part of multi-strategy programs designed to provide investors with exposure to a broad mix of, and leverage the talent and investment capabilities of, Blackstone's key investment programs (e.g., private equity, real estate, credit, tactical opportunities, secondaries, life sciences, infrastructure and growth). The BTAS Clients and BXPE Clients will seek to invest a material portion (and potentially substantially all) of their assets in investments in which Other Blackstone Clients participate, and, as part of their investment programs, can be expected to seek to make investments that are also appropriate for the Clients. The BTAS Clients and BXPE Clients (or any similar future Blackstone investment program) can be expected to, in addition to their investments through one or more Clients, nonetheless participate in investments alongside the Clients and certain Other Blackstone Clients with overlapping investment objectives (including through Blackstone's side-by-side co-investment rights, as described below), which will from time to time result in the BTAS Clients and BXPE Clients (or any similar future Blackstone investment program) receiving a share of a substantial portion of investments made by the Clients, such that the Clients could receive a lower allocation (and potentially, in some cases, no allocation) of investment opportunities than otherwise would be the case. The overlapping objectives of the BTAS Clients and BXPE Clients (or any similar future Blackstone investment program) could also give rise to conflicts of interest relating to the allocation of investment opportunities between the Clients, on the one hand, and the BTAS Clients and BXPE Clients, on the other hand, which Blackstone will seek to resolve in a fair and equitable manner, although there is no assurance that Blackstone will be able to do so. See also "Liability Arising from Transactions Entered into Alongside Blackstone and/or Other Blackstone Clients" herein. Blackstone intends to establish additional Blackstone Multi-Strategy Vehicles in the future.

With respect to the BXPE Clients specifically, the BXPE Clients will participate alongside the Clients in most or all investments, which can be in vehicles that are controlled by Strategic Partners. Such allocations to the BXPE Funds will, in certain circumstances, be based on commitments made to a Client, but the overall allocations made to BXPE Clients are subject to change in the Registrant's sole discretion, and the portion of investments allocated to the BXPE Clients is expected to be substantial, and is expected to increase over time as the BXPE Clients' available capital increases. In connection with the foregoing, the Clients could provide credit support (including in the form of a cross-collateralized subscription credit facility) to the BXPE Clients to facilitate their participation in one or more investments, or acquire a portion of an investment with the intention of syndicating such portion to the BXPE Clients, in accordance with the Clients' organizational documents.

Blackstone Multi-Strategy Vehicles that include all aspects of the investment strategy(ies) pursued by the Clients within their investment programs are expected to invest generally alongside the Clients and other included Blackstone strategies, taking into account the considerations outlined above and those specified in "Co-Investment Opportunities" with respect to considerations regarding the allocation of co-investment opportunities. Additionally, such Blackstone Multi-Strategy Vehicles are expected to invest alongside the Clients and other included Blackstone strategies in a programmatic or otherwise formulaic manner (e.g., based on the relative available capital of such Blackstone Multi-Strategy Vehicles and the Clients), including through participation in Blackstone's side-by-side program or through a Comparable Vehicle or Overage Fund (both as defined below), and any such methodology will be subject to adjustment on both a case-by-case and general basis from time to time. For certain open-ended Blackstone Multi-Strategy Vehicles, such a vehicle's "investment period," for purposes of applying any such allocation methodology that is based on each participating vehicle's "available capital" (where a vehicle's "available capital" is determined based in part on the remaining duration of the vehicle's "investment period"), will be determined by Blackstone in good faith taking into account such considerations that it deems relevant and appropriate under the circumstances, including but not limited to the relevant vehicle's inception date, the date of the relevant investment, the vehicle's pace of deployment, and the expected time horizon of the investment, which determination could result in a Client participating in a particular investment to a greater or lesser extent than such Blackstone Multi-Strategy Vehicles. It is generally expected that such vehicle's "available capital" for purposes of applying this allocation methodology will only include "available capital" of the vehicle (including, potentially, capital expected to be contributed to the vehicle in the future) that is expected to be invested in the particular strategy for which such methodology is being used, as determined by Blackstone in its discretion. In determining what a vehicle's "investment period" and "available capital" are for purposes of applying this allocation methodology, Blackstone will need to make subjective judgments and projections that could ultimately prove incorrect in hindsight. These determinations involve inherent conflicts of interest, and there can be no assurance that any such conflicts will be resolved in a manner that is favorable to the Clients.

Blackstone Multi-Strategy Vehicles (such as the BXPE Funds) with investment objectives that overlap (to varying degrees) with only a portion of the investment strategy(ies) pursued by the Clients could also be allocated certain investment opportunities (in whole or in part) in lieu of the Clients on a case-by-case basis. See above with respect to certain considerations the Registrant is expected to take into account with respect to any allocation determinations, and “Co-Investment Opportunities” herein with respect to considerations regarding the allocation of co-investment opportunities. Blackstone Multi-Strategy Vehicles will also be allocated co-investment opportunities alongside the Clients (in a programmatic or formulaic manner, and/or on a case-by-case basis). Any such Blackstone Multi-Strategy Vehicles will grow significantly in size over time, and such vehicles will be allocated a substantial portion of any such investment opportunities (and in some cases, a majority thereof). Therefore, it is expected that, in connection with such Blackstone Multi-Strategy Vehicles that are formed and are actively investing, the Clients will, in certain circumstances, receive a lower allocation (and potentially, in some cases, no allocation) of investment opportunities than otherwise would be the case.

Other Blackstone Clients (including certain Blackstone Multi-Strategy Vehicles) will be regulated under the 1940 Act or foreign equivalent (each, a “**Regulated Client**”) and could be subject to exemptive orders from the SEC or equivalent from other foreign regulators (as amended or superseded from time to time, the “**Exemptive Orders**”). Such Exemptive Orders, if required, could include restrictions and limitations that are not currently foreseen and extend beyond those described below. As a result, it is generally expected that the Clients investing alongside the Regulated Clients will be subject to legal, tax, regulatory, accounting, contractual and other similar considerations, including without limitation those related to the 1940 Act (including any Exemptive Orders). Certain Regulated Clients have received, and others can be expected to receive, an Exemptive Order permitting the Regulated Clients to co-invest with certain other persons, including certain affiliates of Blackstone, and certain funds managed and controlled by the Registrant or Blackstone, including the Clients, Other Blackstone Clients, and their affiliates, subject to certain terms and conditions. In order to permit the Clients to co-invest alongside a Regulated Client, it is possible the investment adviser of such Regulated Client will be required to serve, subject to applicable law, as an investment adviser to the Clients (including as a co-adviser or sub-adviser). For so long as any privately negotiated investment opportunity falls within certain established investment criteria of one or more Regulated Clients, such investment opportunity shall also be offered to such Regulated Client(s). In the event that the Clients co-invest alongside a Regulated Client, the Registrant and the investment adviser to the Regulated Client will determine a targeted amount of available capital for investment alongside the Clients, in accordance with the allocation considerations outlined above. In the event that the aggregate targeted investment sizes of the Clients, such Other Blackstone Clients and such Regulated Client(s) that are allocated an investment opportunity exceed the amount of such investment opportunity, allocation of such investment opportunity to each of the Clients, such Other Blackstone Clients and any applicable Regulated Client(s) will typically be reduced proportionately based on their respective “available capital” as defined in the applicable Exemptive Order, which could result in an allocation to the Clients in an amount less than

what it would otherwise have been if such Regulated Client(s) did not participate in such investment opportunity. The Exemptive Order will also, in certain circumstances, restrict the ability of the Clients and/or Other Blackstone Clients to invest in any privately negotiated investment opportunity alongside a Regulated Client except at the same time and on the same terms, as described in the respective Exemptive Order. As a result, the Clients will be unable to make investments in different parts of the capital structure of the same issuer in which a Regulated Client has invested or seeks to invest, and Regulated Clients will be unable to make investments in different parts of the capital structure of the same issuer in which the Clients have invested or seek to invest. The foregoing restrictions could significantly limit the investment opportunities available to the Clients, particularly with respect to Regulated Clients that pursue the investment strategy(ies) pursued by the Clients within their investment programs and invest alongside the Clients programmatically. The rules promulgated by the SEC under the 1940 Act, as well as any related guidance from the SEC and/or the terms of any Exemptive Order itself, are subject to change, and the investment adviser of the Regulated Client(s) could undertake to amend the Exemptive Order (subject to SEC approval), obtain additional exemptive relief, or otherwise be subject to other requirements in respect of investments involving the Clients, any Other Blackstone Client and any Regulated Clients, any of which could impact the amount of any allocation made available to Regulated Clients and thereby affect (and potentially decrease) the allocation made to the Clients.

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

The existence of different rates of carried interest and/or management fees paid by investors in the Clients will be less than or exceed the amount of carried interest charged and/or management fees paid by investors in Other Blackstone Clients. Such variation will create an incentive for Blackstone to allocate a greater percentage of an investment opportunity to the Clients or such Other Blackstone Clients, as the case will be.

Furthermore, one or more Comparable Vehicles will generally invest alongside the Clients in investments. As part of the Strategic Partners programs, the General Partners and their affiliates will close on one or more new investment vehicles (including one or more managed accounts (or other similar arrangements, including those that will be structured as one or

more entities) for the benefit of one or more specific investors (or group of specific investors)) having the same or similar investment objectives as the Clients and having terms as determined by the General Partners in their sole discretion (such vehicles, “**Comparable Vehicles**”) and such Comparable Vehicles will invest alongside the Clients. Comparable Vehicles have and in the future will be established for investors that are affiliates of Blackstone, including Other Blackstone Clients (such as funds, vehicles, accounts and other similar arrangements managed by BMAA). To the extent that an investment falls within the investment objectives of the Clients and any Comparable Vehicle and such funds invest in such investment, then the Clients will generally invest their available capital on a pari passu basis with such Comparable Vehicles based on their relative available capital (which will, for this purpose, include anticipated capital commitments to a Comparable Vehicle not yet accepted or received for legal, tax regulatory or other similar considerations) taking into account the remaining investment periods of the Clients and such Comparable Vehicles, subject to any investment limitations and terms of the Clients and such Comparable Vehicles, legal, regulatory, tax, accounting and other subjective considerations, including any investment preferences (including over- or under-weighting certain asset classes, incorporating a geographic focus or limitations, target size of the investment and/or risk/return profile preference) articulated in advance by one or more investors in such Comparable Vehicles and other considerations (including, for example, the use of leverage and/or the allocation considerations described above). The General Partner will determine relative available capital between the Clients and any such Comparable Vehicles on a deal-by-deal basis or on a periodic basis (e.g., quarterly or annually) or in any other manner as deemed appropriate by the General Partner. While the General Partners will seek to allocate investments among the Clients and the Comparable Vehicles in accordance with the prior sentence, it is acknowledged and agreed that certain Comparable Vehicles will not necessarily participate in each investment (including, for the avoidance of doubt, each follow-on investment), as a result of legal, tax, regulatory or other considerations and/or will cease to participate in investments alongside the Clients’ generally as a result of, for example, the expiration of such Comparable Vehicle’s investment periods prior to the end of the Client’s investment period, which, in either case, will, from time to time, result in an increase (which at times will be substantial) in the Clients’ allocable share of such investment.

Prospective investors should also note that the terms of Comparable Vehicles (including the economic terms, investment period, investment limitations and veto rights with respect to investments, diversification parameters and any governance rights, reporting rights or information rights afforded to limited partners of Comparable Vehicles) will materially differ, and will in some instances be more favorable to the limited partners of Comparable Vehicles than the terms of the Clients. Such different terms will, from time to time, create potential conflicts of interests for the General Partners or their affiliates, including with respect to the allocation of investment opportunities. In particular, the existence of different rates of carried interest will create a potential conflict of interest for the General Partners in connection with the allocation of investment opportunities.

The Registrant will also, in its discretion, establish one or more investment vehicles the primary investment purpose of which is to invest alongside the Clients and the Comparable Vehicles where the investment opportunity exceeds the amount the General Partners determine is appropriate for the Clients and the Comparable Vehicles, as applicable (any such investment vehicle, an “**Overage Fund**”). Any such Overage Fund will result in the Clients and the Comparable Vehicles being allocated a smaller share of an investment opportunity. Overage Funds have been and in the future could be established for investors that are affiliates of Blackstone, including Other Blackstone Clients. See also “Co-Investment Opportunities” above.

***Transactions with Clients of Blackstone Insurance Solutions.*** Blackstone Insurance Solutions (“**BIS**”) is a business unit of Blackstone that is comprised of two affiliated registered investment advisers. BIS provides investment advisory services to insurers (including, among others, (i) Fidelity & Guaranty Life Insurance Company and certain of its affiliates (“**FGL**”), (ii) Everlake Life Insurance Company and certain of its affiliates (“**Everlake**”), and (iii) certain subsidiaries of Corebridge Financial, Inc. (“**Corebridge**”) and (iv) certain subsidiaries of Resolution Life Group Holdings Ltd. (“**Resolution Life**”). Certain of the insurers for which BIS provides services are, or can be in the future, owned, directly or indirectly, by Blackstone, the Clients or Other Blackstone Clients, in whole or in part.

Actual or potential conflicts of interest will likely arise in relation to the funds, vehicles or accounts BIS advises or sub-advises, including accounts where an insurer (including, without limitation, each of FGL, Everlake, Corebridge and Resolution Life) participates in investments directly and there is no separate vehicle controlled by Blackstone (collectively, “**BIS Clients**”) (e.g. BIS Clients have invested and are expected to continue investing in Other Blackstone Clients). Certain BIS Clients will have investment objectives that overlap with those of the Clients (and the Registrant has entered into sub-management agreements with BIS to manage the assets of certain of such BIS Clients with respect to investments that overlap in part with the Client’s investment directive) or their Portfolio Entities, and such BIS Clients will invest alongside the Clients or such Portfolio Entities in certain investments, which will reduce the investment opportunities otherwise available to the Clients or such Portfolio Entities. BIS Clients will also engage in a variety of activities, including participating in transactions related to the Clients and/or their Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Other transactions in which BIS Clients will participate include, without limitation, investments in debt or other securities issued by Portfolio Entities or other forms of financing to Portfolio Entities (including special purpose vehicles established by the Clients or such Portfolio Entities). When investing alongside the Clients or their Portfolio Entities or in other transactions related to the Clients or their Portfolio Entities, BIS Clients will not invest or divest at the same time or on the same terms as the Clients or the applicable Portfolio Entities. BIS Clients will also from time to time acquire investments and Portfolio Entities directly or indirectly from the Clients. In circumstances where the Registrant determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone or the Registrant implements, the Registrant is not required and does not intend to seek approval of the

advisory committee or the limited partners. In addition, in certain circumstances, transactions between the Clients and BIS Clients will not require any approval of an advisory committee or limited partners. In order to seek to mitigate any potential conflicts of interest with respect to such transactions (or other transactions involving BIS Clients), Blackstone reserves the right, in its discretion, involve independent members of the board of a Portfolio Entity or a third-party stakeholder in the transaction to negotiate price and terms on behalf of the BIS Clients or otherwise cause the BIS Clients to “follow the vote” thereof, and/or cause an independent client representative or other third party to approve the investment or otherwise represent the interests of one or more of the parties to the transaction. In addition, Blackstone or the Registrant reserves the right to limit the percentage interest of the BIS Clients participating in such transaction, or obtain appropriate price quotes or other benchmarks, or, alternatively, a third-party price opinion or other document to support the reasonableness of the price and terms of the transaction. BIS will also from time to time require the applicable BIS Clients participating in a transaction to consent thereto (including in circumstances where the Registrant does not seek the consent of the advisory committee or the limited partners). There can be no assurance that any such measures or other measures that can be implemented by Blackstone will be effective at mitigating any actual or potential conflicts of interest. Moreover, under certain circumstances (e.g. where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client (or any Other Blackstone Client participating via a similar arrangement) will not be an “Affiliate” under the applicable partnership agreement, nor subject to consent of the advisory committees, in which case any limitations or obligations pursuant to the applicable partnership agreement with respect to transactions with Affiliates will not apply.

***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 Clients. Such allocations generally would be based on Blackstone’s assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool will have a private equity focused portfolio, while others will not and would not be appropriate for the Clients. Also, a pool will contain both debt and equity instruments that Blackstone determines should be allocated to different funds. In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool and therefore among the Clients and Other Blackstone Clients acquiring any of the assets, securities and instruments, although Blackstone could, in certain circumstances, allocate value to a Client and such Other Blackstone Client on a different basis than the contractual purchase price. Similarly, there will likely be circumstances in which the Clients and Other Blackstone Clients will sell assets in a single or related transactions to a buyer. In some cases a counterparty will require an allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not accurate and should not be relied upon. Blackstone will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third-party valuation reports. Regardless of the methodology for allocating value, Blackstone will have conflicting duties to the Clients



and Other Blackstone Clients when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an investment of a Client will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such investment were acquired or sold independently rather than as a component of a portfolio shared with Other Blackstone Clients.

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

Debt financing to the Clients and their Portfolio Entities will be provided, from time to time, by third parties (and/or their affiliates), Other Blackstone Clients (such as the Blackstone Credit funds, BREDs funds, BXMT funds and BIS Clients) and investors therein, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Clients and their Portfolio Entities, as well as by Blackstone itself in accordance with the terms of the applicable partnership agreements. Blackstone could have incentives to cause the Clients and their Portfolio Entities to accept less favorable financing terms from a limited partner, Other Blackstone Clients, their Portfolio Entities, Blackstone itself, investors therein and other parties with material relationships with Blackstone than it would from a third party. The same concerns apply when any of these other parties invest in a more senior position in the capital structure of a Portfolio Entity than the Clients, even if the form of the transaction is not a financing. The Clients or their Portfolio Entities could also occupy a different position in the capital structure than a limited partner, Other Blackstone Client, their Portfolio Entities and other parties with material relationships with Blackstone, in which case Blackstone could have an incentive to cause the Clients or their Portfolio Entities to offer more favorable terms to such parties. In the case of a related party financing between the Clients or their Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Clients or their Portfolio Entities, on the other hand, the Registrant could, but is not obligated to, rely on a third-party agent to confirm the terms offered by the counterparty are consistent with market terms, or the Registrant could instead rely on its own internal analysis, which the Registrant believes is often superior to third-party analysis given Blackstone's scale in the

market. If, however, any of Blackstone, the Clients, an Other Blackstone Client or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a joint venture partner, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Blackstone-related vehicle impacts the market terms and Blackstone will have influence on such third parties. For example, in the case of a loan extended to a Client or a Portfolio Entity by a financing syndicate in which an Other Blackstone Client has agreed to participate on terms negotiated by a third-party participant in the syndicate, it will have been necessary to offer better terms to the financing provider (at the expense of the Clients or such Portfolio Entities) to fully subscribe the syndicate than what would have been offered if the Other Blackstone Client had not participated in such negotiation of terms; it is also possible that the frequent participation of Other Blackstone Clients in such syndicates could dampen interest among other potential financing providers, thereby lowering demand to participate in the syndicate and increasing the financing costs to the Clients. No assurance can be given to limited partners that these effects will not be significant in any circumstance. The Registrant will not be required to obtain any consent or seek any approvals from limited partners, an independent client representative (if any) or the advisory committee, or otherwise, as applicable, in the case of any of these conflicts.

Blackstone could cause actions adverse to the Clients to be taken for the benefit of Other Blackstone Clients that have made an investment more senior in the capital structure of a Portfolio Entity than the Clients (e.g., provide financing to a Portfolio Entity, the equity of which is owned by a Client) and, *vice versa*, actions will, in certain circumstances, be taken for the benefit of the Clients and their Portfolio Entities that are adverse to Other Blackstone Clients. Blackstone could seek to implement procedures to mitigate conflicts of interest in these situations such as (i) a forbearance of rights, including some or all non-economic rights, by the Clients or relevant Other Blackstone Client (or their respective Portfolio Entities, as applicable) by, for example, causing such Other Blackstone Client to decline to exercise certain control and/or foreclosure-related rights with respect to a Portfolio Entity by agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to both normal course ongoing matters (such as consent rights with respect to loan modifications in intercreditor agreements) and also decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing such Client or relevant Other Blackstone Client or other Client (or their respective Portfolio Entities, as applicable) to hold only a non-controlling interest in any such Portfolio Entity, (iii) retaining a third party loan servicer, administrative agent or other agent to make decisions on behalf of such Client or relevant Other Blackstone Client or other Client (or their respective Portfolio Entities, as applicable), or (iv) create groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise one of the clients that has a conflicting position with Other Blackstone Clients. As an example, to the extent an Other Blackstone Client holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by the Clients or their Portfolio Entities, Blackstone will decline to exercise, or delegate to a third party, certain control, foreclosure

and other similar governance rights of the Other Blackstone Client. In these cases, Blackstone would generally act on behalf of one of its clients, though the other client would generally retain certain control rights, such as the right to consent to certain actions taken by the trustee or administrative or other agent of the investment, including a release, waiver, forgiveness or reduction of any claim for principal or interest; extension of maturity date or due date of any payment of any principal or interest; release or substitution of any material collateral; release, waiver, termination or modification of any material provision of any guaranty or indemnity; subordination of any lien; and release, waiver or permission with respect to any covenants. The efficacy of following the vote of third-party creditors will be limited in circumstances where the Clients acquire all or substantially all of a relevant instrument, tranche or class of securities.

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

In certain circumstances, the Clients will be required to commit funds necessary for an investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, an Other Blackstone Client and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), will 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 applicable partnership agreement and would be sold down ahead of equity invested by the Clients. Similarly, the Clients and/or Other Blackstone Clients will seek to initially acquire investments (including all or part of the relevant tranche of securities) for the purpose of syndicating a portion thereof to one or more Other Blackstone Clients, co-investors or third parties. The terms of any such acquisition and syndication will be determined by the Registrant in its sole discretion, and will 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 will not be available for purposes of mitigating any potential conflicts of interest (as described above) and the Other Blackstone Client and/or Blackstone itself will receive compensation for providing such financing and/or commitment (including ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of management fees payable by any limited partner. The conflicts applicable to Other Blackstone Clients who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations. See also “Securities and Lending Activities” and “Syndication; Warehousing” herein.

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

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

Any financing provided by a limited partner or an affiliate to the Clients or a Portfolio Entity is not a capital contribution to the Clients and does not reduce the unused Capital Commitment of such limited partner. To the extent the limited partners (or limited partners in any Other Blackstone Client) or any of their affiliates provide debt financing to a Client or its Portfolio Entities, it will not be considered a "co-investment" and any applicable covenants regarding co-investments in the applicable partnership agreement will not apply.

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

In addition, certain Client partnership agreements allow the Registrant or its affiliates to lend funds to the applicable Client, subject to the limitations therein, which advances will be repaid from capital contributions or other funds of such Client. If the Registrant or any of its affiliates lend funds to the Clients, the terms of such lending typically (i) will be disclosed to the advisory committee or the limited partners generally (not including any advances for partnership expenses) and (ii) must be at least as favorable to the Clients as terms that could have been obtained at the time of such lending from a person that was not the Registrant or its affiliate. Although these conditions will apply, potential or actual conflicts can arise in connection with any such lending including, without limitation, in determining comparable terms.

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

***Conflicting Fiduciary Duties to Debt Funds.*** Other Blackstone Clients include funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments, including the investment funds or vehicles sponsored or managed by Blackstone Alternative Credit Advisors LP. As discussed above, it is expected that these Other Blackstone Clients or investor therein will be offered the opportunity to provide financing with respect to investments made by the Clients and their Underlying Vehicles and/or Portfolio Entities. Blackstone owes a fiduciary duty to these Other Blackstone Clients and investors therein as well as to the Clients and will encounter conflicts in the exercise of these duties. For example, if an Other Blackstone Client purchases high-yield securities or other debt instruments of a Underlying Vehicle or underlying asset, or otherwise occupies a senior (or other different) position in the capital structure of an investment relative to a Client (whether through its direct or indirect investment therein), Blackstone will encounter conflicts in providing advice to a Client and to these Other Blackstone Clients with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, among other matters. Less commonly, a Client could indirectly hold an investment that is senior in the capital structure, such as a debt instrument, to an Other Blackstone Client. Although measures described above in “Related Financing Counterparties” can mitigate these conflicts, they cannot completely eliminate them. These conflicts related to fiduciary duties to such Other Blackstone Clients will not necessarily be resolved in favor of the Clients, and limited partners will not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Similarly, certain Other Blackstone Clients, including, but not limited to, the Blackstone Credit Clients, BREDS (including BXMT), and BXMA Clients can be expected to invest in securities of publicly traded companies that are actual or potential investments of the Clients or their Portfolio Entities. The trading activities of Other Blackstone Clients will differ from or be inconsistent with activities that are undertaken for the account of a Client or its Portfolio Entities in any such securities. In addition, a Client will not pursue an investment in a Portfolio Entity otherwise within the investment mandate of such Client as a result of such trading activities by Other Blackstone Clients that relate to such Portfolio Entity and/or Portfolio Funds and their underlying portfolio compan(ies).

***Related Financing of Counterparties to Acquire Assets from, or Sell Assets to, the Clients and their Portfolio Entities.*** In certain transactions, Other Blackstone Clients will commit to and/or provide financing to parties that bid for and/or purchase investments or assets from, or sell assets to, the Clients, Underlying Vehicles or Portfolio Entities. Generally, there are no limitations in the applicable partnership agreements or otherwise with respect to such arrangements (including with respect to terms, price, quantity, frequency, percentage interest therein or otherwise). In addition, the Clients and their Underlying Vehicles and Portfolio Entities will from time to time purchase assets or portfolio companies from parties that obtain, or currently have outstanding, financing from Other Blackstone Clients (including through transactions a component of which is for any such outstanding financing from Other Blackstone Clients to be refinanced or repaid). See “Related Financing

Counterparties” herein. Although Blackstone believes that the participation by Other Blackstone Clients in such financings could be beneficial to the Clients by supporting parties in their efforts to bid on the sale of assets by, and to sell assets to, the Clients, Underlying Vehicles and Portfolio Entities, Blackstone will have an incentive to cause a Client, Underlying Vehicle or relevant Portfolio Entity to select to sell an asset to, or purchase an asset from, a party that has outstanding or otherwise obtains financing from an Other Blackstone Client to the potential detriment of a Client. For example, although price is often the deciding factor in selecting from whom to acquire, or to whom to sell, an asset, other factors at times influence the buyer or the seller, as the case will be. The Registrant could cause a Client, Underlying Vehicle or Portfolio Entity to sell an investment or asset of the Clients to, or buy an asset from, a party that has received financing from an Other Blackstone Client, even when the bidder has not offered the most attractive price. Limited partners rely on the Registrant to select in its sole discretion the best overall buyer in sales of, and the best overall seller in the acquisition of, Client investments or assets, despite any conflict related to the parties financing the buyer or the seller, as applicable, without the consent of any advisory committee or limited partner.

***Liability Arising from Transactions Entered into Alongside Other Blackstone Clients.*** The Clients will also co-invest from time to time with one or more Other Blackstone Clients (including co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such Other Blackstone Clients) or Blackstone (including Blackstone Innovations (“BXi”)) in investments that are suitable for both the Clients and such Other Blackstone Clients and/or Blackstone. Participating in investments alongside Other Blackstone Clients and/or Blackstone will subject the Clients to a number of risks and conflicts (and in certain circumstances the Registrant will be unaware of an Other Blackstone Client’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, Other Blackstone Clients and Blackstone cannot be the same. Additionally, the Clients and such Other Blackstone Clients will generally have different investment periods or expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, can have conflicting goals with respect to the price and timing of disposition opportunities and such differences will also impact the allocation of investment opportunities (including follow-on investments related to earlier investments made by the Clients, Blackstone and Other Blackstone Clients). Such Other Blackstone Clients and/or Blackstone can also have certain governance rights for legal, regulatory or other reasons that the Clients will not have. As such, the Clients, Blackstone and/or such Other Blackstone Clients can dispose of any such shared investment at different times and on different terms, and investors therein can receive different consideration than is offered to the limited partners (e.g., some or all limited partners will receive cash whereas other limited partners and investors in BXi or Other Blackstone Clients can be provided the opportunity to receive distributions in-kind in lieu thereof).

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 is a direct counterparty to a transaction, the Client being solely liable with respect to its own share as well as Other Blackstone Clients' shares of any applicable obligations, or (ii) if a Client is not the direct counterparty, the Client having a contribution obligation to the relevant Other Blackstone Clients. Alternatively, a counterparty will agree to face multiple funds, which could result in the Clients being jointly and severally liable alongside Other Blackstone Clients for the full amount of the applicable obligations. Similarly, there could be transactions with respect to which, to address legal, tax, regulatory, administrative or other commercial considerations—including, for example compliance with cash confirmation requirements under the UK Takeover Code in connection with an investment involving a UK take-private transaction—the Registrant or Blackstone determines to utilize the Clients to make an investment commitment for a proposed investment on behalf of itself and one or more Other Blackstone Clients (or vice versa) with the expectation that such Other Blackstone Client (or the Clients, as applicable) assumes its share of the relevant funding obligation prior to closing. In cases in which a Client could be responsible for the liability of an Other Blackstone Client, or vice versa, the applicable parties would generally enter into a back-to-back or other similar contribution or reimbursement agreement.

Likewise, for certain investment-related hedging transactions, it can be expected to be advantageous for counterparties to trade solely with the Clients (or the relevant parallel fund). For these transactions, it is anticipated that the Clients (or the relevant parallel fund) would then enter into back-to-back trade confirmations or other similar arrangements with the relevant parallel fund or Other Blackstone Clients. The party owing under such an arrangement will 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 participates in an investment alongside any Other Blackstone Client, to the fullest extent permitted by applicable law, such Client could bear more than its pro rata share of relevant expenses related to such investment, including, but not limited to, as the result of such Other Blackstone Client's insufficient reserves or inability to call capital contributions to cover expenses. It is not expected that the Clients or Other Blackstone Clients will be compensated for agreeing to be primarily liable *vis-à-vis* a third-party counterparty. Moreover, in connection with the divestment of all or part of a Portfolio Entity (e.g., an initial public offering) and/or the wind-down of a Portfolio Entity, Blackstone will seek to track the ownership interests, liabilities and obligations of the Clients and any Other Blackstone Clients owning an interest in the Portfolio Entity comprising such operating business, but it is possible that the Clients and applicable Other Blackstone Clients will, in certain circumstances, incur shared, disproportionate or crossed liabilities. Furthermore, depending on various factors including the relative assets, expiration dates, investment objectives and return profiles of each of the Clients and such Other Blackstone Clients, it is possible that one or more of them will have greater exposure to legal claims and that they will have conflicting goals with respect to the price, timing and manner of disposition opportunities. Finally, in certain circumstances, if the Clients are participating in an investment alongside an Other Blackstone Client (including a co-investment vehicle), the Clients could also bear more than

their pro rata share of expenses relating to such investment, including where such Other Blackstone Client does not have resources to bear such expenses (including, but not limited to, as a result of insufficient reserves and/or the inability to call capital contributions to cover such expenses).

Moreover, in connection with seeking financing or refinancing of Portfolio Entities and their assets, it will 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 will enter into cross-collateralization arrangements with another Portfolio Entity of the Clients or portfolio entities of one or more Other Blackstone Clients. While Blackstone would expect any such financing arrangements to generally be non-recourse to the Clients and the Other Blackstone Clients, as a result of any cross-collateralization, the Clients could also lose their interests in otherwise performing investments due to poorly performing or non-performing investments of the Other Blackstone Clients.

**Fees Received by the Registrant.** Break-up or topping fees, commitment fees, transaction, monitoring and director fees and organization, financing, divestment, and other similar fees (which does not include amounts received with respect to group purchasing, healthcare brokerage, insurance and other similar services to Portfolio Entities) with respect to the investments can be paid to the Registrant, in which case management fees will be offset by the amount of net break-up, topping, commitment (including fees received in respect of guarantees), monitoring, transaction, directors', and organizational fees attributable to a potential investment by a Client, but not to any amount attributable to a potential investment by Other Blackstone Clients, vehicles participating in Blackstone's side-by-side co-investment rights, permanent capital vehicles, and/or accounts (including FGL, Everlake and the insurance companies comprising American International Group Inc.'s life and retirement business ("AIG L&R") managed by affiliates of Blackstone and related entities or third parties. See "—Other Blackstone Business Activities" herein. Alternatively, the Clients could receive the break-up, topping, commitment (including fees received in respect of guarantees), monitoring, transaction, directors', and organizational fees directly, in which case there will be no management fee offset. The Registrant will generally receive a greater economic benefit by structuring the break-up or topping, commitment (including fees received in respect of guarantees), monitoring, transaction, directors', and organizational fees to be paid to it directly, subject to the management fee offset, and will do so in its sole discretion. Break-up, topping, commitment (including fees received in respect of guarantees), monitoring, transaction, directors', and organizational fees paid to the Registrant or the Clients in connection with a transaction could be allocated, or not, to Other Blackstone Clients, co-investment vehicles and other investment vehicles participating in investments that invest (or are expected to invest) alongside the Clients, as determined by the Registrant to be appropriate in the circumstances. Generally, the Registrant would not allocate break-up, topping fees, commitment (including fees received in respect of guarantees), monitoring, transaction, directors', and organizational fees with respect to a



potential investment to the Clients, an Other Blackstone Client or co-investment vehicle unless such person would also share in broken deal expenses related to the potential investment. With respect to fees received by Blackstone relating to the Clients' investments or from unconsummated transactions, limited partners will not receive the benefit of any fees relating to the Clients' investments (including, without limitation, as described above) other than as set forth under the Clients' partnership agreements. Any offset of the management fee will only accrue to the extent the fees giving rise to such offset are paid as part of and during the course of the Clients' investment in the relevant Portfolio Entity, and, without regard to the nature of such fees, there will be no offset of the management fees with respect to any fees paid to Blackstone after a Client has exited the relevant investment. Following an exit of a Client investment in a Portfolio Entity, Other Blackstone Clients can be expected to continue to hold interests (debt and/or equity) in such Portfolio Entity, and Blackstone will, in certain circumstances, 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 the management fee. 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 a Client has exited (or is in the process of exiting) the applicable Portfolio Entity and/or following the termination of such employee's employment with Blackstone. Conflicts of interest are expected to arise when a Portfolio Entity enters into arrangements with Blackstone on or about the time a Client exits its investment in such Portfolio Entity. To the extent any investment banking fees, consulting (including management consulting) fees, syndication fees, capital markets syndication and significant sums in advisory fees (including underwriting fees (including, without limitation, evaluation regarding value creation opportunities and ESG risk mitigation)), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, financial advisory fees and similar fees for arranging acquisitions and other major financial restructurings and other similar operational and financial matters, loan servicing and/or other types of insurance fees, data management and services fees or payments, operations fees, financing fees, fees for asset services, title insurance fees, energy procurement brokerage fees, fees for ESG services, 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 management fees (e.g., services relating to the preparation of monthly cash flow models and industry asset management fees, incentive fees and other similar fees and annual retainers (whether in cash or in kind)) are received by Blackstone, such fees will not be required to be shared with the Clients or the limited partners and will not result in any offset to the management fee payable by the limited partners.

In connection with certain investments in certain jurisdictions, the Clients are permitted to contribute capital contributions made by limited partners for the payment of management fees to a holding vehicle formed in connection with such investment to enable such holding vehicle to pay management fees to an affiliate of the Registrant. To the extent the Clients

make such contributions to any such holding vehicle, the Clients will be credited with such amounts as if they had been paid by the Clients to the Registrant under the applicable management agreement (and such amounts paid to an affiliate of the Registrant by such holding vehicle will not, for greater certainty, constitute an additional fee that would offset the management fee, as such amounts do not result in an increase in the total amount of management fee paid to the Registrant and its affiliates had the Clients paid the entirety of the management fee to the Registrant).

**Broken Deal Expenses.** Any expenses incurred by the Clients for actual investments as described herein or in the applicable partnership agreement will also be incurred by the Clients with respect to broken deals (i.e., investments or proposed dispositions that are not consummated). The Registrant is not required to and in most circumstances will not seek reimbursement of broken deal expenses (i.e., expenses incurred in pursuit of an investment or disposition that is not consummated) from third parties, including counterparties to the potential transaction or potential co-investors (including “standing” co-investment vehicles established to participate in co-investment opportunities alongside the Clients on a regular or periodic basis and/or as part of an overall co-investment program or arrangement (“**Standing Co-Investment Vehicles**”)). Moreover, expenses related to the organization of co-investment vehicles formed to invest in a transaction that was ultimately not consummated are expected to 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, meal, travel and entertainment expenses incurred (see “Partnership/Organizational Expenses” for greater detail), deposits or down payments which are forfeited in connection with unconsummated transactions, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, commitment fees that become payable in connection with a proposed investment, and 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 the applicable Client’s partnership representative or its designated individual), printing and publishing expenses, 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 Entities, as detailed below), which will 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, be allocated solely to the Clients and not to Other Blackstone Clients or co-investment vehicles (including Standing Co-Investment Vehicles) that could have made the investment (including any situation where an Other Blackstone Client was initially allocated an investment opportunity and incurred such expenses before such investment opportunity was reallocated to a Client), even when such Other Blackstone Clients or co-investment vehicle commonly invests alongside the Clients in their investments or Blackstone or Other Blackstone Clients in their investments (including such Standing Co-Investment Vehicles). In such cases, the Clients’ shares of expenses would increase. Until a potential investment of the Clients is formally allocated to an Other

Blackstone Client and/or potential co-investors (it being understood that final allocation decisions are typically made shortly prior to closing an investment), the Clients are expected to bear the broken deal expenses for such investment (even if it was anticipated that such potential investment might be formally allocated to an Other Blackstone Client and/or potential co-investors instead of a Client), which can result in substantial amounts of broken deal expenses being borne by the Client. In the event broken deal expenses are allocated to an Other Blackstone Client or a co-investment vehicle, the Registrant or Clients will, in certain circumstances, advance such fees and expenses without charging interest until paid by the Other Blackstone Client or co-investment vehicle, as applicable. Additionally, certain co-investment vehicles or certain potential co-investors, including Other Blackstone Clients, who might have invested in a transaction had it been consummated, such as potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment are not executed until the time of the deal closing, will not be allocated any share of any break-up or topping fees or broken deal expenses (and such expenses will be allocated to the Clients), unless the Registrant determines otherwise in its discretion or as set forth in the relevant operative agreements or as required by applicable law. In addition, certain Portfolio Entities will provide transaction support services (including identifying potential investments) to the Clients, Other Blackstone Clients and their respective Portfolio Entities in respect of certain investments that are not ultimately consummated. See also “Portfolio Entity Service Providers and Vendors” herein. The Registrant will endeavor in good faith to allocate such broken deal-related costs to the Clients and such Other Blackstone Clients as it deems appropriate under the particular circumstances, including the allocation of certain expenses equally among the vehicles that were expected to participate in an investment that was not consummated. Any methodology used to determine the allocation of such broken deal expenses to the Clients and any Other Blackstone Clients or co-investment vehicles (including the choice thereof) involves inherent conflicts and will not result in perfect attribution and allocation of such costs, and there can be no assurance that a different manner of allocation would not result in the Clients and their Portfolio Entities bearing less or more of such costs. Further, any of the foregoing costs, although allocated in a particular period, could be allocated based on activities occurring outside such period. The allocation of any of the foregoing costs can be expected to be based on any of a number of different methodologies, and therefore a Client could, to the fullest extent permitted by applicable law, pay more than its pro rata portion of such cost based on its actual usage of such services.

***Other Blackstone Business Activities.*** Blackstone, Other Blackstone Clients, their Portfolio Entities, and personnel and related parties of the foregoing will receive fees, which could be substantial, and compensation, including performance-based and other incentive fees, for products and services provided to the Clients, the Underlying Vehicles, Portfolio Entities and / or third parties, 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; 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 Portcos (as defined below); 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 applicable management agreements, such fees shall not be applied to offset management fees and limited partners will not share therein. Such parties will also provide products and services for fees to Blackstone, Other Blackstone Clients and their Portfolio Entities, and their personnel and related parties, as well as third parties, as applicable. Further, such parties could provide products and services for fees to the Clients, Other Blackstone Clients and their Portfolio Entities in circumstances where third-party service providers are concurrently providing similar services to the Clients, Other Blackstone Client and their Portfolio Entities. Through its Innovations group, 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 Clients and their Portfolio Entities, as well as other Blackstone-related parties and third parties. By contracting for a product or service from a business related to Blackstone, the Clients, the Underlying Vehicles and 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 Clients and their Portfolio Entities, and their personnel and related parties will, in certain circumstances, receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by the Clients, the Underlying Vehicles and Portfolio Entities. The Clients, the Underlying Vehicles and Portfolio Entities will incur expenses in negotiating for any such fees and services, which will be treated as partnership expenses. In addition, in certain instances, the Registrant and/or persons affiliated with the Registrant will receive fees (including fees from Portfolio Entities), including incentive fees or similar compensation, paid and / or borne by third parties in connection with the Client's investment activities. Further, the Registrant will receive fees associated with capital invested by co-investors relating to investments in which the Clients participate or otherwise, in connection with a joint venture in which the Clients participate 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. Finally, Blackstone and its personnel and related parties will, in certain circumstances, also receive compensation for origination activities and unconsummated transactions (e.g., transactions, directors', consulting, management, closing, topping, break-up and other similar fees). The limited partners will not receive the benefit of any fees relating to the Clients' investments (including, without limitation, as described above) other than as specifically set forth in the applicable management agreements. For the avoidance of doubt, to the extent any investment banking fees, consulting (including management consulting) fees, syndication fees, capital markets

syndication and advisory fees (including underwriting fees), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, financial advisory fees, loan servicing fees, data management and services fees or payments, operations fees, financing fees, fees for asset / property management services, or other similar fees or annual retainers (whether in cash or in kind) are received by Blackstone, such 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 limited partners.

The Clients will, in certain circumstances, engage a third-party administrator to provide certain administrative services to it. The Clients will, as determined by the Registrant and as permitted by the applicable partnership agreements, 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, Blackstone Europe Fund Management S.à r.l. ("**BEFM**"), including all services provided by BEFM to the Luxembourg parallel funds 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 funds, such amounts will not offset management fees. In certain circumstances, the Client will engage a third-party administrator (e.g., as required for a Luxembourg parallel fund) and in such circumstances there can 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 Clients, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the person if the market rate for services is clearly higher than allocable salary and overhead. However, the provision of such services by Blackstone personnel and related parties and any such methodology (including the choice thereof and any benchmarking, verification or other analysis related thereto) involves inherent conflicts. Any amounts paid to Blackstone and/or its affiliates for such services, as well as the expenses, charges and costs of any benchmarking, verification or other analysis related thereto, will be borne by the 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 Clients and their Portfolio Entities, and their affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to investments sold by the 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 Clients and their Portfolio Entities, and their affiliates, personnel and related parties will acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

Without limiting the generality of the foregoing, the Registrant and its affiliates are expected to receive fees attributable to investments of the Clients or the termination of a proposed but unconsummated investment, including, without limitation, commitment, transaction, break-up, "topping," advisory, directors', organization, monitoring, financing fees, fees or payments for arranging acquisitions and other financial restructuring, advisory, investment banking, consulting, data management, servicing, leasing/administrative services, asset/property management, fees for services related to healthcare, consulting/brokerage, group purchasing, title insurance, capital markets services (including with respect to syndications or placements of debt and / or equity securities or instruments issued by Portfolio Entities

formed to invest therein), credit origination, loan servicing and/or other types of insurance which will be provided by Blackstone, in each case, as described in the Clients' offering and/or governing documents. Certain of these fees will offset the management fees paid by limited partners.

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 applicable partnership agreement, and given the breadth of Blackstone's investments and activities the Registrant will not be aware of every commercial arrangement between the Clients, the Underlying Vehicles and Portfolio Entities, on the one hand, and Blackstone, other Clients, Other Blackstone Clients and their Portfolio Entities, and personnel and related parties of the foregoing, on the other hand.

Except as set forth above, the 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" and "Other Blackstone Business Activities" herein. The Registrant and its affiliates and their personnel and related parties will receive fees attributable to Clients, Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles and/or accounts) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to Clients and Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of the management fees payable by limited partners or otherwise be shared with the Clients, Underlying Vehicles and Portfolio Entities or the limited partners, even if (i) such other Clients or Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) provide for lower or no management fees for the investors or participants therein (such as the vehicles established in connection with Blackstone's side-by-side co-investment rights, which generally do not pay a management fee or carried interest) or (ii) such fees result in an offset to management fees or carried interest payable by any of such Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties). As noted in "Co-Investment Opportunities" above, this creates an incentive for Blackstone to offer co-investment opportunities and will 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 and/or Other Blackstone Clients, which will give rise to potential or actual conflicts of interest, including with respect to the timing and manner of sale by Blackstone, on the one hand, and other participating funds, including the Clients, 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 and/or the Other Blackstone Clients, as applicable. With respect to any dispositions of securities or investments held by Blackstone resulting from receiving such fees in kind, since the Clients and/or Other Blackstone Clients, as applicable, are not necessarily similarly situated and will have different terms affecting the timing of their respective dispositions, there will 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 limited partners.

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 the Clients' behalf involving any such corporations, the Registrant will consider those relationships (including any incentives or disincentives as part of such relationship) when evaluating the investment opportunity, which can result in the Registrant choosing not to make such an investment on the Clients' behalf due to such relationships. The Clients can also co-invest with clients of Blackstone in a particular investment, 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 the Clients (e.g., investments in a competitor of a client or other person with whom Blackstone has a relationship). The Clients can be required to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone can have or develop, or transactions or investments Blackstone can make or have made.

**Outsourcing.** The Registrant 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, diligence (including sourcing), modeling and ongoing monitoring, preparing internal templates, memos and similar materials in connection with the Registrant's analysis of investment opportunities, or other related services) that can be and/or historically have been performed in-house by the Registrant and its personnel. The fees, costs and expenses of such third-party service providers will, when consistent with the Clients' organizational documents, be borne by the Clients as Client expenses, even if the Registrant would have borne such amounts if such services had been performed in-house (which, for the avoidance of doubt, would be in addition to any fees borne by the Clients as Client expenses for similar services performed by the Registrant in-house in lieu of or alongside (and/or to supplement or monitor) such third parties, subject to the terms of the Clients' organizational documents). Outsourced services include certain services (such as fund administration, transactional legal advice, tax planning and other related services) that will, subject to the terms of the Clients' organizational documents, also be provided by the Registrant in-house at the Clients' expense. From time to time, the Registrant will provide such services alongside (and/or supplement or monitor) a third-party service provider on the same matter or engagement and, in such cases, to the extent the Registrant's services are



reimbursable under the Clients' organizational documents, the overall amount of Client expenses borne directly or indirectly by the limited partners will be greater than would be the case if only the Registrant or such third-party provided such services.

The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by the Registrant in its discretion, taking into account such factors as it deems relevant under the circumstances. In certain instances, outsourcing (including with respect to sourcing investments) can allow the Clients to pursue transactions and activities that would otherwise not be feasible (because, for example, such transactions are too small in size). Certain third-party service providers and/or their employees (and/or teams thereof) will dedicate substantially all of their business time to one or more Clients, Other Blackstone Clients and/or their respective Portfolio Entities, while others will have other clients. In certain cases, third-party service providers and/or their employees (including part- or full-time secondees to Blackstone) will spend some or all of their time at Blackstone offices, have dedicated office space at Blackstone, have Blackstone-related email 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. This creates a conflict of interest because Blackstone 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 as Client expenses (with no reduction or offset to management fees) and retaining third parties will reduce the Registrant's internal overhead, compensation, benefits and costs for employees who would otherwise perform such services in-house. Such incentives likely exist even with respect to services where internal overhead, compensation and benefits are chargeable to the Clients. In general, the involvement of third-party service providers presents a number of risks due to the Registrant'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 and/or their Portfolio Entities to other third parties (including to their affiliates). Any such delegation could further reduce the Registrant's control over the outsourced functions, and the Registrant 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 Registrant, the Clients and/or their Portfolio Entities, including (without limitation) in relation to the delegation of such responsibilities to other parties and the allocation of time, attention and resources to the Registrant, the Clients and/or their Portfolio Entities, as compared to the service provider's 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/or their Portfolio Entities and often have no fiduciary obligation to act in the best interest of the Registrant, the Clients and/or their Portfolio Entities. The Registrant 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 the Registrant 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 delegates will not perform the outsourced function with the same

degree of skill, competence and efficiency as the Registrant would in the absence of an outsourcing arrangement). The Clients could suffer adverse consequences from actions, errors or failures to act by such third parties or their delegates, and will have obligations, including indemnity obligations, and limited recourse against them.

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

The Registrant could similarly determine to outsource certain services to Other Blackstone Clients, Portfolio Entities of the Clients and/or Other Blackstone Clients, limited partners of Clients and/or Other Blackstone Clients and affiliates of Blackstone, or to any of their respective related parties. The risks and conflicts described above would similarly apply in such circumstances, and such circumstances would raise additional conflicts. See also “Blackstone Affiliated Service Providers” and “Portfolio Entity Service Providers and Vendors” herein.

**Material Non-Public Information.** By reason of their responsibilities in connection with other activities of Blackstone and potentially by virtue of their activities outside of Blackstone, certain employees of Blackstone and their affiliates will acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Clients will not be free to act upon any such information. Due to these restrictions, the Clients will not be able to initiate a transaction that it otherwise might have initiated and will not be able to purchase or sell an investment that it otherwise might have purchased or sold which could negatively affect their operations.

**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 or advise on such transactions, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by, the Clients and their Portfolio Entities or advising on such transactions. Underwritings and financings can be on a firm commitment basis or on an uncommitted, or “best efforts,” basis, and the underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract. Blackstone can also be expected to provide, either alone or alongside third parties performing similar services, placement, financial advisory or other similar services to purchasers or sellers of securities (including in connection with primary offerings, secondary transactions and/or transactions involving special purpose acquisition companies), including loans or instruments issued by Portfolio Entities and Other Blackstone Clients. Blackstone’s compensation for such services is expected to be paid by the applicable seller (including the Clients (for example, in the case of secondary sales by the Clients) 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 Clients or their Portfolio Entities, or as dealer, broker or advisor to a counterparty to the Clients or a Portfolio Entity, and purchase securities from or sell securities to the Clients, Other Blackstone Clients or Portfolio Entities of the Clients or Other Blackstone Clients, or advise on such transactions. Blackstone will also from time to time, on behalf of the Clients or their Portfolio Entities, or other parties to a transaction involving the Clients or their Portfolio Entities, effect, or otherwise participate in, transactions, including general partner-led secondary transactions and transactions in the secondary markets generally, that result in commissions or other compensation paid to Blackstone by the Clients or their Portfolio Entities or the counterparty to the transaction, thereby creating a potential conflict of interest. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets fees, advisory fees (including capital markets advisory fees), lending arrangement fees, asset/property management fees, insurance (including title insurance) fees and consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, the Clients, an Other Blackstone Client or their Portfolio Entities are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with the Clients or the limited partners, and the management fee with respect to limited partners generally will not be reduced by such amounts. The Registrant has sole discretion to approve the foregoing arrangements if the Registrant believes in good faith that such transactions are appropriate for the Clients.

Sales of securities for the account of the Clients and their Portfolio Entities will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Clients. It could be impossible, as determined by 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 will be disadvantageous to the Clients.

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

Blackstone employees, including employees of the Registrant, are generally permitted to invest in alternative investment funds, venture capital funds, BX Energy Portcos, real estate

funds, hedge funds or other investment vehicles, including potential competitors of the Clients. The limited partners will not receive any benefit from any such investments.

**PJT.** On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill 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 its Portfolio Entities, the cost of which will generally be borne directly or indirectly by the Clients and investors. Given that PJT is no longer an affiliate of Blackstone, the Registrant and its affiliates are able to cause the Clients and Portfolio Entities to transact with PJT generally without restriction under the organizational 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.

**Portfolio Entity Relationships Generally.** Blackstone, Portfolio Entities of the Clients, including special purpose vehicle Portfolio Entities that can be formed in connection with investments, and Other Blackstone Clients are and will be counterparties or participants in agreements, transactions and other arrangements with the Clients, Other Blackstone Clients, and/or Portfolio Entities of the Clients and Other Blackstone Clients or other Blackstone affiliates and/or portfolio entities of the foregoing for the provision of goods and services, purchase and sale of assets and other matters. In addition, certain Portfolio Entities can be counterparties or participants in agreements, transactions and other arrangements with Other Blackstone Clients and/or Portfolio Entities or portfolio entities of Other Blackstone Clients for the provision of goods and services, purchase and sale of assets and other matters (including information-sharing and/or consulting). For example, from time to time, certain Portfolio Entities of the Clients or Other Blackstone Clients will provide or recommend goods or services to Blackstone, the Clients, Other Blackstone Clients, or other Portfolio Entities (including “platform” investments of the Clients and Other Blackstone Clients). As another example, it can also be expected that the management of one or more Client investments will consult with one another (or with one or more portfolio entities of an Other Blackstone Client) in respect of seeking its expertise, industry view, or otherwise on a particular topic including but not limited to an asset and/or the purchase and /or sale thereof. Moreover, the Clients and/or an Other Blackstone Client can be expected to consult with a Portfolio Entity or a portfolio entity of an Other Blackstone Client as part of the investment diligence for a

potential investment by the Clients or such Other Blackstone Client. These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or other benefits to Blackstone, a Blackstone affiliate and/or a Portfolio Entity, none of which will result in any offset to the management fees or otherwise be shared with the Clients or the limited partners, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by the Registrant and that certain Portfolio Entities are expected to be special purpose vehicles created by the Clients. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of a Client and/or such Other Blackstone Client or the consent of the advisory committee and limited partners of the Client or such Other Blackstone Client (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 the Clients and Portfolio Entities of Other Blackstone Clients are not considered affiliates of Blackstone, the Clients or the Registrant under the applicable partnership agreements and therefore are not covered by affiliate transaction restrictions included in such partnership agreements, such as the requirement to obtain consent from the advisory committee in certain circumstances. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to the Clients as otherwise would be the case if the counterparty were not related to Blackstone.

In addition, it is possible that certain Portfolio Entities of the Clients or Other Blackstone Clients or entities in which Other Blackstone Clients have an interest will compete with the Clients for one or more investment opportunities. It is also possible that certain Portfolio Entities of the Other Blackstone Clients or entities in which Other Blackstone Clients have an interest will engage in activities that will have adverse consequences on the Clients and/or their Portfolio Entities (including, by way of example only, as a result of laws and regulations of certain jurisdictions (e.g., bankruptcy, environmental, consumer protection and/or labor laws) that will not recognize the segregation of assets and liabilities as between separate entities and will 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 will result in the assets of the Clients and/or their Portfolio Entities being used to satisfy the obligations or liabilities of one or more Other Blackstone Clients, their Portfolio Entities and/or affiliates).

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

Further, Portfolio Entities with respect to which the Registrant or its affiliates can elect members to the board of directors will, as a result, subject such directors to fiduciary

obligations to make decisions that they believe to be in the best interests of such Portfolio Entity. Although in most cases the interests of the Clients and any such Portfolio Entity will be aligned, this could not always be the case. This has the potential to create conflicts of interest between the relevant director's obligations to such Portfolio Entity and its stakeholders, on the one hand, and the interests of the Clients, 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.

***Portfolio Entity Service Providers and Vendors.*** The Clients, Other Blackstone Clients and Portfolio Entities of each of the foregoing and Blackstone can be expected to engage Portfolio Entities of the Clients and Other Blackstone Clients to provide some or all of the following services: (a) corporate support services (including, without limitation, accounts payable, accounts receivable, accounting/audit (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, internal compliance, know-your-client reviews and refreshes, judicial processes, legal, environmental and/or sustainability due diligence support (e.g., review of asset condition reports, energy consumption), climate accounting services, ESG program, management services, engineering services, services related to the sourcing, development or implementation of renewable energy, ESG data collection and reporting services, capital planning services, operational coordination (e.g., coordination with joint venture partners, third-party service providers), risk management, reporting (e.g., tax, debt, portfolio or other similar topics), tax and treasury, tax, tax analysis and compliance (e.g., CIT and VAT compliance), business intelligence and data science services, fundraising support, legal/business/finance optimization and innovation (including legal invoice automation), and vendor selection, transfer pricing, 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, including, without limitation, construction management and oversight (such as management of general contractors on capital and energy efficiency projects)); and (d) transaction support services (including, without limitation, acquisition support; customer due diligence and related on-boarding; liquidation; reporting; relationship management with brokers, banks and other potential sources of investments: identifying potential investments: coordinating with investors: assembling relevant information: conducting financial and market analyses and modelling:

coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions; coordinating design and development works (such as recommending and implementing design decisions) 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; working with consultants and third parties to pursue entitlements; providing in-house legal, ESG and accounting services; and assisting with due diligence, preparation of asset improvement feasibilities, site visits, transaction consulting and specification of technical analysis and review of (i) design and structural work, (ii) certifications, (iii) operations and maintenance manuals and (iv) statutory documents).

Similarly, Blackstone, the Clients, Other Blackstone Clients and their Portfolio Entities can be expected to engage Portfolio Entities of the Clients to provide some or all of these services. In addition, certain asset management and finance functions, such as data entry relating to a Portfolio Entity, will be outsourced to a third party or affiliated service provider whose fees and expenses will be borne by such Portfolio Entity or the Clients and will not offset the management fee. Some of the services performed by Portfolio Entity service providers could also be performed by the General Partners or their affiliates from time to time and *vice versa*. Fees paid by the Clients 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 limited partners of the Clients and are not otherwise shared with the Clients, unless otherwise required by the applicable partnership agreement. 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 the Clients, Other Blackstone Clients and/or their portfolio entities on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. For example, Blackstone expects that certain Portfolio Entity service providers, as described below, with Blackstone's oversight, will establish a team of personnel to provide support services exclusively to the Clients and their Portfolio Entities (and/or other investment funds or accounts managed or controlled by Blackstone).

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

*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 (the "**BX Fund Services Luxembourg Luxcos**") controlled by certain Other Blackstone Clients. BX Fund Services Luxembourg is entirely owned by certain Other Blackstone Clients. In certain cases, the funds which use BX Fund Services Luxembourg's services

will 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 and Other Blackstone Clients that own or use BX Fund Services Luxembourg. These shared costs are intended to be allocated and charged on a cost sharing basis to the individual fund related entities utilizing the services of BX Fund Services Luxembourg based on the type and level of services provided and could include a mark-up, though BX Fund Services Luxembourg is generally intended to operate on a nominal profit basis. The Registrant endeavors 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 Registrant believes 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 and Other Blackstone Clients, such transfer will generally be consummated for minimal or no consideration, and without obtaining any consent from any advisory committee and/or the limited partners (or independent fund representatives (if any)), in each case, subject to the facts and circumstances and relevant governing documents) of the Clients.

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

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

*Encore.* Encore Group (USA) LLC ("**Encore**") is a portfolio entity held by certain Other Blackstone Clients that provides outsourced audiovisual services and event production. Encore is expected to perform services for the Clients, their Portfolio Entities, Other Blackstone Clients and Blackstone.

*Refinitiv.* On October 1, 2018, a consortium led by Blackstone announced that private equity funds managed by Blackstone had completed an acquisition of Thomson Reuters' Financial & Risk business ("**Refinitiv**"). On January 29, 2021, Refinitiv was sold to the London Stock Exchange Group ("**LSEG**"), with certain Other Blackstone Clients receiving a minority stake in LSEG. Refinitiv operates a pricing service that provides valuation services. Refinitiv is expected to provide goods and perform



services for certain Clients, their Portfolio Entities, Other Blackstone Clients and Blackstone.

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

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

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

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

*Revantage.* Revantage is a Portfolio Entity of certain Other Blackstone Clients that provides corporate support services, including, without limitation, accounting, legal, tax, treasury, information technology, human resources, operational and management services. Revantage is expected to perform services for the Clients, their Portfolio Entities, Other Blackstone Clients and Blackstone. Certain Portfolio Entities are required to obtain certain services from Revantage due to firm-wide or fund-wide or other reasons (including the Registrant’s policies and procedures). Such required services can be expected to include data collection programs, IT security, fund accounting, fund accounting reporting, acquisition onboarding, offboarding of investments, certain valuation reporting, tax reporting and compliance, distribution support, transaction and enterprise risk management, digital asset management, acquisition and disposition program management, certain ESG support services, and office services. The Registrant recommends certain services from Revantage to its Portfolio Entities where such services are accretive in value or offer proven scale to such Portfolio Entities. Such recommended services can be expected to include human resource administration, IT infrastructure services, investment accounting and reporting services, promote administration, loan origination assistance, and invoice and claims management services. Revantage also offers Portfolio Entities

“opt-in” services which are services that certain Portfolio Entities could find valuable and helpful to their infrastructure, whereas certain other Portfolio Entities could already perform such services in-house or have otherwise established policies and procedures for such services (or similar services) such that they decide not to “opt-in” to this category of Revantage’s services. Such services include portfolio company and investment level analytics services, talent acquisition services, financial planning and analysis for portfolio companies, tax advice and administration for portfolio entities, debt, litigation management services, business continuity assistance, and project management services.

While Revantage currently provides corporate support services, transactional support services, operational services and management services, Revantage is expected to expand the scope of its services over time as the platform continues to be built out. Further, each of Revantage Corporate Services, Revantage Asia and Revantage Europe could provide services on a global basis despite each of their respective owner entities and initially designated geographic focuses. For example, Revantage Corporate Services is expected to provide services outside of the United States (including in Asia and Europe) despite its ownership by a United States-focused, Blackstone-managed real estate fund and its initial designation as a service provider in North America, and similarly, Revantage Asia and Revantage Europe could provide services in the United States. By aggregating services received by multiple Portfolio Entities and expanding the scope of those services (and to whom those services are provided), Blackstone aims to reduce costs across portfolio companies and increase the quality and efficiency of such services.

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

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

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

*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 Clients and/or Other Blackstone Clients. CoreTrust is expected to provide group purchasing services to the Clients, Portfolio Entities, Other Blackstone Clients 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. Historically, CoreTrust has shared with Blackstone 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 could 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 will generally be determined either as a percentage of total company revenues or as a fixed fee (in each case subject to periodic review by CoreTrust and the applicable Portfolio Entity) and it is possible the access fee will not be subject to benchmarking. The access fee could be greater or less than the amount of the revenue that CoreTrust previously generated from Applicable Vendors.

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

The Clients and/or the Underlying Vehicles are currently expected to engage in the future with relevant businesses owned by Blackstone and/or Other Blackstone Clients 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 measurement of ESG-related programs, processes, initiatives and improvements) (such businesses, collectively, “**BX Energy Portcos**”). The Clients can make use of BX Energy Portcos in order to support the Clients’ aim of maximizing

risk-adjusted returns on investments. In particular, BX Energy Portcos are 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 Underlying Vehicles 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 can 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 Portcos are expected to be able to negotiate and provide pricing terms and quality of service that are more favorable than those that the Clients and the Underlying Vehicles could obtain for themselves on an individual basis, or from third parties.

Blackstone and Other Blackstone Clients could benefit from these transactions and activities through current income and creation of enterprise value in BX Energy Portcos's businesses. Furthermore, Blackstone, the Other Blackstone Clients and their Portfolio Entities and their affiliates and related parties will use the services of BX Energy Portcos, including at different rates as further described below. Although Blackstone believes the services provided by BX Energy Portcos are equal or better than those of third parties, Blackstone directly benefits from the engagement of BX Energy Portcos, and there is therefore an inherent conflict of interest.

There can be instances where current and former employees of Other Blackstone Clients' Portfolio Entities are seconded to or temporarily hired by the Clients' Portfolio Entities or, at times, the Clients' investments directly. Such secondments or temporary hiring of current and former employees of Other Blackstone Clients' Portfolio Entities by the Clients' Portfolio Entities (or their investments) will result in a potential conflict of interest between the Clients' Portfolio Entities and those of such Other Blackstone Clients. The costs of such employees are expected to be borne by the Clients or its relevant Portfolio Entities, as applicable, and the fees paid by the Clients or such Portfolio Entities to other Portfolio Entity service providers or vendors do not offset or reduce the management fee. See "Secondments and Internships" herein.

The Clients and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Clients or Other Blackstone Clients, including through incentive-based compensation payable to their management teams and other related parties. Some of these service providers and vendors owned by the Clients or Other Blackstone Clients will charge the Clients 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 and/or controlled by the Clients or Other Blackstone Clients pass through expenses on a cost reimbursement, no-profit, revenue, purchase and sale price, capital spend or break-even basis (even if third-party customers or clients are charged on a different basis), in which case the service provider allocates costs and expenses directly associated with work performed for the benefit of the Clients 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; due 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, and IPO-readiness and other infrastructure costs); taxes and/or liabilities determined by Blackstone based on applicable marginal tax rates; 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, to the fullest extent permitted by applicable law, pay more than their *pro rata* portion of fees for services. In addition, in certain circumstances, the Registrant also relies on the management team of a Portfolio Entity with respect to the determination of costs and expenses and allocation thereof and does 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 can be greater than the sum of the quarterly estimates (or other periodic estimates where applicable) and/or accruals and therefore the Clients 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 are 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 and their Portfolio Entities bearing less or more costs and

expenses. In addition, a Portfolio Entity that uses a “cost” basis methodology can, 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 can increase or reduce the amounts received by such Portfolio Entities for the same services, and limited partners 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 of the U.S., such service providers and vendors will charge the Clients 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 or operational considerations. Further, the Clients and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Clients, Comparable Vehicles or Other Blackstone Clients through incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a portfolio entity or asset of the Clients, Comparable Vehicles or Other Blackstone Clients will vary from the incentive-based compensation paid with respect to other portfolio entities and assets of the Clients, Comparable Vehicles and Other Blackstone Clients; as a result the management team or other related parties can be expected to have greater incentives with respect to certain assets and portfolio entities relative to others, and the performance of certain assets and portfolio entities will provide incentives to retain management that also service other assets and portfolio entities. Blackstone is not expected to perform or obtain any benchmarking analysis or third-party verification of expenses with respect to services provided on a cost reimbursement, no profit revenue, purchase and sale price, capital spend or break-even basis, or in respect of incentive-based compensation and the management fee will not be offset by such amounts. There can be no assurance that amounts charged by Portfolio Entity service providers that are not controlled by the Clients or Other Blackstone Clients will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. In addition, while it is expected that the Clients or Other Blackstone Clients will engage in long-term or recurring contracts with service providers, the Registrant, in certain circumstances, will not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time. Further, neither the Registrant nor Blackstone is required to perform or obtain benchmarking analysis of expenses with respect to non-recurring contracts with Portfolio Entity service providers. With respect to any benchmarking performed, the related benchmarking expenses will be borne by the Clients, Other Blackstone Clients and/or their respective Portfolio Entities and will not offset the management fee. In certain circumstances, the Clients and Other Blackstone Clients will enter into fee arrangements with service providers (including instances where the fee is a cost-plus fee, i.e., is structured as the cost of services plus a fixed percentage). Where service providers have entered into such fee arrangements, there can be situations where the service provider’s tax liabilities that are associated with the income received from the Client and/or Other Blackstone Clients could be passed along to the Clients such that the Clients would ultimately be responsible for bearing such expenses. Accordingly, the Registrant can have an incentive to structure its fee arrangements with such service

providers in such a manner where the Clients or an Other Blackstone Client can bear all or a portion of such service provider's tax liabilities. As further noted above, no fees charged by these service providers and vendors in the fee arrangement discussed in this paragraph will offset or reduce management fees, unless otherwise required by the partnership agreement.

A Portfolio Entity service provider will, in certain circumstances, subcontract certain of its responsibilities to other Portfolio Entities of the Clients and Other Blackstone Clients. 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, revenue, purchase and sale price, capital spend or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above. Similarly, Other Blackstone Clients, their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of the Clients 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 one or more Blackstone funds, such as the Clients and Other Blackstone Clients. In certain instances a similar company could be owned and controlled by Blackstone directly. Blackstone could cause a transfer of ownership of one of these service providers (or employees, leases, contracts or office assets of one service provider to another service provider) from the Clients to an Other Blackstone Client, or from an Other Blackstone Client to the Clients. The transfer of a Portfolio Entity service provider (or employees, leases, contracts or office assets of one service provider to another service provider) between or among the Clients and/or Other Blackstone Clients (where a Client will 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 advisory committees, an independent client representative (if any) or the limited partners. The Registrant can, but is not required to, obtain a third-party valuation confirming the same, and if it does, the Registrant will rely on such valuation. Portfolio Entities of the Clients and Other Blackstone Clients are not considered "affiliates" of Blackstone, the Registrant or the Clients under the Clients' offering and/or governing documents and therefore are not covered by affiliate transaction restrictions included in the Clients' offering and/or governing documents, such as the requirement to obtain consent from the advisory committees in certain circumstances.

In addition, the event of the disposition of a Portfolio Entity (whether by way of transfer to a Client, an Other Blackstone Client, a Portfolio Entity of the foregoing or Blackstone, as described above, or by way of a sale to a third party), such Portfolio Entity can continue to provide some or all of the services described herein to the Clients, Other Blackstone Clients,

portfolio entities of the foregoing or Blackstone, as applicable, even for a substantial period of time following such disposition.

***Service Providers, Vendors and Other Counterparties Generally.*** Certain third-party advisors and other service providers and vendors or their affiliates to the Clients and their Portfolio Entities (including accountants, administrators, paying agents, depositaries, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) are owned by Blackstone or Other Blackstone Clients or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Clients, the Other Blackstone Clients (including co-investment vehicles, where applicable) and their respective Portfolio Entities and affiliates and personnel of the foregoing. Such advisors and service providers referred to above can be investors in the Clients or Other Blackstone Clients, affiliates of the General Partners, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone, the Client and/or Other Blackstone Clients have an investment, and payments by the Clients and/or such entities will indirectly benefit Blackstone, the Other Blackstone Clients (including co-investment vehicles, where applicable) and their respective Portfolio Entities or any affiliates or personnel of the foregoing. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to the Clients and their Portfolio Entities could have other commercial or personal relationships with Blackstone, Other Blackstone Clients (including co-investment vehicles, where applicable) and their respective Portfolio Entities, or any affiliates, personnel or family members of personnel of the foregoing. Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above will, in certain circumstances, influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for the 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 of the Clients and are not otherwise shared with the Clients unless required by the applicable partnership agreement. In the case of brokers, Blackstone has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to the 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 Clients and their Portfolio Entities, the limited partners could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, the Clients or Other Blackstone Clients or their Portfolio Entities. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by the Clients and their Portfolio Entities are different from those used by Blackstone, Other Blackstone Clients 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 Clients and their Portfolio Entities and affiliates can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including without limitation the volume of transactions entered into with such counterparty by Blackstone, the Clients and its investments and/or Portfolio Entities in the aggregate or other factors, which can be expected to include early adoption, timing and other similar reasons.

The Clients, Other Blackstone Clients and their Portfolio Entities are expected to enter into joint ventures with third parties to which the service providers and vendors described above will, in certain circumstances, provide services. In some of these cases, the third-party joint venture partner will 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 Clients and their Portfolio Entities that also use the services of the Portfolio Entity service provider will, directly or indirectly, pay the difference, or the Portfolio Entity service provider will bear a loss equal to the difference. Moreover, in certain circumstances, the joint venture partner can be allocated fees, costs and expenses pursuant to a different methodology than a Portfolio Entity's standard allocation methodology, which could result in the Clients or their Portfolio Entities being allocated more fees, costs and expenses than they would otherwise be allocated solely pursuant to such standard allocation methodology.

With respect to transactions or agreements with Portfolio Entities (including, for the avoidance of doubt, long-term incentive plans), if unrelated officers of a Portfolio Entity have not yet been appointed, Blackstone will 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. Blackstone will mitigate such conflicts by, among other measures, involving outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms.

Blackstone will, from time to time, encourage the Clients and their Portfolio Entities' 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.

***Charitable and Political Contributions.*** To the extent permitted by applicable law, the Registrant will, from time to time, require, cause or invite the Clients and/or an underlying portfolio entity to make contributions to charitable initiatives, certain communities, and/or related organizations or other non-profit organizations that the Registrant believes could, directly or indirectly, enhance the value of the Clients' investments, assist in completing an acquisition of an underlying portfolio entity or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Clients or their underlying portfolio entities. Such contributions could be designed to benefit employees of an underlying portfolio entity, the community in which an underlying portfolio entity operates or a charitable cause essential to, or consistent with, the business purpose of an underlying portfolio entity. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of Blackstone, portfolio entity management teams, advisors, operating partners, service providers, vendors, joint venture partners, and/or other persons or organizations associated with Blackstone, the Clients, Other Blackstone Clients or the underlying portfolio entities. These relationships could influence the Registrant's decision whether to require, cause or invite the Clients or underlying portfolio entities to make charitable contributions. Further, from time to time, such charitable contributions by the Clients or the underlying portfolio entities could supplement or replace charitable contributions that Blackstone would have otherwise made. Also, in certain instances, the Registrant will, from time to time, select a service provider or other counterparty to the Clients or their investments based, in part, on the charitable initiatives of such person where the Registrant believes such charitable initiatives could, directly or indirectly, enhance the value of the Clients' investments or otherwise be beneficial to the underlying portfolio entities.

An underlying portfolio entity and/or, less commonly, a Client on behalf of an underlying portfolio entity, will, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in U.S. or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. Portfolio Entities are not considered affiliates of the Registrant (and in some cases, Portfolio Entities are not controlled by the Clients and the Registrant), and therefore such activities are not subject to relevant policies of the Registrant and such activities will be undertaken by an underlying portfolio entity without the knowledge or direction of the Registrant. In other circumstances, there will be initiatives where such activities are coordinated by Blackstone for the benefit of one or more underlying portfolio entities. In certain circumstances, interests of a Portfolio Entity will not align with or be adverse to the interests of other underlying portfolio entities, the Clients, Other Blackstone Clients or the limited partners. The costs of such activities can be allocated among those Portfolio Entities (and borne indirectly by the Limited Partners). While the costs of such activities will typically be borne by the underlying portfolio entity (and indirectly the Clients) undertaking such activities, such activities could also directly or indirectly benefit other underlying portfolio entities, other investments, Other Blackstone Clients or Blackstone.

Any such charitable contributions or political contributions made by the Clients or the underlying portfolio entities, if material, could affect the Clients' performance and will not offset management fees payable by the Clients. There can be no assurance that any such activities will actually be beneficial to or enhance the value of the Clients or the underlying portfolio entities, or that the Registrant will be able to resolve any associated conflict of interest in favor of the Clients.

***Blackstone Affiliated Service Providers.*** In addition to the service providers (including Portfolio Entity service providers) and vendors described above, the Clients and their Portfolio Entities will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, rather than 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 and their Portfolio Entities, as well as service providers, vendors and limited partners of the Clients. 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 applicable partnership agreement. Furthermore, Blackstone, the Other Blackstone Clients and their Portfolio Entities and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

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

*Blackstone Capital Markets.* Blackstone Capital Markets is a Blackstone affiliate that Blackstone, the Clients and their Portfolio Entities, Other Blackstone Clients and their 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 with a focus 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 Clients and their Portfolio Entities, affiliates and related parties, and third parties, including, from time to time, Blackstone’s borrowers. In exchange for such services, LNLS earns fees which would have otherwise been paid to third parties. If LNLS is involved in a transaction in which the 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.

*Hipgnosis.* Hipgnosis Song Management Limited (“**HSM**”), formerly The Family (Music) Limited is a Blackstone affiliate that is expected to provide asset management and advisory solutions for investments in the music space, including for investments by the Clients, Other Blackstone Clients, their Portfolio Entities, affiliates and related parties (whether now in existence or subsequently established) and third parties. The asset management services provided by HSM with respect to such investments can be expected to include, without limitation, evaluating, advising and conducting due diligence on possible investment opportunities in music assets, continually monitoring and reporting on music assets, identifying and evaluating opportunities

for realizing value from music assets, 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. The fees, compensation and other amounts received by HSM in connection with such services provided to investments will not offset the management fees payable by limited partners. As a result of the foregoing and Blackstone's partial ownership of HSM, there is an incentive for the Registrant to participate in and pursue more music-related transactions, due to the prospect of HSM earning such fees, and there is an incentive to engage HSM because the fees, costs and expenses of such services will be borne by the Clients as Client expenses (with no reduction or offset to management fees with respect to certain Clients) and will reduce the Registrant's internal overhead and compensation costs for employees who would otherwise perform such services. As a result, while Blackstone believes that HSM will provide services equal to or better than those provided by third parties, there is an inherent conflict of interest that gives Blackstone incentive to pursue music-related transactions and engage HSM to perform such services.

*Data Services.* Blackstone or an affiliate of Blackstone formed in the future will provide data services to Portfolio Entities, to certain investors in the Clients and in Other Blackstone Clients, and to the Clients and Other Blackstone Clients and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Clients make investments, and Portfolio Entities thereof) (collectively, "**Data Holders**"). Such services will include assistance with obtaining, analyzing, curating, processing, packaging, distributing, organizing, mapping, holding, transforming, enhancing, 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 Clients' organizational documents and any other applicable contractual limitations, with the Clients, Other Blackstone Clients, Portfolio Entities, investors in the Clients and in Other Blackstone Clients, and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Clients make investments, and Portfolio Entities thereof). Where Blackstone believes appropriate, data from one Data Holder will 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. If Blackstone in the future enters into data services arrangements with Portfolio Entities and such Portfolio Entities pay Blackstone compensation for such data services, Clients will indirectly bear their share of the cost of such compensation based on their ownership of such Portfolio Entities. To the extent Blackstone receives compensation for such data management services, such compensation could include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, as well as 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)). Such compensation will not offset or reduce management fees or any other fees or expenses borne by the Clients or otherwise be shared with the Clients or Client investors. Additionally, Blackstone is also expected to share and distribute the products from such data services within Blackstone or its affiliates (including Other Blackstone Clients or their Portfolio Entities) at no charge and, in such cases, the Data Holders will not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone creates 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.

Some of the services performed by Blackstone-affiliated service providers could also be performed by Blackstone from time to time and *vice versa*. Fees paid by the Clients or their Portfolio Entities to or value created in Blackstone-affiliated service providers or vendors do not offset or reduce the management fee payable by the limited partners of the Clients and are not otherwise shared with the Clients, unless otherwise required by the applicable partnership agreement.

In addition, Blackstone acquired a 9.9% interest in AIG L&R, and in connection therewith has entered into a long-term asset management partnership with certain subsidiaries and/or affiliates of AIG L&R to serve as the exclusive external manager with respect to certain asset classes within their investment portfolio, for compensation. While Blackstone will not control AIG L&R (and AIG L&R will not be an “Affiliate” under the partnership agreement), the aforementioned investment in AIG L&R and asset management arrangements can incentivize Blackstone to cause (and Blackstone will benefit indirectly from causing) the Clients and/or their Portfolio Entities to engage AIG L&R or its affiliates (including American International Group Inc. and its other affiliates and subsidiaries) to provide various services and engage in other transactions and otherwise present conflicts of interests as a result of Blackstone’s interest and relationship therewith.

The Clients could acquire from or sell to Blackstone a service provider as an investment 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 will 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, sales or other transaction volume. Furthermore, Blackstone-affiliated service providers will charge costs and expenses based on allocable overhead

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

The Registrant will make determinations of certain market rates (i.e., rates that fall within a range that the Registrant 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, such rates are expected to be in the top of the range) based on its consideration of a number of factors, which are generally expected to include the Registrant's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Registrant 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 will 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 will 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 the Clients (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 will not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by the Clients, Other Blackstone Clients and their respective Portfolio Entities and will not offset the management fee. Finally, in certain circumstances the Registrant 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 (or an insufficient number of comparable service providers for a reasonable comparison) exists 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, Comparable Vehicles, Other Blackstone Clients and their respective portfolio entities, then a separate benchmarking analysis of such rates is not expected to be prepared. Some of the services performed by Blackstone-affiliated service providers could also be performed by the Registrant from time to time and vice versa. Fees paid by the Clients or their Portfolio Entities to Blackstone-

affiliated service providers do not offset or reduce the management fee payable by the limited partners of the Clients and are not otherwise shared with the Clients, unless otherwise required by the applicable partnership agreement.

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

***Transactions with Portfolio Entities.*** Blackstone and Portfolio Entities of Blackstone and Other Blackstone Clients operate in multiple industries and provide products and services to or otherwise contract with the Clients and their Portfolio Entities, among others. Blackstone, the Clients and Other Blackstone Clients and their respective Portfolio Entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to the Clients or Portfolio Entities of the Clients or Other Blackstone Clients 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. In the alternative, Blackstone will 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 referrals can be expected to be made by Blackstone in an effort, in part, to increase the customer base of such companies or businesses (and therefore the value of the investment held by the Clients or Other Blackstone Clients) or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, or participation in revenue share and/or milestones benefitting the referring or introducing party that are tied or related to participation by the Portfolio Entities of the Clients and/or of Other Blackstone Clients, accruing to the party making the introduction (e.g., personnel of Blackstone, including Registrant investment professionals). Such referrals will be made by Blackstone in an effort, in part, to increase the customer base of such companies or businesses (and therefore the value of the investment held by the Clients or Other Blackstone Clients) or



because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, or participation in revenue share and/or milestones benefitting the referring or introducing party that are tied or related to participation by the Portfolio Entities of the Clients and/or of Other Blackstone Clients, accruing to the party making the introduction (which will include personnel of Blackstone, including Strategic Partners investment professionals). Such joint venture or business could use data obtained from such Portfolio Entities. See “Data” and “Data Services” herein. The Clients and the limited partners typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Clients and their Portfolio Entities as a result of the introduction of the Clients and their Portfolio Entities. There will, however, be instances in which the applicable arrangements provide that the Clients or their Portfolio Entities share in some or all of any resulting financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where a Client or one of its 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, additional equity ownership, participation in revenue share and/or milestones) will be similarly shared with the participating Other Blackstone Clients or their respective Portfolio Entities.

Blackstone has also entered into certain investment management arrangements whereby it provides investment management services for compensation to insurance companies including FGL (previously a Portfolio Entity of an Other Blackstone Client), Everlake and AIG L&R. As of the date of this Brochure, Blackstone owns a 9.9% equity interest in the parent company of Everlake and Other Blackstone Clients own the remaining equity interests in the parent company of Everlake, and Blackstone owns a 9.9% equity interest in the parent company of AIG L&R. The foregoing insurance company investment management arrangements will involve investments by such insurance company clients across a variety of asset classes (including investments that will otherwise be appropriate for the Clients). As a result, in addition to the compensation Blackstone receives for providing investment management services to insurance companies in which Blackstone or an Other Blackstone Client owns an interest, in certain instances Blackstone receives additional compensation in its capacity as an indirect owner of such insurance companies and/or Other Blackstone Clients. In the future Blackstone will likely enter into similar arrangements with other Portfolio Entities of the Clients, Other Blackstone Clients or with other insurance companies. Such arrangements will reduce the allocations of investments to the Clients, and Blackstone will be incentivized to allocate investments away from the Clients to such insurance company client under such investment management arrangements or other vehicles/accounts to the extent the economic arrangements related thereto are more favorable to Blackstone relative to the terms of the Clients.

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 will from time to time negotiate and execute agreements on behalf of the Portfolio Entity with Blackstone, the Clients, Other Blackstone Clients and their Portfolio Entities and affiliates and other related parties. These negotiations would not be arm's length and would entail conflicts of interest. Among the measures Blackstone will use to mitigate such conflicts are to involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms, or establish separate groups with information barriers within Blackstone to advise on each side of the negotiation.

***Related Party Leasing.*** The Clients and their Portfolio Entities will, in certain circumstances, lease property to or from Blackstone, Other Blackstone Clients and their Portfolio Entities and affiliates and other related parties. The leases are generally expected to, but will not always, be at market rates. Blackstone will confirm market rates by reference to other leases it is aware of in the market, which Blackstone expects to be generally indicative of the market given the scale of Blackstone's real estate business. Blackstone can be expected to, but would not always, nonetheless, have conflicts of interest in making these determinations and with regard to other decisions related to such assets and investments. There can be no assurance that the Clients and their Portfolio Entities will lease to or from any such related parties on terms as favorable to the Clients and their Portfolio Entities as would apply if the counterparties were unrelated.

***Cross-Guarantees and Cross-Collateralization.*** In certain circumstances, the Clients and their Portfolio Entities will enter into cross-collateralization or any cross-guarantee or similar arrangements with Other Blackstone Clients and co-investment vehicles and their Portfolio Entities, particularly in circumstances in which better financing terms are available through such arrangements, particularly in circumstances where the assets of each Portfolio Entity 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 Other Blackstone Clients by way of a back-to-back or reimbursement type agreement. Also, it is expected that cross-collateralization will generally occur at Portfolio Entities rather than the Clients for obligations that are not recourse to the Clients except in limited circumstances such as "bad boy" events. While cross-collateralization of investments can enable the Clients 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 with Other Blackstone Clients could result in the Clients losing their interests in otherwise performing investments of the Clients due to poorly performing or non-performing investments of other Clients or Other Blackstone Clients in the collateral pool or such persons otherwise defaulting on their obligations under the terms of such arrangements (and for the avoidance of doubt, the Clients' obligations under such cross-collateralization arrangements are expected to apply to investments in which the Clients have not participated). The limited partners will also be required to fund

capital contributions to cover a Client's 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 Clients when such other entities are not in turn exposed to risks associated with such Client's borrowing for a similar purpose if, for example, such other entities or the partners thereof are excused from cross-collateralizing certain partnership expenses, management fees or other obligations of such Clients. Through cross-collateralization, such other entities (including other Clients) will nevertheless be indirectly exposed to such risks associated with leverage on fees, expenses and/or other obligations of the Clients. See also "Liability Arising From Transactions Entered into Alongside Other Blackstone Clients" herein.

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

**Acquisition Vehicle Operations.** The Clients will, from time to time, establish one or more transaction-specific acquisition vehicles through which the Client and Other Blackstone Clients (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 will also be made through such acquisition vehicle. Proceeds received by any such acquisition vehicle from any of the Portfolio Entities will 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, 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 will result in certain metrics of performance (e.g., MOICs) being more favorable with respect to the Registrant than otherwise.

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

**Valuation Matters.** The fair value of all investments or of any assets received in exchange for any investments or interests in a Client will ultimately be determined by the General Partner in accordance with the Client's organizational documents. It will, in certain circumstances, be the case that the carrying value of an investment does not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value from time to time and the ultimate sales price could be material. The valuation of such investments will be determined by the General Partners in accordance with procedures set forth in the applicable partnership agreements and the General Partner's valuation policy for the applicable Client and will generally be valued on a quarterly basis. The General Partners could, from time to time, rely on the analysis of third parties to determine such valuations. The valuation methodologies used to value any investment (including determining whether to write off an investment) will involve subjective judgments and projections and will, in certain circumstances, not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which could turn out to be incorrect. Valuation methodologies could also permit reliance on a prior period valuation of particular investments. A General Partner will rely on the fair market value of a Client's interests in any investment as most recently reported to such Client or its General Partner by such investment; however, to the extent the most recently-reported value for any investment is deemed stale by the General Partner or otherwise not reflective of the investment's fair market value as determined by the General Partner in its discretion, the General Partner will apply a valuation for the relevant investment that is based on the valuation attributable to such investment in such Client's latest audited financial statements

or another value, which the General Partner reasonably determines to approximate fair market value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone's control. There will be no retroactive adjustment in the valuation of any investment, the offering price at which interests in the Clients were purchased by limited partners or repurchased by the Clients, as applicable, or the fees and/or performance-based compensation paid to the applicable General Partner to the extent any valuation proves to not accurately reflect the realizable value of an investment (subject to any clawback mechanism described in the Clients' organizational documents) even if that retroactive adjustment would benefit the Client and/or limited partners. The valuation of Clients' investments will affect the amount and timing of the General Partner's carried interest and, under certain circumstances following the investment period, the amount of management fees and servicing fees payable to the General Partners. The valuation of investments will, in certain circumstances, also affect the ability of Blackstone to raise a successor fund to the Clients. As a result, there will be circumstances in which the General Partners are incentivized to defer realization of investments, make more speculative investments, seek to deploy the capital commitments in investments at an accelerated pace and/or hold investments longer and/or determine valuations that are higher than the actual fair value of investments, which generally remains in the sole discretion of Blackstone. There will be no retroactive adjustment in the valuation of any investment or the carried interest distributions or management fees paid to the General Partners to the extent any valuation proves to not accurately reflect the realizable value of an investment in the Clients. The valuation of investments of Other Blackstone Clients will, in certain circumstances, affect the decision of potential limited partners to subscribe for interests. Similarly, the valuation of investments of the Clients will, in certain circumstances, affect the ability of Blackstone to form and attract capital to other Clients and/or Other Blackstone Clients. As a result, the valuation of investments of the Clients and Other Blackstone Clients, which generally remains in the sole discretion of Blackstone, involve conflicts.

In addition, in the event that a Client makes any distribution in-kind to limited partners, the fair market value of such securities distributed in kind is expected to be determined by the applicable General Partner (who at times can, but is not required to, receive input from a third-party valuation expert), subject to the terms and conditions of the applicable partnership agreement. As there is no guarantee that such valuations will reflect the value for such assets that would be achieved if such assets were sold to a third party rather than distributed in-kind, limited partners could not receive the price for such assets that they would otherwise have received if such assets were sold in a third party sale. If the valuations made by such General Partner in connection with the distribution-in-kind and used to calculate performance and carried interest distributions are higher than what could have been received if such investments were instead disposed of to third parties, held to maturity, or otherwise disposed of in another manner, the amount of carried interest distributions received by such General Partner, or the timing of receipt of carried interest distributions, could be higher and earlier in time than it would have been if such assets were sold in a third-party sale. Additionally, because the amount of proceeds limited partners are deemed to

receive in connection with potential distributions in kind of marketable securities utilizes an average of the trading prices both prior to and after the date of distribution (as more fully described in the partnership agreement), such General Partner's carried interest distributions could be based on a valuation that is higher than the price of the securities at the time they are actually distributed to the limited partners or that such General Partner would have received had such securities been sold for cash at such time.

***ERISA and Plan Assets Issues.*** The General Partners will use reasonable best efforts to avoid having the assets of the Clients constitute "plan assets" within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and the regulations promulgated thereunder, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**") and, in this regard, intends to limit equity participation by "benefit plan investors" (within the meaning of Section 3(42) of ERISA) to less than 25% of the total value of each class of equity interests in the Clients. Under the applicable partnership agreements, the General Partners will have the power to take certain actions to avoid having the assets of the Clients characterized as "plan assets," including, without limitation, the right to cause a limited partner that is a benefit plan investor to withdraw from a Client or to transfer its interest in a Client. While the General Partners and the Clients do not expect that the General Partners will need to exercise such power, neither the General Partners nor the Clients can give any assurance that such power will not be exercised.

If the assets of the Clients were deemed to be "plan assets" for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code, this could result, among other things, in (i) the application of the prudence and other fiduciary standards of ERISA to investments made by the Clients and (ii) the possibility that certain transactions in which the Clients might otherwise seek to engage in the ordinary course of its business and operation could constitute non-exempt "prohibited transactions" under ERISA and/or Section 4975 of the Code, which could restrict the Client from entering into an otherwise desirable investment or from entering into an otherwise favorable transaction. In addition, fiduciaries of "benefit plan investors" (within the meaning of ERISA) who decide to invest in the Clients could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Clients or as co-fiduciaries for actions taken by or on behalf of the Clients or the General Partners.

***Risk Arising from Controlled Group Liability.*** Under ERISA, upon the termination of a tax-qualified single employer defined benefit pension plan, the sponsoring employer and all members of its "controlled group" will be jointly and severally liable for 100% of the plan's unfunded benefit liabilities whether or not the controlled group members have ever maintained or participated in the plan. In addition, the U.S. Pension Benefit Guaranty Corporation (the "**PBGC**") will assert a lien with respect to such liability against any member of the controlled group on up to 30% of the collective net worth of all members of the controlled group. Similarly, in the event a participating employer partially or completely withdraws from a multiemployer (union) defined benefit pension plan, any withdrawal

liability incurred under ERISA will represent a joint and several liability of the withdrawing employer and each member of its controlled group.

A “controlled group” includes all “trades or businesses” under 80% or greater common ownership. This common ownership test is broadly applied to include both “parent-subsidiary groups” and “brother-sister groups” applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that a Client holds in one or more of its portfolio companies, the Client itself cannot be considered part of an ERISA controlled group unless the Client is considered to be a “trade or business”.

While there are a number of cases that have held that managing investments is not a “trade or business” for tax purposes, in 2007 the PBGC Appeals Board ruled that a private equity fund was a “trade or business” for ERISA controlled group liability purposes and at least one U.S. Federal Circuit Court has similarly concluded that a private equity fund could be a trade or business for these purposes based upon a number of factors including the fund’s level of involvement in the management of its portfolio companies and the nature of any management fee arrangements.

If a Client were determined to be a trade or business for purposes of ERISA, it is possible, depending upon the structure of the investment by the Client and/or its affiliates and other co-investors in a portfolio entity and their respective ownership interests in the portfolio entity, that any tax-qualified single employer defined benefit pension plan liabilities and/or multiemployer plan withdrawal liabilities incurred by the portfolio entity could result in liability being incurred by the Client, with a resulting need for additional capital contributions, the appropriation of Client assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain Client assets. Moreover, regardless of whether or not a Client were determined to be a trade or business for purposes of ERISA, a court might hold that one of the Client’s portfolio companies could become jointly and severally liable for another portfolio entity’s unfunded pension liabilities pursuant to the ERISA “controlled group” rules, depending upon the relevant investment structures and ownership interests as noted above.

**Group Procurement; Discounts.** The Clients and their Portfolio Entities will enter into agreements regarding group procurement (including, but not limited to, CoreTrust, an independent group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will include brokerage and/or placement thereof), and will from time to time be discounted due to scale or pooled across Portfolio Entities, including through sharing of deductibles and other forms of shared risk retention from a third party or a Blackstone affiliate, and other operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among the Clients, Other Blackstone Clients and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone, its affiliates, their personnel, or other Clients and Other Blackstone Clients and their Portfolio Entities, including as a result of transactions entered into by the Clients and

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

***Diverse Limited Partners Group.*** The limited partners 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 will have incentives or conflicts with respect to their investments in the Clients or Other Blackstone Clients, including matters Blackstone is not aware of, such as shares of 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. The Registrant will as a result, in certain circumstances, have conflicts in making these decisions, which can be expected to be more beneficial for one or more (but not all) limited partners than for other limited partners. 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 Blackstone Clients that participate in the same investments as the Clients), not the investment, tax or other objectives of any limited partner individually. As a result of disparate tax considerations applicable to certain investors in the Clients, the Comparable Vehicles and Other Blackstone Clients, but not other investors therein, not all such investors will participate in investments through the same investment structures and vehicles, and the securities indirectly held by such investors (or consideration ultimately distributed to such investors) will 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 limited partner's participation in particular investments or exclude certain limited partners from particular investments (in whole or in part), including, for the avoidance of doubt, follow-on investments (and limited partners of the Clients will, in certain circumstances, 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 and/or limitations with respect to any limited partner (or category of limited partners), 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 limited partners will 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). As a result of any such arrangements, it is expected that such limited partners will initially be allocated a smaller proportionate interest in investments and expenses. 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 limited partners. Therefore, to the extent a limited partner is entitled to a discounted or reduced management fee arrangement (including as set forth in the applicable partnership agreement, applicable management agreement or one or more side letters or other agreements (including any agreement governing a Strategic Relationship)) such limited partner's capital contributions in respect of management fees will be disproportionate as compared to any limited partner without such arrangement, and as a result its unused capital commitment will be proportionately higher than such other limited partner, 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, certain limited partners can be expected to also be limited partners in Other Blackstone Clients, including supplemental capital vehicles and co-investment vehicles that will invest alongside the Clients in one or more investments, which could create conflicts for the Registrant in the treatment of different limited partners. In addition, certain limited partners can be expected to also be limited partners in Other Blackstone Clients, including supplemental capital vehicles and co-investment vehicles that invest alongside the Clients in one or more investments, which will create conflicts for the Registrant in the treatment of different limited partners. Limited partners can be expected to also include affiliates of Blackstone, such as Other Blackstone Clients, affiliates of Portfolio Entities of the Clients or Other Blackstone Clients, charities, foundations or other entities or programs associated with Blackstone personnel, founders, entrepreneurs, executives and/or current or former Blackstone personnel, Blackstone's senior advisors, and any such affiliates, 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, legal and/or technology-related expenses notwithstanding that such expenses are charged 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 as limited partners. The Blackstone-related sponsors of feeder vehicles generally charge their investors additional fees, including performance-based fees, which could provide Blackstone current income and increase the value of its ownership position in them. Blackstone will therefore have incentives to refer potential investors to these feeder vehicles. All of these Blackstone related limited partners will have equivalent rights to vote and withhold consents as nonrelated limited partners, unless otherwise provided by the terms of the applicable partnership agreement. Nonetheless, Blackstone will have the ability to influence, directly or indirectly, these Blackstone-related limited partners. 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 a limited partner or its affiliates (which will occur in connection with such investors or affiliates making a capital commitment to the Other Blackstone Clients), including with respect to one or more investments (or types of investments). Such transactions will include agreements to pay performance fees to a 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 limited partners described in the previous sentences can be expected to therefore have different information about Blackstone and the Clients than limited partners not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealing with any such limited partners, and the Registrant and its affiliates will not be motivated to enter into agreements, transactions or arrangements with limited partners or their affiliates in order to secure capital commitments from investors in Other Blackstone Clients and will otherwise be motivated by factors other than the interests relating to the Clients. See also "Other Blackstone Business Activities" herein. Similarly, not all limited partners monitor their investments in vehicles such as the Clients in the same manner. For example, certain limited partners can be expected to periodically request from the Registrant information regarding the Clients and their Portfolio Entities and investments that is not otherwise included in the reporting and other information delivered to all limited partners—for instance, pre-quarterly reporting valuation. In such circumstances, the Registrant will provide such information to such limited partner and not to other limited partners, and the Registrant will not be obligated to affirmatively provide such information to all limited partners because it has provided such information upon request by certain limited partners. In addition, subject to certain conditions set forth in the applicable partnership agreement, the Registrant is not required to invite any limited partner that has a capital commitment below a certain threshold to attend meetings of the Clients. As a result, certain limited partners 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 other limited partners, and the Registrant will have no duty to ensure all limited partners receive the same information regarding the Clients and their Portfolio Entities. Therefore, certain limited partners can be expected to be able to take actions on the basis of such information which, in the absence of such information, other limited partners do not take. Furthermore, at certain times Blackstone 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 Client 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 limited partners or limited partners of Other Blackstone Clients. These institutions and personnel are a potential source of information and ideas that could benefit the 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.

In addition, it is also expected that Blackstone will from time to time confirm factual matters to incoming investors in the Clients, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to the Clients and/or Blackstone's activities pertaining thereto in one or more respects. In addition, Blackstone can from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more investors as part of an overall firm relationship. Any such statements, confirmations, agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and the limited partners generally will as a result not typically receive notice of any such confirmation, statements or acknowledgements or copies of the documentation (if any) in which they are contained, including in connection with any limited partner's "most favored nations" rights. There can be no assurance that any such arrangements will not have an adverse effect on the Clients or that such arrangements will not influence Blackstone's activities or the operations of the Clients.

***Affiliated Limited Partners.*** Certain limited partners in the Clients, including current and/or former senior advisors, officers, directors, personnel and/or other key advisors/relationships (including executives, founders and entrepreneurs) of Blackstone, Portfolio Entities of the Clients and Other Blackstone Clients, including the BTAS Clients and BIS Clients and any other existing or future Other Blackstone Clients, personnel of PJT 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 will not pay management fees or performance-based carried interest in connection with their investment in or alongside the Clients. Specific examples of such preferential terms received by certain affiliated limited partners include, among others, waiver of management fees and/or carried interest. For the avoidance of doubt, in the case of an affiliated limited partner that is an Other Blackstone Client with its own underlying investors, such underlying investors are generally subject to carried interest and/or management fees in connection with their investment in such Other Blackstone Client. Notwithstanding the foregoing, such limited partners will either directly pay for their pro rata share of certain partnership expenses, or the pro rata amount of such expenses will be allocated to the Registrant or its affiliates. Such pro rata allocation of partnership expenses will, in certain circumstances, be calculated based on capital commitments, invested capital, available capital or other metrics as determined by the Registrant 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, trusts and other related persons or entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Clients, any such amounts will, in the General Partners' sole discretion, be treated as satisfying the applicable portion of any required

capital commitment of the General Partners and/or their affiliates to the Clients (even in circumstances where any such commitments or investments are made following a separation from Blackstone).

**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 will 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 applicable partnership agreement 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.

**Fund-Level Credit Facility.** The Clients are expected to enter into and utilize one or more fund-level credit facilities, including but not limited to subscription credit facilities, which involve potential conflicts of interest. Subject to the limitations in the applicable partnership agreements, the use of a fund-level credit facility by the Clients is within the Registrant's discretion. As described below, the Registrant has adopted a policy relating to the use of fund-level credit facilities for the Clients and will update or adopt from time to time policies or guidelines relating to the use of such credit facilities. Generally and without limiting the foregoing, the Clients expect to utilize a fund-level credit facility in lieu of capital calls for the purpose of, among other things, financing any investment-related activities of the Clients, covering partnership expenses, organizational expenses, management fees, servicing fees and any other costs of the Clients, making distributions to partners, providing permanent financing or refinancing or providing interim financing to consummate the purchase of investments. The amount of credit available to the Clients under a subscription credit facility is determined by the credit quality of the limited partners as determined by the lender. For this reason, limited partners with a higher credit quality, as determined by the lender, generate more credit for the Clients than limited partners with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality limited partners to the others. While the Registrant expects to generally utilize credit facilities for the Clients and Other Blackstone Clients in a consistent manner, the use of such credit facilities will differ based on available credit facility capacity and the contractual terms applicable to the Clients and Other Blackstone Clients, among other factors, and the subscription credit facility used by the Clients and the Other Blackstone Clients will differ. Therefore, as the subscription credit facilities utilized by the Clients and the Other Blackstone Clients have different terms, such as with respect to hedging, currency limitations and interest rates, while the Clients and the Other Blackstone Clients will, in certain circumstances, be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the applicable partnership agreements of the Clients and the relevant organizational documents of the Other Blackstone Clients, the investment return can, in certain circumstances, differ among the Clients and the Other Blackstone Clients as a result.

Calculations of gross and net internal rates of return (“**IRRs**”) in respect of investment and performance data referred to in the offering and/or governing documents of a Client, and as reported to limited partners from time to time, are generally based on the due date of capital contributions called from limited partners. As a result, use of a fund-level credit facility (or other long-term leverage) will impact calculations of returns and will result in a higher or lower reported IRR than if the amounts borrowed had instead been funded through capital contributions made by the limited partners to the Clients. Additionally, the Clients will repay borrowings using realization proceeds from underlying portfolio investments, which will result in higher or lower reported gross and net IRRs and MOICs than if the amounts borrowed had instead been repaid through capital contributions made by the limited partners to the Clients. Similarly, calculations of preferred returns under the applicable partnership agreements are generally based on the date capital contributions are due from limited partners to make investments (or to repay borrowings related thereto), and the preferred return does not accrue on borrowings by the Clients.

Use of a fund-level credit facility will present conflicts of interest as a result of certain factors. If the use increases the IRR, as it normally does in the case of investment performance in excess of the borrowings’ cost of capital, the Registrant will have various incentives to use the fund-level credit facility, including marketing efforts of Other Blackstone Clients. For example, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements can be expected to accelerate or increase distributions of carried interest to the General Partners, providing an economic incentive to fund investments through long-term borrowings in lieu of capital contributions, or to make distributions to limited partners prior to the repayment of outstanding borrowings. In addition, the Registrant will receive a greater amount of management fees if following the investment period borrowings under the facility utilized in lieu of a combination of limited partners’ capital and non-recourse financing for investments remain outstanding.

Therefore, the use of fund-level financing will result in different reported investor performance for the Clients than if not used. Investor performance (e.g., IRRs, MOICs and DPIs) will generally be calculated based on the date capital contributions are due from the limited partners and the date the Clients distribute capital to the limited partners. As a result, fund-level borrowings (e.g., borrowings made in advance of calling capital contributions or borrowings that are repaid using realization proceeds from underlying portfolio investments) and deferred payment deal structuring (e.g., postponing all or part of the payment to a time later than deal closing) will impact investor performance calculations. Moreover, the costs and expenses of any such borrowings will generally be allocated among the Clients and any parallel funds pro rata or on such other basis that the General Partners determine to be more equitable under the circumstances, which will increase the expenses borne by applicable limited partners and would be expected to diminish net cash on cash returns. In addition, for investments in U.S. corporations by U.S. tax-exempt limited partners, there will be incremental tax costs related to so-called unrelated business taxable income (UBTI).

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

Subject to the limitations set forth herein, the General Partners maintain substantial flexibility in choosing when and how the Clients' fund-level credit facilities are used. The General Partners have adopted a Client-Level Financing Policy (the "**Policy**") relating to the use of fund-level credit facilities for the Clients and will update or adopt from time to time policies or guidelines relating to the use of such credit facilities. Subject to certain limitations, the applicable partnership agreements of the Clients give the General Partners discretion to use fund-level credit facilities as part of their investing and operating activities. The General Partners will utilize fund-level credit facilities in order to seek to maximize capital efficiency and alleviate the administrative burdens that would be imposed by frequent capital calls of potentially small amounts. A Client's credit facilities will be used and managed in the manner described in the Policy independently from any other Client's or Other Blackstone Client's credit facility, even when investments are shared between or among the Clients and/or an Other Blackstone Client, which will result in different investment performance among the Clients and Other Blackstone Clients for the same investment. The use of fund-level credit facilities will result in higher or lower performance, and, while not the sole factor impacting performance calculations, could result in the General Partners exceeding the carried interest hurdle sooner than if investors' capital had been contributed at the inception of an investment, since the IRR is a function of the timing and magnitude of the contribution of capital or receipt of proceeds, as applicable. The use of fund-level credit facilities will result in higher interest and other setup costs than if such credit facilities were not used. These costs are expenses that will be borne by the Clients and will lower net cash on cash returns. Certain Clients will seek to disclose certain information regarding fund-level credit facilities and their usage in accordance with the latest Institutional Limited Partners Association guidance on such disclosure as published in June 2020.

**Insurance.** The Clients will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure the Clients, Portfolio Entities, the Registrant and/or Blackstone and their respective directors, officers, employees, agents, independent client representative (if any) and representatives, and, members of the

advisory committees and other indemnified parties (and in certain circumstances, such person's agents and representatives, against liability in connection with the activities of the Clients). This includes a portion of any premiums, fees, costs and expenses for one or more "umbrella," group or other insurance policies maintained by Blackstone that cover one or more of the Clients, Other Blackstone Clients, the Registrant and/or Blackstone (including their respective directors, officers, employees, agents and representatives, independent client representative (if any), representatives and members of the advisory committee and other indemnified parties). The Registrant will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella," group or other insurance policies among one or more of the Clients and Other Blackstone Clients, the Registrant and/or Blackstone on a fair and reasonable basis, in its sole discretion, and will make corrective allocations should it determine subsequently that such corrections are necessary or advisable.

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

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

***Captive Insurance; Gryphon.*** Certain Other Blackstone Clients (and their Portfolio Entities) self-insure through Gryphon Mutual Insurance Company ("**Gryphon**"), a captive insurance company owned entirely by its participants (including such Other Blackstone Clients and potentially, in the future, Clients). An affiliate of the Registrant manages Gryphon, 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 and a third-party insurance services firm will provide brokerage, administration and insurer management services. In the future, it is possible that the Clients will self-insure through Gryphon or a different captive insurance company (the "**Captive**") alongside Other Blackstone Clients

(and their Portfolio Entities). If the Clients and Other Blackstone Clients self-insure through a Captive, the fees and expenses of the Captive, including insurance premiums and fees paid to its manager, would likely be borne by the Clients and Other Blackstone Clients pro rata based on estimates of insurance premiums that would have been payable for each party's respective assets, as benchmarked by third parties and would likely be paid by each participant annually. While the Clients would not expect to provide any funding in addition to such annual contribution, it is possible that each member of the Captive, including the Clients, would be required to make additional capital contributions in certain circumstances. This optional arrangement could provide the Clients with greater control over its insurance program and reduce overall costs of insurance through lower premiums and reduction or elimination of insurance brokerage costs. It is possible, however, that the Clients would be negatively affected to the extent there were disproportionate losses incurred on assets held by Other Blackstone Clients 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 would not result in under- or over-allocation of costs to the Clients relative to Other Blackstone Clients or that different allocations or arrangements than those provided above would not result in the Clients and their Portfolio Entities bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

**Other Conflicts.** In addition, other present and future activities of Blackstone, the Clients, Other Blackstone Clients and their Portfolio Entities, affiliates (including the Registrant) and related parties will from time to time give rise to additional conflicts of interest relating to the Clients and their investment activities. The Registrant generally attempts to resolve conflicts in a fair and equitable manner, but conflicts will not necessarily be resolved in favor of the Clients' interests. In addition, pursuant to the applicable partnership agreements, an advisory committee will be established and authorized to give consent on behalf of the Clients with respect to certain matters as described more fully in the Clients' offering and/or governing documents. If the advisory committees consent to a particular matter as to which they are consulted and the General Partners act in a manner, or pursuant to the standards and procedures, approved by the advisory committees, or otherwise as provided in the applicable partnership agreements, then the General Partners and their affiliates will not have any liability to the Clients or the limited partners for such actions taken in good faith by them. However, the advisory committees will not represent the interests of all the limited partners, each member of the advisory committees will act in the interests of the limited partner with which it is associated, and the members of the advisory committees will themselves be subject to various conflicts of interest. In general, the limited partners will not be entitled to control the selection of members of the advisory committees or to review the actions or deliberations of the advisory committees. Furthermore, some or all of the members of the advisory committees will also be on the advisory committee of Other Blackstone Clients with which there is a potential conflict or will represent investors that have an interest in both the Clients and such Other Blackstone Client. Such advisory committee members will generally not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve actual or potential conflict of interests. Furthermore, in situations where the Clients make an investment alongside an



Other Blackstone Client, it is possible that while the Clients will require approval of the advisory committee to participate in such investment, such Other Blackstone Client will not require approval from its respective advisory body (and *vice versa*).

With respect to certain transactions that give rise to material conflicts of interest between or among the Clients, the Comparable Vehicles, Blackstone and/or its affiliates where the interests of the Clients and one or more Comparable Vehicles are generally aligned, the General Partners will in their discretion seek approval for such material conflict of interests on behalf of the Clients and such Comparable Vehicles (which, in certain cases, include Comparable Vehicles in which some or all of the investors therein are affiliates of Blackstone) as a whole (a “**Collective Consent**”). Such Collective Consent will be effective upon the consent of a “majority in interest” of the investors participating or expected to participate in the applicable investment, determined based on the amounts invested or to be invested in such investment. In cases where different groups of investors have conflicting interests vis-à-vis each other, the Collective Consent of each group of investors sharing an alignment of interest, respectively, will be sought by the General Partner and such Collective Consent will apply to all investors in such group. For purposes of the foregoing, with respect to the Clients, the consent of the advisory committees will be deemed to relate to the entire amount invested or to be invested by the Clients. Therefore, the limited partners should be aware that (i) conflicts will not necessarily be resolved in favor of the Clients’ interests and (ii) limited partners will be deemed to have approved any conflict of interest that is approved by a “majority in interest” of the limited partners and the limited partners of the applicable Comparable Vehicles as set forth above, even if a limited partner actually voted against the approval of such conflict of interest.

The General Partners will allow one or more limited partners or investors in parallel funds or Comparable Vehicles to appoint a non-voting observer to the advisory committees, to attend meetings of the advisory committees and to receive information and materials provided to the members of the advisory committees (subject to certain limitations).

***Additional Potential Conflicts of Interest.*** The officers, directors, members, managers and personnel of the Registrant can be expected to trade in securities, including the securities of the Clients’ Portfolio Entities and Portfolio Entities of Other Blackstone Clients, and make personal investments for their own accounts, subject to restrictions and reporting requirements as required by law and Blackstone policies or as otherwise determined from time to time by the Registrant. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which the Clients 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 or pursue similar investment opportunities as the Clients. In addition, as a consequence of Blackstone’s status as a public company, the officers, directors, members, managers and personnel of the Registrant can be expected to take into account certain considerations and other factors in connection with the management of the business and

affairs of the Clients 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 will conflict with their duties to the Clients. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to the Clients and Other Blackstone Clients, the Registrant could decline to undertake investment activity or transact with a counterparty on behalf of the Clients for reputational reasons, and this decision could result in the Clients foregoing a profit or suffering a loss.

## Other Financial Industry Affiliations

Below is a listing of the Registrant's affiliates:

Bank Entity	
Luminor Bank AS*	A Baltic bank purchased by Blackstone Capital Partners
Broker-Dealer Entities	
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
Finance of America Securities LLC**	Provides a variety of limited investment banking services
Investment Advisor Entities	
Blackstone Alternative Asset Management L.P.	Manages a series of private funds predominantly engaged in multi-manager investment programs (i.e., 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 pooled investment vehicles

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 ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	Provides investment advisory services to various private investment funds specializing in the life sciences industry
Blackstone 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 Credit Strategies LLC	Provides investment advisory services to a number of debt-focused private investment funds
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 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
First Eagle Direct Lending Manager III, LLC*	Serves as the manager of a private direct lending fund
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, renewables and Master Limited Partnerships holding midstream energy assets in North America
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
ASK Investment Managers Ltd.*	Provides investment advisory services to funds and high net worth individuals in India
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds with branch offices in other locations

Blackstone Ireland Fund Management Limited	Provides investment advisory services (management/distribution) to debt-focused private investment funds and alternative investment funds
Blackstone Ireland Limited	Provides investment advisory services to debt-focused private investment funds, separately managed accounts and acts as an investment fund manager
Blackstone Administrative Services Canada ULC	Canadian exempt investment adviser, which serves as a sub-advisor to the registrant and/or its affiliates
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Advisors Korea Limited	Korean investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Capital Israel Ltd.	Israel investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Real Estate Australia Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and provides investment management services to trustees and in respect of trusts indirectly controlled by the registrant
Blackstone (Shanghai) Equity Investment Management Co. Ltd.	Chinese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and provides investment advisory services to funds controlled by the registrant
BX Mexico Advisors S.A. de C.V.	Mexican advisory entity which provides services to certain publicly registered trusts
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group Germany GmbH	German investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and acts as an investment fund manager
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm holding licenses of dealing in securities and advising on securities, which serves as a sub-advisor to affiliates of the registrant
Blackstone Europe LLP	U.K. investment advisory firm, which serves as a sub-advisor to affiliates of the registrant, with branch offices in other locations



The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and has a broker-dealer license for fund marketing
The Blackstone Group Spain SLU	Spain investment advisory firm, which serves as a sub-advisor to the registrant
<b>Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities</b>	
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs (i.e., 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 (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
<b>Insurance Entities</b>	
ELIC Reinsurance Company*	A captive insurance company and wholly-owned subsidiary of Everlake Life Insurance Company
Everlake Assurance Company*	An insurance company domiciled in the State of Illinois
Everlake Life Insurance Company*	An 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
Resolution Life Group Holdings Ltd.*	An insurance company organized under the laws of Bermuda
Resolution Life Colorado, Inc.*	An insurance company domiciled in the State of Colorado
Security Life of Denver Insurance Company*	An insurance company domiciled in the State of Colorado

Midwestern United Life Insurance Company*	An insurance company domiciled in the State of Indiana
Roaring River II, Inc.*	A captive insurance company and wholly-owned subsidiary of Resolution Life Group Holdings L.P., domiciled in the State of Arizona
Security Life of Denver International Limited*	A captive insurance company and wholly-owned subsidiary of Resolution Life Group Holdings L.P., domiciled in the State of Arizona
Resolution Re Ltd.*	A reinsurance company organized under the laws of Bermuda
Resolution Life Australasia Limited*	An insurance company organized under the laws of Australia
RLNM Limited*	An insurance company organized under the laws of Australia
Resolution Life New Zealand Ltd.*	An insurance company organized under the laws of New Zealand
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

\*\*\*\*Captive property insurance company owned by its participants (which are Blackstone Real Estate fund investments) and managed by an affiliate of Blackstone

\*\*\*\*\*Portfolio company of Blackstone Credit funds

Note: The Registrant also manages separately managed accounts, which are reported in the Registrant's Form ADV Part 1A, Item 5 and private investments vehicles, which are listed in the Registrant's Form ADV Part 1A, Schedule D Section 7.B(1). Other affiliates of the Registrant serve as general partners of such private investment vehicles and are listed in the Registrant's Form ADV Part 1A, Schedule D Section 7.A.

### **Potential Conflicts of Interest Specific to Blackstone Securities Partners L.P.**

Blackstone Securities Partners L.P. (formerly known as Blackstone Advisory Partners L.P.) ("**BSP**") provides various financial and business advisory services. In the regular course of its advisory businesses, BSP represents possible buyers, sellers and other parties regarding businesses that will be suitable for investment by the Clients. In these cases, BSP's client typically would require Blackstone to act only on BSP's client's behalf, thus preventing the Clients from directly acquiring or investing in such business. BSP will not decline these transactions in order to make the investment opportunity available to the Clients. Such limitations would not apply to investments by Underlying Vehicles. BSP will represent creditors or debtors in restructuring or bankruptcy proceedings, under Chapter 11 of the Bankruptcy Code.

**A more detailed description of applicable conflicts of interest is set forth in the relevant governing documents of each Fund and the investment management agreement of each Advisory Account.**

## Item 11 – Code of Ethics

### A. Code of Ethics

The Registrant is governed by the Blackstone Code of Ethics (the “**Code of Ethics**”). The Code of Ethics governs potential conflicts of interest which exist when the Registrant provides advisory services to the investors in the Funds and the Advisory Accounts it manages. The Code of Ethics is reasonably designed to ensure that the Registrant meets its fiduciary obligation to its 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 is distributed to each employee at the time of hire and annually thereafter, and it is available on Blackstone’s intranet. The Registrant also supplements the Code of Ethics with ongoing monitoring of employee activity.

The Code addresses, among other things, the following:

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

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

### Potential Conflicts of Interest

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

The Registrant’s related persons will from time to time have bought or sold, or will subsequently transact, for their personal accounts, securities which will also be purchased or sold for the account of 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 receive pre-clearance from the legal and compliance department. As of January 1, 2019, Blackstone prohibits the purchase of all

single-name securities by all related personnel. These guidelines are reasonably designed to comply with SEC requirements that registered investment advisors 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 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 Blackstone's 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. Blackstone's Code of Ethics is available for review upon request.

You will 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](mailto:Neil.Schwartz@Blackstone.com).

## Item 12 – Brokerage Practices

### Best Execution

Although the Registrant typically does not utilize broker-dealers to effect transactions relating to the Secondary Funds' secondary investment program, the Direct Equity Program's co-investment program or the Advisory Accounts' primary investment program, the Secondary Funds, the Direct Equity Program or the Advisory Accounts, as applicable, will from time to time receive shares of certain underlying portfolio entities as part of a general distribution in kind from an Underlying Vehicle, Direct Equity Program investment or Advisory Account investment. Subject to each Secondary Fund's or the applicable Direct Equity Program vehicle's governing documents, or the applicable Advisory Accounts' investment management agreement, the Registrant will generally have discretionary authority to select the broker or dealer to be used to execute transactions in securities on behalf of the Secondary Funds, Direct Equity Program and the Advisory Accounts and negotiate the commission cost to be paid. Such transactions for Secondary Funds, Direct Equity Program or Advisory Accounts will be allocated to brokers and dealers on the basis of best execution (which can be expected to include, among other items, the consideration of such broker's or dealer's ability to effect transactions, its facilities and financial responsibility). The SEC generally describes "best execution" as a duty to execute securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. The SEC also has stated that when seeking best execution the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution.

Accordingly, the Registrant considers the full range and quality of a broker's services including (among other things): (i) for executing brokers: expertise and ability to perform execution services; ability to execute transactions in liquid or illiquid markets at competitive prices without disrupting the market for a particular security; range of services provided and products offered; quality and timeliness of market information provided; ability of broker to maintain confidentiality; credit worthiness and financial responsibility; and (ii) for clearing brokers: operational expertise; ability to maintain confidentiality; credit worthiness; financial responsibility; fees; and commission rate or spread involved.

The Secondary Funds', Direct Equity Program's and the Advisory Accounts' securities transactions can be expected to generate brokerage commissions and other compensation, all of which the Secondary Funds, Direct Equity Program or the Advisory Accounts, as applicable, and not the Registrant or any of its affiliates, will be obligated to pay.

The Registrant's brokers and other service providers also could be investors in the Secondary Funds or the Direct Equity Program. As consideration for services provided, these brokers and other service providers will receive reasonable and customary fees or commissions.

Notwithstanding the foregoing, the Registrant does not “pay up” for research or other services provided by any brokers through the commission rate (*e.g.*, the Registrant does not use “soft dollars”). To the extent the Registrant utilizes soft dollars in the future to pay for research or brokerage services, it will do so within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended (“**Section 28(e)**”). Managers of Underlying Vehicles can be expected to use soft dollars both within and outside of the Section 28(e) safe harbor to obtain both research and non-research products and services.

### **Principal Trading**

The Registrant does not engage in principal transactions with the Funds. A principal transaction occurs when an investment adviser, 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 engage in principal transactions with the Advisory Accounts whereby it recommends investment in a vehicle managed by the Registrant or a Blackstone affiliate. To the extent any transaction is deemed to be a principal transaction, the Registrant shall ensure it meets the requirements laid out in Section 206(3) of the Advisers Act.

### **Cross Transactions**

The Registrant, to the extent permitted under applicable law, will effect cross transactions in which the Registrant causes a transaction to be effected between a Client on the one hand and another account advised by the Registrant or any of its affiliates on the other. Cross trades 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.

### **Allocation and Aggregation Procedures**

The Registrant is committed to making secondary investments (in the case of the Secondary Funds) and co-investments (in the case of the Direct Equity Program) in a manner that is consistent with the investment objectives of each of the Funds and making primary investments in a manner that is consistent with the investment objectives of each of the Advisory Accounts.

### **Secondary Funds**

While it is intended that the Secondary Funds will be the primary vehicles managed by Blackstone for secondary investments in mature private equity funds meeting the Secondary Funds’ investment criteria, there is no requirement that affiliates of the Registrant offer opportunities to make secondary investments exclusively to the Secondary Funds (as more fully described in the governing agreements of the Secondary Funds). Blackstone currently manages, and will subsequently establish, Other Blackstone Clients, which will from time to time make secondary investments that would otherwise be appropriate for the Secondary Funds, which will impact the available investment opportunities for the Secondary Funds.

In addition, the Registrant complies with allocation procedures specified in each of the Secondary Funds' documents with respect to the allocation of investment opportunities relating to secondary investments between or among Secondary Funds with overlapping investment objectives (as more fully described in the governing agreements of the Secondary Funds).

### **Direct Equity Program**

The co-investment opportunities that the Direct Equity Program will seek to participate in will be sourced and offered by Other Blackstone Clients, third-party managers of Underlying Vehicles or other funds and, in certain circumstances, will not be shared with the Registrant and/or will not be offered for investment to the Direct Equity Program. In addition, while the Secondary Funds and Advisory Accounts are not expected to participate in the ordinary course in the co-investment opportunities that the Direct Equity Program seeks to participate in, it is possible that the Registrant will determine in good faith that it is appropriate to allocate some or all of such co-investment opportunities to the Secondary Funds or Advisory Accounts. Furthermore, Blackstone currently manages, and will subsequently establish, Other Blackstone Clients, which will themselves (or whose limited partners) from time to time seek to participate in co-investments that would otherwise be appropriate for the Direct Equity Program, which will impact the available investment opportunities available to the Direct Equity Program.

### **Advisory Accounts**

Opportunities to invest on a primary basis will be presented to Other Blackstone Clients that will not be shared with the Registrant and/or will not be considered for investment on behalf of the Advisory Accounts. When the Registrant is presented with investment opportunities that would otherwise be appropriate for the Advisory Accounts and Other Blackstone Clients, such investment opportunity will generally (i) be required or permitted to be allocated in whole or in part to one or more Other Blackstone Clients in accordance with the governing agreements of such Other Blackstone Client or (ii) otherwise be allocated between the Advisory Accounts and any such Other Blackstone Clients on a basis that the Registrant determines in good faith to be fair and equitable and consistent with its duties under applicable law, taking into account any investment limitations and applicable contractual restrictions, the nature of the investment focus of each such Other Blackstone Client, the amounts of capital available for investment and other considerations deemed relevant by the Registrant in good faith.

### **Trade Errors**

Trade errors are evaluated on a case-by-case basis. If the Registrant determines that the Registrant's gross negligence, wilful misconduct or fraud was the direct cause of a trade error, the Registrant generally will compensate the Clients 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 the Clients the Registrant will attempt to recover the amount of loss from the



third party for the Clients. The Registrant does not assume responsibility for compensating the Clients or making the third party compensate the Clients in such cases.

## **Item 13 – Review of Accounts**

### **Ongoing Review of Accounts**

The Registrant’s investment professionals review the relevant investment advisory accounts on an ongoing basis. This analysis includes, but is not limited to, a review of:

- Compliance with the investment strategy and restrictions provided in the specific offering documents of the relevant Client
- Potential Conflicts
- Market Conditions
- Style Drift
- Performance Attribution
- Performance Deviation

These reviews take place at Investment Committee meetings where investment ideas and strategies are discussed. A variety of internal and external resources are reviewed during such meetings. In addition to these formal meetings, which take place weekly or as needed, the Registrant’s investment professionals meet and discuss the review of investment advisory accounts on a more frequent, informal basis. The Investment Committee also conducts regular credit reviews based on monitoring and analysis performed by investment analysts.

### **Reports**

The Registrant provides unaudited performance reports on a monthly or quarterly basis to certain Funds, as specified in the organizational and offering documents of such Funds, and audited financial statements to Funds on an annual basis. The Registrant provides quarterly reports to the Advisory Accounts, which include information relating to each Underlying Vehicle or other investment, as specified in the investment management agreements of such Advisory Accounts. The Registrant can be expected to elect to provide different levels of reports to investors.

Certain investors in the Clients will request information relating to a Client and/or portfolio entities and, to the extent such information is readily available or can be obtained without unreasonable effort or expense, the Registrant 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 Client that, in certain circumstances, will not be known to other investors. As a result, certain investors can be expected to be able to take actions on the basis of such information which, in the absence of such information, other investors do not take. Furthermore, at certain times, the Registrant will 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 Client or portfolio entity that is publicly traded co-invests with a Client.

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

While not an arrangement for client referrals, the Registrant from time to time directly or indirectly compensates one or more third parties to act as a placement agent in connection with the offer and sale of interests in a Fund to certain potential investors. Such placement agents, or their affiliates, in certain cases form investment vehicles for the purpose of investing in a Fund and the capital commitments of such third-party investment vehicles will, in certain circumstances, account for a substantial portion of the overall capital commitments to such Fund. The Registrant typically compensates a placement agent in the form of a retainer, a percentage of introduced capital, a portion of management fees and/or net asset value of an investment (although other payment arrangements could exist). The Registrant also, in certain circumstances, reimburses the placement agents for expenses incurred in connection with soliciting investors. A placement agent could directly charge investors additional placement fees (or other fees) in connection with their investment in the Funds, and such fees would not reduce fees such as management fees paid in connection with an investment a Fund. The Funds can be expected to, in certain circumstances, reimburse third-party placement agents for expenses and/or agree to indemnify such agents under certain circumstances. With respect to expenses relating to the diligence and negotiation of placement agent arrangements, please see Item 5 – Fees and Compensation. Third-party solicitors in the U.S. will generally be registered as broker-dealers with the SEC. Third-party solicitors outside the U.S. can be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction. BSP, an affiliate of Blackstone, serves as a placement agent to the Funds in the U.S. but is not compensated for such services. Please see Item 10 – Other Financial Industry Activities and Affiliations for more information.

## Item 15 – Custody

Rule 206(4)-2, as amended (the “**Custody Rule**”), under the Advisers Act defines custody as holding client funds or securities or having any authority to obtain possession of them, including the authority to withdraw funds or securities from client accounts or ownership of or access to client funds or securities (such as through fee deductions). In the case of certain Funds, an affiliate of the Registrant serves as the Fund’s General Partner and, as such, the Registrant is generally deemed to have custody of the assets of each of these Funds. In accordance with the Custody Rule, any Fund for which the Registrant has custody or is deemed to have custody is subject to an annual audit.

## **Item 16 – Investment Discretion**

The Registrant generally acts as an investment adviser with respect to discretionary accounts and generally will exercise sole authority to determine the securities bought and sold for each account, as well as the amounts thereof, without obtaining specific client consent and without limitation on such authority. The specific investment guidelines and restrictions are provided in the pertinent Client documents or investment management agreement.

Please refer to **Item 12 – Brokerage Practices** for a discussion on the Registrant's Allocation and Aggregation Procedures.

## Item 17 – Voting Client Securities (Proxy Voting)

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies, as well as a duty to cast votes in the best interest of clients and not subrogate client interests to its own interests. Rule 206(4)-6 under the Advisers Act (the “**Proxy Voting Rule**”) places specific requirements on registered investment advisers with proxy voting authority. The Registrant generally has discretionary authority over the securities held by the Clients, and as such, the Registrant is viewed as having proxy voting authority over such securities. Accordingly, the Registrant is subject to the Proxy Voting Rule. To meet its obligations under this rule, the Registrant has adopted written Proxy Voting Policies and Procedures, which are available upon request. These policies and procedures are reasonably designed 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 and address how the Registrant will resolve any conflict of interest that arise when voting proxies. In the case of proxies related to a Client’s securities holding, the Registrant will identify any conflicts that exist between the interests of the Registrant and the Clients. This examination will include a review of the relationship of the Registrant and its affiliates with the issuer of the security to determine if the manager or issuer has any relationship with the Registrant or an affiliate of the Registrant. If a material conflict exists, the Registrant will determine the appropriate course of action.

The Clients and Client investors may request a copy of the Proxy Voting Policies and Procedures by contacting Neil Schwartz at +1 (212) 583-5000 or [Neil.Schwartz@Blackstone.com](mailto:Neil.Schwartz@Blackstone.com).

## **Item 18 – Financial Information**

The Registrant does not charge fees more than six months in advance, 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 Advisors**

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