

**Item 1 – Cover Page**

**Blackstone Real Estate Advisors L.P.**

**345 Park Avenue  
New York, NY 10154  
(212) 583-5000  
www.blackstone.com  
as of **March 28, 2024****

Form ADV, Part 2A; the “Brochure” provides information about the qualifications and business practices of the Adviser.

If you have any questions about the contents of this Brochure, please contact Madeleine Russo, Chief Compliance Officer for the Adviser, at (212) 583-5000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

The Adviser is registered with the SEC as an investment adviser. The Adviser’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications the Adviser provides to you, including this Brochure, serve as information for you to use to evaluate the Adviser and should be considered in your decision whether to invest in an Investment Vehicle advised by the Adviser.



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## Item 2 – Material Changes

There has not been a material change to this Brochure since the last annual update on March 30, 2023.

However, please carefully read Items 5, 6, 8 and 10, which describe certain fees and expenses, performance-based fees, potential risk of loss and potential conflicts of interest, respectively.

The Adviser, at any time, may update this Brochure and offer to send you a copy (either by electronic means (email) 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 the Adviser's Chief Compliance Officer, Madeleine Russo, at (212) 583-5000.

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## Item 3.1 – Defined Terms

As used throughout this Brochure, the following terms have the following meanings:

**1940 Act:** The U.S. Investment Company Act of 1940, as amended from time to time.

**Acquisition Fees:** Fees received by the Adviser and its Affiliates with respect to the acquisition of an Investment, which are often calculated as a percentage of the total enterprise valuation of the transaction (*i.e.*, generally the aggregate amount of invested capital and debt assumed or financed by the purchaser).

**Additional Fees:** Additional fees received by the Adviser and its Affiliates for the performance of certain services, directly or indirectly, for Clients, which are not specifically identified as services to be performed by the Adviser and its Affiliates pursuant to the Organizational Documents of the relevant Client.

**Administrative Services:** Administrative services, which include, but are not limited to, fund administration, accounting, tax, valuation and reporting-related services customarily provided by a third party.

**Adviser:** Blackstone Real Estate Advisors L.P., a Delaware limited partnership formed on December 20, 2006.

**Advisers Act:** U.S. Investment Advisers Act of 1940, as amended.

**Advisory Agreements:** The investment advisory agreements with respect to each of the Adviser's Clients.

**Affiliate:** With respect to a Person, any other Person that either directly or indirectly controls, is controlled by or is under common control with the first Person (it being understood that "control" (and derivations thereof) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract or otherwise). For greater certainty, Portfolio Entities of Clients and Other Blackstone Vehicles shall not be deemed Affiliates of the General Partners, Blackstone or the Adviser for purposes hereof.

**Agent:** Trimont and/or one or more other similar service providers.

**AIFMD:** The EU Alternative Investment Fund Managers Directive.

**BIS:** A business unit of Blackstone that is comprised of two affiliated registered investment advisers and provides investment advisory services to BIS Clients.

**BIS Clients:** Insurers and other investors (including insurance companies that are owned, directly or indirectly, by Blackstone or Other Blackstone Vehicles, in whole or in part) to whom BIS provides investment advisory services.

**Blackstone:** Blackstone Inc. (and its successors), together with its Affiliates (excluding the Clients and Other Blackstone Vehicles).

**Blackstone Employee Investors:** Current and/or former senior advisors, officers, directors and personnel of Blackstone, Portfolio Entities of the Clients and Other Blackstone Vehicles (including the BTAS Funds, the BIS Clients and any other existing or future Other Blackstone Vehicles), personnel of PJT and charitable programs, endowment funds and related entities established by or associated with any of the foregoing, and other persons related to Blackstone.

**Blackstone Credit Funds:** Any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Alternative Credit Advisors LP.

**Blackstone Multi-Strategy Vehicles:** BTAS Funds and BXPE Funds.

**Blackstone Real Estate Group:** Blackstone's Real Estate group, which includes the Adviser, the General Partners and their respective Affiliates that, collectively, manage the Real Estate Vehicles.

**Blackstone Real Estate Group Investment Committee:** The investment and review committees, (including subsets of individuals thereof) of the Blackstone Real Estate Group that are, collectively, responsible for review and approval of the investment decisions by the Blackstone Real Estate Group.

**BREDS Funds:** Debt Funds managed by Blackstone Real Estate Special Situations Advisors L.L.C. that primarily make real estate and real estate related debt Investments.

**BREP Funds:** Investment Vehicles managed by Blackstone Real Estate Advisors IV L.L.C., Blackstone Real Estate Advisors V L.P., Blackstone Real Estate Advisors Europe L.P. or the

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Adviser that invest primarily in control-oriented “opportunistic” Investments in real estate assets or real estate related companies.

**BSCH:** Blackstone Strategic Capital Holdings.

**BSP:** Blackstone Securities Partners L.P., a registered broker-dealer Affiliate of Blackstone, which can generally be expected to serve as an uncompensated placement agent for one or more Clients in the United States and in other jurisdictions.

**BTAS Funds:** Any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Multi-Asset Advisors L.L.C.

**BXMT:** Blackstone Mortgage Trust Inc. and related entities.

**BXPE Funds:** Any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Private Investments Advisors L.L.C.

**CFIUS:** The Committee on Foreign Investment in the United States.

**CFTC:** The Commodity Futures Trading Commission.

**Clients:** The BREP Funds, and any other current and/or future investment advisory clients of the Adviser.

**CMBS:** Commercial mortgage-backed securities.

**Code of Ethics:** The Blackstone Code of Ethics.

**Consultants:** Strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of Blackstone, Clients, Other Blackstone Vehicles or Portfolio Entities of the foregoing.

**Corebridge:** The insurance companies comprising Corebridge Financial, Inc.’s life and retirement business.

**Custody Rule:** Rule 206(4)-2, as amended, of the Advisers Act.

**Data Holders:** Portfolio Entities, Clients, Other Blackstone Vehicles and Investors in Clients and Other Blackstone Vehicles to whom Blackstone or an Affiliate thereof provide data management services.

**Debt Funds:** Investment Vehicles primarily investing in senior secured loans, distressed debt, subordinated debt, high-yield securities, mezzanine loans, RMBS, CMBS and other debt instruments.

**Dodd-Frank:** The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

**ESG:** Environmental, Social and Governance.

**ESG Framework:** Blackstone’s firm-wide ESG policy and related programs and procedures, including the policy with respect to ESG established by Blackstone Real Estate and Blackstone Real Estate funds’ specific ESG practices.

**Exchange Act:** The U.S. Securities Exchange Act of 1934, as amended.

**Everlake:** Everlake Life Insurance Company and certain of its Affiliates.

**FATCA:** The Foreign Account Tax Compliance Act.

**FCPA:** The Foreign Corrupt Practices Act.

**FGL:** FGL Holdings, which was formerly known as Fidelity & Guaranty Life Insurance Company and was acquired by Fidelity National Financial Inc., and certain of its Affiliates.

**GDPR:** Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

**General Partner:** The general partner or other governing body, as applicable, acting in a similar capacity of each Client.

**IBOR:** Interbank Offered Rate.

**Independent Client Representative:** An independent representative of a Client that acts or provides consent with respect to the matter giving rise to the conflict of interest.

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**Investor:** Limited partners or other investors in a Client or other Investment Vehicle.

**Investor Representative:** The representative of an Investor.

**Investment:** Any equity, debt or other investment of any type made by an Investment Vehicle.

**Investment Vehicles:** Single investor and pooled investment funds, managed accounts, supplemental accounts, collective investment vehicles and other similar arrangements (including vehicles in existence as of the date hereof and those that may be formed in the future), together with any related feeder funds, parallel funds and alternative investment vehicles.

**IPO:** Initial public offering.

**IRR:** Internal rates of return.

**JV Arrangements:** Investments in Portfolio Entities with Joint Venture Partners.

**Joint Venture Partners:** Third-party co-investors that enter into JV Arrangements with the Clients and Other Blackstone Vehicles.

**L.P. Advisory Committee:** Limited partner advisory committee of a Client.

**LIBOR:** London Inter-bank Offered Rate.

**Management Fee:** Compensation to the Adviser from each Client for services in the form of a quarterly management fee.

**NAV:** Net asset value.

**Offering Materials:** The offering materials of a Client, including the PPM.

**Organizational Documents:** The organizational documents of a Client, including any applicable limited partnership agreements, limited liability company agreements, charter, bylaws, Advisory Agreement, side letters and other formation documents, as amended or restated from time to time.

**Other Blackstone Vehicles:** Investment Vehicles managed by Blackstone, including the Other Real Estate Vehicles, other than the BREP Funds.



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**Other Real Estate Vehicles:** Investment Vehicles managed by Blackstone that are focused on real estate and real estate related Investments, other than the BREP Funds.

**Person:** Any individual, partnership, corporation, limited liability company, unincorporated organization or association, trust (including the trustees thereof in their capacity as such), government, governmental entity or other entity.

**PJT:** PJT Partners Inc.

**Portfolio Entity:** Any entity in which a Client or Other Blackstone Vehicle owns an equity interest or has a debt interest, including, as the context requires, portfolio companies, holding companies, special purpose vehicles, borrowers from a Client or Other Blackstone Vehicle or issuer of securities owned by a Client or Other Blackstone Vehicle.

**PPM:** The confidential private placement memorandum of a Client, as amended, restated or supplemented, from time to time.

**Proxies:** Proxy proposals, amendments, consents or resolutions.

**Proxy Rule:** Rule 206(4)-6 under the Advisers Act.

**Proxy Voting Policy:** A set of policies and procedures adopted by the Adviser in compliance with the Proxy Rule.

**Real Estate Vehicles:** The BREP Funds and the Other Real Estate Vehicles.

**REIT:** Real estate investment trust.

**Resolution Life:** Resolution Life Group Holdings Ltd.

**Revantage:** Any one or more of Revantage Corporate Services, Revantage Asia (f/k/a BRE Asia) and Revantage Europe, as the context requires.

**RMBS:** Residential mortgage-backed securities.

**SEC:** U.S. Securities and Exchange Commission.

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**Securities Act:** U.S. Securities Act of 1933, as amended, together with the rules adopted thereunder by the SEC.

**Servicing Fee:** A servicing fee that is anticipated to be charged, in Blackstone’s discretion, by the Adviser to Investors with capital commitments below a certain threshold to certain Clients.

**SFDR:** The European Union Sustainable Finance Disclosure Regulation and any other applicable legislation or regulations related to the European Commission’s Action Plan on Financing Sustainable Growth.

**Strategic Relationships:** Strategic relationships entered into between Blackstone and Investors (and/or one or more of their Affiliates) that involve an overall relationship with Blackstone that could incorporate one or more strategies (including, but not limited to, different sector and/or geographical focus) in addition to the applicable Client’s strategy.

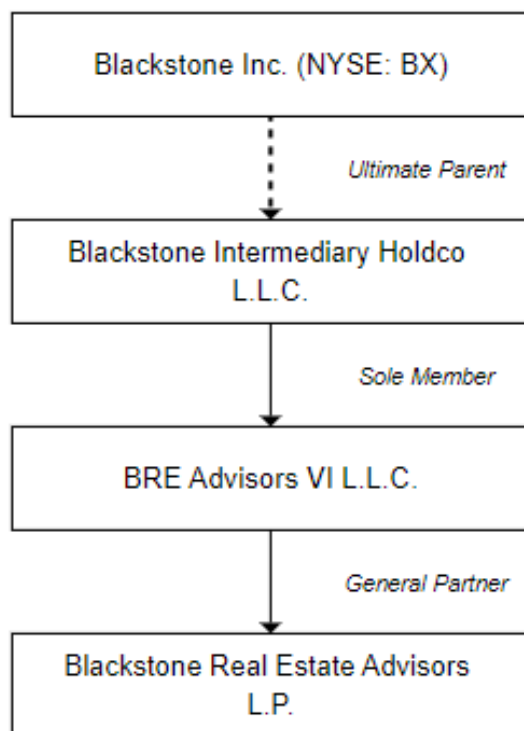
**Supplemental Accounts:** One or more supplemental capital vehicles established by Blackstone.

## Item 4 – Advisory Business

### Overview of the Firm

The Adviser, directly or indirectly through its subsidiaries, provides investment advisory services to its Clients, and Affiliates of the Adviser generally serve as General Partner of each Client. The Adviser’s Clients primarily make control-oriented “opportunistic” Investments in real estate and real estate related assets and companies. The Adviser also serves as an investment sub-advisor to certain Investment Vehicles, pursuant to sub-advisory agreements with the applicable Investment Vehicle’s investment adviser.

The ultimate parent of the Adviser is Blackstone. Please see the structure chart below. Blackstone is a global alternative investment manager with Investment Vehicles focused on real estate, private equity, hedge fund solutions, credit, infrastructure, secondary funds of funds and multi-asset class strategies. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



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As of December 31, 2023, the Adviser had regulatory assets under management of approximately \$129.7 billion on a discretionary basis. Please note that this figure is an unaudited estimate.

### **Description of Advisory Services**

The Adviser serves as investment adviser to its Clients pursuant to the Advisory Agreements. The Adviser performs the following services, among others, for its Clients:

1. Identifies and analyzes investment opportunities;
2. Makes investment recommendations to the General Partner of each Client, as applicable;
3. Participates in the monitoring and evaluation of Investments; and
4. Provides other related services in connection with the implementation of the investment program of each Client, including, without limitation, arranging for and coordinating the services of other professionals and consultants.

The Adviser tailors its advisory services to the particular needs of each Client. However, the specific needs of the individual Investors in a Client (*i.e.*, limited partner investors) are not the basis for recommendations by the Adviser. Investment advice is provided directly to the Client, not individually to the respective Investors in the Client.

The Adviser also provides specific portfolio management services to certain Investment Vehicles managed by an affiliated alternative investment fund manager for the purposes of AIFMD, through a series of delegation agreements.

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## Item 5 – Fees and Compensations

### Management Fees and Performance Fees

The Adviser charges certain Clients a Management Fee that is payable quarterly in arrears at a rate of up to 1.50% per annum (which varies by Client) pursuant to the terms of the applicable Advisory Agreement. During a Client's investment period, Management Fees are charged based on capital commitments, and thereafter based on invested capital. In addition, the terms of certain of the Adviser's Clients have ended, and as a result, the Adviser is no longer charging Management Fees for such Clients.

The Management Fee is prorated for any partial periods. In certain cases, the portion of the Management Fee allocable to an Investor in a Client is offset by specified Additional Fees received by the Adviser (as more fully described below) or will be waived or reduced for a certain period for certain Investors (including but not limited to Investors participating in early closings or Blackstone Employee Investors).

As set forth in **Item 6** below, generally each of the General Partners, or an Affiliate thereof, receives performance-based compensation in respect of realized appreciation, subject to certain conditions, and, in addition, certain Clients distribute current income from Investments.

Management Fees and performance-based compensation are either called from Investors, drawn down from the relevant Client's credit facility or withheld from distributions to Investors, if applicable.

Management Fees and/or performance-based compensation will not be paid by Blackstone Employee Investors in connection with their investments. Notwithstanding the foregoing, such Investors will either directly pay for their *pro rata* share of certain other expenses incurred by the applicable Client (as described below), or the *pro rata* share of such expenses will be allocated to the General Partner or its Affiliates. Such *pro rata* allocation of Client expenses will, in certain circumstances, be calculated based on capital commitments, invested capital, available capital or other metrics as determined by the General Partner or its affiliates in their 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. For more information on the allocation of Client expenses, please see "Expenses" in **Item 5** below.

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**Other Fees Payable to the Adviser and its Affiliates**

In addition, pursuant to the Advisory Agreements with certain Clients, the Adviser can be expected to charge Investors a Servicing Fee, subject to the right of the applicable General Partner to reduce or waive such fee in its sole discretion (for any reason or no reason). The Servicing Fee is generally equal to a percentage based on capital commitments or an Investor's percentage interest in the NAV of a Client (depending upon the Client) (and, generally for closed-end Clients, based on invested capital after the end of the investment period) and payable quarterly in arrears.

The Adviser and its Affiliates will also, from time to time, receive (dependent upon the Client) (i) Acquisition Fees; (ii) fees relating to Investments for any management, construction, leasing, development and other property management services, as well as services related to mortgage servicing, group purchasing, healthcare, consulting/brokerage, capital markets (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, property, title and/or other types of insurance, technology services, data management services, ESG services, management consulting and other similar operational matters performed by the Adviser or its Affiliates on arm's-length terms and at competitive market rates; (iii) fees for advisory services (including investment banking services) provided to entities (or with respect to assets) in which the Clients, directly or indirectly, have an interest, on arm's length terms and at competitive market rates; and (iv) fees associated with capital invested by co-investors relating to Investments in which the Clients participate or otherwise, in connection with a JV Arrangement 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 Adviser or its Affiliates performs services. Such fees will not result in an offset to the Management Fee, except as set forth in the Organizational Documents of the applicable Client. Furthermore, the Adviser and its Affiliates will, in certain circumstances, receive Additional Fees, which will offset the Management Fee.

In addition, Portfolio Entities and Blackstone-affiliated service providers will receive fees in respect of services provided to Clients, Other Blackstone Vehicles and Portfolio Entities of the foregoing. There can be no assurances that amounts charged by Portfolio Entity service providers will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges by Portfolio Entities or Blackstone-affiliated service providers. Please see **Item 10 – Other Financial Industry Activities and Affiliations** below and, in particular, “–*Portfolio Entity Service Providers and Vendors*”, “–*Service Providers, Vendors and Other Counterparties Generally*” and “–*Blackstone Affiliate Service Providers*” therein

respectively for further information about such Portfolio Entities and Blackstone-affiliated service providers.

The Management Fees paid to the Adviser, pursuant to the Organizational Documents of Clients, with respect to Investors in the Clients is generally offset by some or all of such Investor's share of the placement fees paid by such Investor, Additional Fees and Acquisition Fees, which vary among the Clients. Such fees will be allocated between the relevant Client and any other Investment Vehicles sponsored by the Adviser and its Affiliates having an interest in such fees on a *pro rata* basis.

The amount of such fees which are allocable to Other Blackstone Vehicles or accounts and co-investment vehicles generally do not offset the Management Fee allocable to Investors in the Clients, even if such Other Blackstone Vehicles or accounts and co-investment vehicles provide for lower or no Management Fees for the Investors or participants therein (such as the vehicles established in connection with Blackstone's side-by-side co-investment rights, which generally do not provide for a Management Fee or performance-based compensation payable by participants therein), subject to certain limitations.

The Adviser or its Affiliates, from time to time, will also receive topping, break-up or other similar fees in connection with any unconsummated or terminated transaction as noted above. To the extent the Adviser or its Affiliates receive such fees, they are treated like Additional Fees. In the event that break-up or topping fees are paid to the Adviser and its Affiliates in connection with a transaction that is not ultimately consummated, co-investment vehicles that invest alongside the Clients will generally not be allocated any share of such break-up or topping fees; similarly, such co-investment vehicles generally do not bear their share of broken deal expenses for unconsummated transactions and such costs and expenses will generally be borne by the Clients. Please see **Item 10 – “Broken Deal Expenses.”** In the event break-up fees, topping fees, or similar expenses are payable by a co-investment vehicle, the Clients will, in certain circumstances, advance such fees and expenses on behalf of the co-investment vehicle without charging interest until paid by the co-investment vehicle and the General Partners may, in their discretion, request contribution from such co-investment vehicle in an amount equal to the advance. Such other fees may give rise to conflicts of interest in connection with a Client's investment activities.

In addition, the Adviser and its Affiliates will, in certain circumstances, receive a fee from the Clients in respect of the provision of Administrative Services as well as the payment or reimbursement of any expenses, charges or related costs incurred by such Clients, the Adviser or

its Affiliates in connection with such provision of Administrative Services to such Clients (or specifically allocated thereto); *provided, however*, that any such expenses, fees, charges or related costs in connection with such provision of Administrative Services will not be greater than what would be paid to an unaffiliated third party for substantially similar services. In addition, the Adviser and its Affiliates will, from time to time, receive a fee from certain Clients in respect of the provision of in-house legal and tax advice and/or services allocated by the Adviser to the Clients or their Portfolio Entities on matters related to potential or actual Investments or transactions and other legal matters; *provided, however*, that any such fees will not be greater than what would be paid to an unaffiliated third party for substantially similar advice and/or services. Such allocations require judgments as to methodology that Blackstone will make in good faith. Such methodologies can include (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 (including, without limitation, salary, bonus, and benefits), 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. Any methodology (including the choice thereof) involves inherent conflicts and may 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. These expenses will be borne by the Clients and will not result in any offset to the Management Fee.

The Adviser and its personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Clients, the value of which will not offset or reduce Management Fees or otherwise be shared with the Clients or their Investors or Portfolio Entities. Please see **Item 10 – “Other Benefits”** for examples of such benefits, discounts and perquisites received by the Adviser, its Affiliates and their personnel and related parties.

In addition, the Adviser engages and retains on behalf of the Clients or their Portfolio Entities, Consultants who will, from time to time, receive payments from, or performance-based compensation, retainers and expense reimbursements with respect to, Portfolio Entities (as well as from Blackstone or the Clients), and such amounts will not offset the Management Fees payable by the Investors. Such payments, performance-based compensation, retainers and expense



reimbursements, as applicable, will be paid at rates determined by Blackstone, the Adviser or the General Partner, in its sole discretion.

The precise amount of, and the manner and calculation of, the fees and compensation described above, including the Management Fee and performance-based compensation, are established by the Adviser through negotiations with Investors in each Client, and the Offering Materials, the Organizational Documents and the Advisory Agreement of each Client include further details on such fees, compensation and related matters.

### **Expenses**

The following is a list of expenses that are typically borne by the Clients (and indirectly by the Investors in the Clients). This list is not intended to be exhaustive; prospective and existing Investors in the Clients are advised to review the applicable Client's Offering Materials and Organizational Documents for a more extensive description of the expenses associated with an investment in such Client.

- Legal fees (including costs for in-house legal and tax advice and/or services charged or attributed or allocated by the Adviser and its Affiliates to the Clients or their Portfolio Entities on matters related to potential or actual Investments or transactions of the Clients and their Portfolio Entities, as applicable; *provided*, that any such expenses, fees, charges or related costs will not be greater than what would be paid to an unaffiliated third party for substantially similar advice and/or services).
- Placement fees and due diligence of placement agents (See **Item 14** below).
- Regulatory filing fees and expenses of the Clients, including but not limited to compliance with U.S. federal and state securities laws and international laws, such as AIFMD (including any costs associated with the AIFMD marketing passport, SFDR or the Cayman Islands Private Funds Law), as applicable.
- To the extent permitted by applicable law, expenses related to the Adviser's compliance matters and disclosure and reporting obligations to the extent they relate to the Clients' activities (*e.g.*, Form PF, CFTC filings, FCPA diligence, German tax reporting, AIFMD, SFDR disclosures and the Cayman Islands Private Funds Law, as applicable.)
- Risk management.
- Data management and services.
- Administrative fees (including in-house administration and/or accounting costs, where applicable), expenses and charges, including overhead related thereto.

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- Administrator fees and due diligence of such administrator or other service provider.
  - Organizational expenses.
  - Operating expenses.
  - Regulatory and ESG-related expenses (expected to increase in consideration of increased regulatory activity).
  - Consultant, operating partner and senior advisor expenses (See “*Advisors, Consultants and Partners*” in **Item 10** below) and the expenses of investment bankers (See “*Other Blackstone Business Activities*” and “*Multiple Blackstone Business Lines*” in **Item 10** below).
  - Technology expenses (including, without limitation, third-party as well as internally allocated charges, costs and expenses of technology service providers and related software/hardware (including those that analyze operational improvements as a part of due diligence or otherwise utilized in connection with a Client’s investments) and market data and research costs).
  - Certain hardware expenses and software fees.
  - Property, loan administration and servicing and other asset management fees.
  - Audit and accounting fees (including costs for internal control reports and in-house tax advice and/or services specifically charged or specifically attributed or allocated by the Adviser and its Affiliates to certain Clients or their Portfolio Entities on matters related to potential or actual Investments or transactions of the Clients and their Portfolio Entities, as applicable; *provided*, that any such expenses, fees, charges or related costs will not be greater than what would be paid to an unaffiliated third party for substantially similar services).
  - Fees and expenses associated with brokerage services (including prime broker account charge, brokerage commissions and distribution fees).
  - Fees and expenses associated with borrowing, guarantees and other financing, including interest charges.
  - Fee and other expenses incurred in connection with derivative transactions.
  - Expenses associated with the development, negotiation, acquisition, settling, holding, monitoring and disposition of Investments and transaction fees.
  - Costs and expenses associated with vehicles through which the Clients or their Investors directly or indirectly participate in Investments.
  - Taxes, fees, related interest, penalties or governmental charges imposed on the Investment Vehicles and expenses related to the preparation and delivery of any entity-level taxes.

- Custodial, depository, representative and paying agent and other third-party professional fees.
- Bank and bank wire fees.
- Fees and expenses related to hedging arrangements and currency conversion.
- Travel and other expenses in connection with the Clients' organization, fundraising and Investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals and social and entertainment events with Portfolio Entity employees, customers, clients, investors, borrowers, brokers and service providers) and related costs and expenses incidental thereto).
- Fees, costs and expenses related to the organization or maintenance of any entity (including intermediate entities or other vehicles) used to acquire, hold or dispose of any one or more Investment(s) or otherwise facilitating a Client's Investment activities, including without limitation any travel and accommodation expenses related to such entity, fees paid to any service providers of such entities and the salary and benefits of any personnel (including personnel of the Adviser or its Affiliates and Luxembourg entities formed in connection with the Clients' activities) reasonably necessary and/or advisable for the maintenance and operation of such entity, costs associated with the leasing of office space (including, without limitation, rent and refurbishment costs and office space in Luxembourg), or other overhead expenses in connection therewith.
- Fees, costs and expenses of feeder vehicles to the extent not paid by such vehicle or its partners, as applicable.
- Expenses related to the preparation and delivery of internal control reports.
- Marketing, advertising, printing, wholesaling and other capital raising expenses associated with Investor admission/subscription and Investor-related services and other similar costs (including the cost of space to hold meetings with prospective investors related to capital raising and marketing).
- Research-related expenses, including news and quotation equipment and services.
- Expenses associated with market data and research (including fees for internal and/or third-party research-related services).
- Expenses of Blackstone-internal and third-party printing and publishing (including time spent performing such printing and publishing services).
- Preparing, printing and delivering all reports, documents and filings related to the Clients and their Investments.

- Expenses associated with the preparation of the Clients’ periodic reports (and related financial and other statements) and Investor notices and communications.
- Expenses of Investor meetings.
- Broken-deal expenses.
- Insurance expenses.
- Extraordinary expenses, including expenses of litigation or settlement involving the Clients or Portfolio Entities in which the Clients have Investments and the amount of any judgments or settlements paid in connection therewith.
- Expenses incurred in connection with complying with provisions in Investor side letter agreements related to the Clients, including “most favored nations” provisions.
- Valuation costs (including costs related to a third-party valuation advisor and/or third-party appraiser).
- Cost of trading (including trading errors).
- Expenses of the L.P. Advisory Committee, including director fees, as applicable.
- Expenses of third-party advisory committees and Investor Representatives of the Clients as well as of other goods and services provided by third parties.
- Expenses incurred in connection with organizing and/or attending Investment-related conferences.
- Dissolution and liquidation expenses.
- Arbitration expenses.
- Expenses of loan servicers and other service providers.
- Expenses associated with admissions/subscriptions.

One or more of the Clients could retain the Agent to provide various services relating to the Client’s investments and activities. The Agent works closely with and is overseen by the Client’s asset management, securities and operations teams and other personnel, and provides advice, analyses and recommendations to the Client in connection with providing such services. The Agent provides various customary loan servicing and other related services, including with respect to Client equity verification, future funding draw packages and funding summaries, release of collateral, repayment expectations, loan servicing (including review of remittances, payoffs, billing statements, waterfalls and performance analysis), reporting, new loan set up and onboarding, covenant testing, financial reporting, quarterly asset updates (including performance commentary and asset summary presentations) and quarterly data review, aggregation and analysis. Other services the Agent performs include, inter alia, surveillance monitoring, due diligence, ongoing reporting, credit analysis, spot valuations, re-underwriting, structure and

waterfall analysis, maturity and disposition tracking, site inspections and quality assurance reviews. Trimont has (and any other Agent may have) a team of personnel dedicated exclusively to providing such services to the Client (and/or other funds and accounts managed by the Client). Such personnel (or the personnel of other service providers of the Client) may have attributes of Blackstone “employees” (e.g., they may have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Advisory Agreements, and their salary and related expenses are borne by Investors in a Client or by Portfolio Entities without any reduction or offset to Management Fees. Moreover, the Client expects to play a substantial role in overseeing such personnel (and may with respect to other service providers of the Client) on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. Moreover, the Client may be responsible for covering the compensation and related costs of such personnel if the Client terminates the Agent, and the Client may enter into similar arrangements with other service providers.

Investors in a Client are typically allocated (or otherwise bear) their *pro rata* share of such fees and expenses, which will, in certain circumstances, be calculated based on capital commitments, invested capital, available capital, or other metrics as determined by the General Partner in its sole discretion. From time to time, the General Partner will be required to decide whether costs and expenses are to be borne by a Client, on the one hand, or the General Partner and the Adviser, on the other, and/or whether certain costs and expenses should be allocated between or among the Clients, on the one hand, and the Other Blackstone Vehicles on the other. Certain expenses may be suitable for only a particular Client, its parallel fund or participating Other Blackstone Vehicles and borne only by such Client, or, as is more often the case, expenses may be allocated *pro rata* among such Client, all of its parallel funds and participating Other Blackstone Vehicles, even if the expenses relate only to particular vehicle(s) and/or Investor(s) therein, and such allocation can be expected to be calculated based on capital commitments, invested capital, available capital, or other metrics as determined by the General Partner in its sole discretion. Any entities established in connection with Blackstone’s employee side-by-side co-investment rights and any Other Blackstone Vehicles that co-invest alongside one or more Clients in investments will generally bear their *pro rata* share of any expenses related to such investments, but such entities (which, for the avoidance of doubt, are not considered “parallel vehicles” of the applicable Client) will generally not be required to bear any portion of the organizational expenses or any other non-

investment related partnership expenses of such Clients (given that those other vehicles bear their own non-investment related expenses). For example, certain expenses may be incurred by or on behalf of such Client and Other Blackstone Vehicles and will be allocated among such Client and such Other Blackstone Vehicles by the Adviser in its good faith reasonable discretion, including, in the case of travel, based on estimated time spent with respect to the business of such Client and Other Blackstone Vehicles. The Adviser, or the General Partner will make such judgments on a fair and reasonable basis, and in its sole discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. There can be no assurance that a different manner of allocation would not result in a Client bearing less (or more) expenses.

The Clients will generally bear the costs and expenses related to the organization, maintenance and/or dissolution of any entity used to directly or indirectly acquire, hold or dispose of any Investment or otherwise facilitate such Clients' Investment activities (including, without limitation, travel, accommodation and related expenses related to such entity, and the salary and benefits of any personnel (including of the Adviser or its Affiliates) reasonably necessary or advisable for the maintenance and operation of such entity), expenses of liquidating Clients, capital raising and Investor-related services and other similar costs and expenses of administering side letters entered into with Investors (including the process of distributing and implementing applicable elections pursuant to any "most favored nations" clauses in side letters) and to the extent not reimbursed by a third party, all third-party expenses incurred in connection with a proposed Investment that is not ultimately made (or a proposed Investment that was initially considered by an Other Blackstone Vehicle and subsequently allocated to a Client) or a proposed disposition that is not actually consummated (including legal, tax, accounting, travel and other expenses related to underwriting and pursuing an Investment, advisory and consulting fees and expenses, travel, accommodation, dining (including, *e.g.*, late night meals for the Adviser's employees working on a proposed Investment or disposition) and related expenses and printing expenses, and any liquidated damages, reverse termination fees or similar payments). Service providers (including Affiliates of the Adviser) will be retained for such purposes in accordance with the terms described in **Item 10 – "Portfolio Entity Service Providers and Vendors" and "Service Providers, Vendors and Other Counterparties Generally."**

The Adviser intends to generally allocate partnership expenses and organizational expenses of the Clients on a *pro rata* basis on the capital commitments, invested capital or available capital, as applicable, but may in certain circumstances allocate such expenses in a different manner if the

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Adviser determines in good faith that doing so is more equitable or appropriate under the circumstances. This will result in (i) a Client bearing a portion of certain partnership expenses and/or organizational expenses attributable to Luxembourg parallel fund (and/or another parallel fund) that are not directly connected to such Client and its activities, and (ii) the 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.

The Clients will, in certain circumstances, be required to make contingent funding commitments or guarantees to their Portfolio Entities or other vehicles or entities in or alongside which the Clients invest and to provide other credit support arrangements in connection therewith. Such credit support may take the form of a guarantee, a letter of credit or other forms of promise to provide funding. Such credit support will, in certain circumstances, result in fees, expenses and interest costs to the Clients, subject to certain limitations set forth in the organizational documents of the applicable Clients.

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

In addition to the Management Fees and other fees described in **Item 5** that are received by the Adviser, General Partners or their respective Affiliates (as applicable), the General Partners of each Client receives a portion of the profits of current disposition proceeds from each Client with respect to each Investor (other than Blackstone Employee Investors), which is equal to, in the case of the BREP Funds, 20% of the amounts otherwise distributable to such Investor, and in the case of the Other Real Estate Vehicles, a percentage of the amounts otherwise distributable to such Investor that varies depending on the particular Other Real Estate Vehicle. Such allocation of profits is only allocated to the General Partners when specific conditions are met, including the return to each of the Investors of an aggregate amount equal to all capital contributed by such Investors for realized Investments, writedowns (or net writedowns in certain cases) on unrealized Investments, fees and expenses allocable to such Investments and the receipt of a preferred return on such amounts.

The Investment Vehicles distribute current income from an Investment generally in the manner described above relating to the distribution of disposition proceeds, except that distributions of current income are made on an Investment by Investment basis and do not take account of a return of capital and any writedowns, but will take into account actual unrecouped losses from prior dispositions.

As described in **Item 10 – “Performance-Based Compensation”**, the fact that the Adviser’s Affiliates are in part compensated based on the performance of the Clients creates a greater incentive for the Adviser 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. However, the significant commitment by Blackstone to invest in the Clients and the General Partner clawback provisions, where applicable, should reduce the incentives to make more speculative Investments or otherwise time the sale of Investments based on considerations related to performance-based compensation. The General Partner clawback, where applicable, potentially creates other misalignments of interests between the General Partner and Investors, such as an incentive for the General Partner to defer disposition of an Investment that would result in a realized loss and trigger the clawback, or delay the dissolution and liquidation of the Clients if doing so would trigger a clawback obligation.



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As described in **Item 5**, Blackstone Employee Investors are not subject to Management Fees or performance-based compensation allocations with respect to the Clients.

Finally, as described in **Item 10 – “Joint Venture Partners”**, the Clients will, from time to time, enter into one or more JV Arrangements with Joint Venture Partners, which will often involve performance-based compensation, such as promotes and/or other fees payable to such Joint Venture Partners directly or indirectly by such Clients. Any such compensation and/or fees will reduce the actual returns realized by Investors on their Investments in the Clients and will not result in an offset of the Management Fee.

The precise amount of, and the manner and calculation of, the compensation described above are established by the Adviser and General Partners, as applicable, through negotiations with Investors in each Client, and the actual amount of compensation could differ from the described above. The Offering Materials, the Organizational Documents and the Advisory Agreement of each Client include further details on such compensation and related matters.

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## Item 7 – Types of Clients

The Adviser provides investment advice to its Clients. A Client's Investors can be expected to consist of some or all of the following:

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

All Investors in certain Clients are subject to applicable suitability requirements. The Adviser and the General Partner of certain Clients require that each Investor in the Clients be an "accredited investor" as defined in Regulation D under the Securities Act and a "qualified purchaser" as defined in Section 2(a) (51) of the U.S. Investment Company Act of 1940, as amended, and meet other suitability requirements (including, in some circumstances, a Person that is not a U.S. Person as defined in Regulation S under the Securities Act). Generally, Investors must invest a minimum dollar amount, or for certain Clients, a minimum euro amount, as determined in the applicable General Partner's sole discretion. The General Partner reserves the right, in its sole discretion, to waive the minimum dollar amount.

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

### Analysis

The Adviser identifies and evaluates the Investments in which the Clients invest. The Adviser's analysis is based on certain criteria, which include, but are not limited to, risk/return profile, capital structure, liquidity and investment performance. See **Item 10 – “Advisors, Consultants and Partners”** for additional information on sourcing Investments.

### Investment Strategies

The Adviser generally advises the Clients to invest in equity, equity-related real estate securities (including (i) preferred stock, debt and other securities relating to common equity Investments and (ii) preferred stock, debt and other securities that are expected to produce equity-like returns), single real estate assets, portfolios of real estate assets, real estate operating companies, and other real estate and real estate-related assets.

The Adviser's investment analysis methods include fundamental, technical and cyclical research. The Adviser's investment team is responsible for evaluating real estate, securities, and other products for investment for the Clients. The Adviser's investment professionals, with the advice and assistance of legal counsel when deemed appropriate, also review portfolios for adherence to the applicable investment guidelines of each applicable Client.

Before making Investments, the Adviser will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each Investment. Due diligence will, in certain circumstances, entail, among other factors, evaluation of important and complex business, financial, tax, accounting, insurance-related, ESG, real property and legal issues. When conducting due diligence and analyzing an Investment, the Adviser will rely on the resources available to it, including information provided by the seller of the Investment and, in some circumstances, third-party investigations or the due diligence conducted by an Other Blackstone Vehicle.

In addition, in certain instances, the Clients may not have access to all available information to determine fully the origination and underwriting practices utilized with respect to the Investments or the manner in which the Investments have been serviced and/or operated. As a result, the Adviser's due diligence activities may provide less information than due diligence reviews

conducted in certain developed countries. The lower standards of due diligence in certain countries, or with certain unsophisticated counterparties, will increase the risk related to the Client's Investments in these countries and with these unsophisticated counterparties. Although the Clients will endeavor to conduct appropriate due diligence in connection with each investment, no guarantee can be given that they will obtain the information or assurances that an investor in a more sophisticated jurisdiction or working with a more sophisticated counterparty would obtain before proceeding with an investment.

In particular, the Adviser typically conducts four types of due diligence on prospective Investments, subject, in each case, to timing constraints (*e.g.*, distress purchases, bidding processes) and the extent of information available (*e.g.*, in certain insolvency situations where the seller is a third party):

- A preliminary review of each opportunity is conducted to screen the attractiveness of each potential Investment followed by an initial projection based on macro- and micro-economic analyses. Projection assumptions are generally developed from analysis of historical operating performance, discussions with national and local real estate contacts, and review of published sources, in each case, to the extent available in connection with such potential Investment.
- The Adviser reviews relevant books and records (such as comparing rent roll to leases for office buildings), confirms cash flow information provided by the seller, and conducts similar types of analysis, in most instances using Consultants, and in all cases subject to available information. Some transactions, such as the acquisition of public securities (other than through a private agreement with the relevant company) or the acquisition of a property in a foreclosure sale, would not be expected to have this information available, and for certain other transactions, such as the acquisition of land for future development, this information may not be reviewed if irrelevant to the ultimate business plan for the Investment opportunity.
- Physical due diligence which primarily involves an analysis of environmental and engineering matters through third-party Consultants, the work product of which is reviewed by the Adviser and affiliates of the Adviser. Conclusions from environmental/engineering reports are incorporated into the financial projection analysis. Additionally, potential Investments are generally investigated to assess relative market position, quality and functionality for target tenants and obsolescence.

- The Adviser works closely with legal counsel to review, diligence and negotiate all applicable legal and property-specific documents pertaining to an Investment (*e.g.*, loan documents, leases, management agreements, purchase contracts, etc.).

The Blackstone Real Estate Group Investment Committee generally meets weekly to carefully review and approve Investments and dispositions around the world. Discussions are led by the Global Co-Heads of Real Estate. In addition to its Chairman, who is also the President and Chief Operating Officer of Blackstone, the Blackstone Real Estate Group Investment Committee also includes the Chairman and CEO of Blackstone, the CFO of Blackstone and all Senior Managing Directors in the Blackstone Real Estate Group. Blackstone manages its Investments through proactive day-to-day asset management, as well as regular global asset reviews and quarterly valuation meetings. Certain significant Investments of the Clients are reviewed and approved by the Blackstone Real Estate Group Investment Committee. Smaller Investments are reviewed by a prescribed subset of the Blackstone Real Estate Group Investment Committee. The Blackstone Real Estate Group Investment Committee utilizes a consensus-based approach to decision-making among the members.

The above is only a summary of the principal investment strategies employed by the Adviser. The material risks associated with these strategies are set forth below.

The Adviser also seeks to integrate ESG principles into its investment process and operating philosophy, as applicable. Blackstone has established an ESG Framework, which outlines its approach to integrating the consideration of ESG factors, as applicable, in its business and investment activities. See also “—*Risk of Loss*” herein.

### **Risk of Loss**

An investment in the Clients entails a significant degree of risk and therefore should be undertaken only by Investors capable of evaluating the risks of an investment therein and bearing the risks such investment represents. Set forth below is a non-exhaustive list of such risks (some of which may not apply to a particular Client):

1. No established market for potential Investments exists
2. Illiquidity of Investments by the Clients

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3. Restrictions on transfers of investor interests under the Organizational Documents or the Securities Act and lack of a public market
  4. Financial market fluctuations and the availability of financing in U.S. or non-U.S. jurisdictions
  5. Economic, political and social uncertainty in the markets where Clients invest and globally
  6. Political activities (including political contributions, hiring lobbyists and other permissible political activities in U.S. or non-U.S. jurisdictions)
  7. Regional risk; interdependence of markets
  8. Changes in legal, fiscal and regulatory regimes
  9. Nature of equity or equity-related Investments
  10. For non-U.S. Investments, currency fluctuation, exchange controls and political factors
  11. Portfolio and geographic concentration
  12. Investment environment and market risk
  13. Market volatility risks, including interest rate fluctuations and inflation
  14. Public health risk/epidemics/pandemics (including COVID-19)
  15. Environmental risks and potential liabilities, including weather and climatological risks
  16. Risks related to climate change and the increased focus on sustainability issues
  17. Risk of loss of entire Investment
  18. Deterioration of property values
  19. Policy risks in emerging markets
  20. Highly competitive nature of real estate investment business
  21. Inability to deploy capital in conjunction with finding suitable Investments
  22. Lender liability risks, including equitable subordination
  23. Leverage risk (including with respect to credit facilities)
  24. Hedging risk
  25. Inability to implement a Client's investment strategy
  26. Service provider process / control

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27. Increase in supply / decrease in demand
  28. Dependence on the Adviser, the Adviser's key personnel, and Portfolio Entity management
  29. Real estate's susceptibility to adverse changes in economic and employment conditions
  30. Valuation matters, including deficiencies in appraisal quality or third-party valuation agent's review in the investment process (please see **Item 10 – “Valuation Matters”** for more information)
  31. Accounting, disclosure and regulatory standards
  32. Risks of acquiring real estate property, including fluctuations in occupancy, rental rates, operating income and expenses
  33. Contingent liabilities incurred on dispositions or financings of Investments
  34. Limited ability to protect the Client's interest when making non-controlling Investments or Investments with third parties (including joint ventures)
  35. Lack of diversification in Investments
  36. Limited availability of investment opportunities
  37. Operating and financial risks of Portfolio Entities
  38. Reliance on Portfolio Entity management and third parties
  39. Cyber security breaches, identity theft, denial of service attacks, ransomware attacks, and social engineering attempts (including software code protection)
  40. Risks arising from ERISA including potential control group liability
  41. Litigation risk (including at the property level)
  42. Cross incurrence of indebtedness or guarantees on a several, joint and several or cross-collateralized basis among the Clients and with Other Blackstone Vehicles (please see **Item 10 – “Cross-Guarantees and Cross-Collateralization”** for more information)
  43. CFTC registration requirements or maintenance of exemptions therefrom
  44. Enhanced scrutiny and potential regulation of the private investment fund industry and the financial services industry (including Dodd-Frank)
  45. Compliance with pay-to-play laws, regulations and policies

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46. Compliance with U.S. economic and trade sanctions
  47. Compliance with anti-corruption laws and regulations
  48. Compliance with AIFMD, SFDR, Cayman Islands Private Fund Law and other applicable international law
  49. Compliance with CFIUS and other similar foreign investment review body, agency or governmental entity, as applicable
  50. Compliance with tax law (including FATCA and partnership audit rules)
  51. Counterparty risks due to derivative contracts
  52. Risks of fraud
  53. Delayed construction arising in Investments in new development
  54. Acquisition of sub-performing real estate loans and participations
  55. Risks of distressed securities being subject to workouts, restructurings or bankruptcy
  56. Risks of investing in publicly-traded securities
  57. Risks associated with real estate investment activities generally and Clients, including potential direct ownership of real estate as a result of foreclosure or similar events.
  58. Interest rate, credit, reinvestment and general market risks related to Investments in securities
  59. Benchmark reform and the impact on SOFR or other benchmark rates
  60. Risks related to structured products, including commercial mortgage-backed securities
  61. Risks associated with distributions in-kind
  62. Due diligence may not reveal all factors affecting an Investment and may not reveal weaknesses in underlying loans securing such Investments in all circumstances
  63. Nature of mezzanine and other real-estate related debt Investments
  64. Risks specific to construction, renovation and transition lending activities
  65. Risks arising from mortgage-backed securities
  66. Risks related to rating agencies
  67. Risks related to bridge financings



- 68. Risks related to seller financings
- 69. Sharing and use of “big data” and other information
- 70. Risks related to data privacy legislation and regulation in applicable jurisdictions
- 71. Future investment techniques and instruments
- 72. Social and political unrest / terrorist activities / war
- 73. Natural disasters
- 74. Insurance considerations
- 75. Risks relating to due diligence of Investments
- 76. Risks relating to technological and scientific innovations, including artificial intelligence
- 77. Platform investments
- 78. Risk related to managing growth of business
- 79. Credit ratings
- 80. Restrictive covenants
- 81. Various conflicts of interests in investments and transactions
- 82. Intellectual property issues
- 83. Investments in student housing and dormitories
- 84. ESG Framework Risk
- 85. Progress Toward ESG Goals
- 86. Weather and Climate Change Risk
- 87. Antitrust Risk
- 88. Regulatory Proposals with respect to Private Funds and Advisers
- 89. Proposed changes to Custody Rule
- 90. Base Erosion, Profit Shifting and Related Measures
- 91. Anti-Tax Avoidance Directives
- 92. DAC6
- 93. Risk of default by Investors

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**Prospective Investors are advised to review the applicable Client's Offering Materials for a more extensive description of the applicable investment strategies and the risks of its investment program.**

Stock markets, bond markets and real estate markets fluctuate substantially over time. Performance of any Investment is not guaranteed. As a result, there is a risk of loss of the Investments managed by the Adviser that are out of its control. The Adviser cannot guarantee any level of performance or that the Clients will not experience a substantial or complete loss of their Investment. There is no assurance that the Clients will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy. The marketability and value of any Investment will depend upon many factors beyond the control of the Adviser. The expenses of the Clients may exceed their income, and an Investor in a Client could lose the entire amount of its contributed capital. Therefore, an Investor should only invest in a Client if the Investor can withstand a total loss of its investment. The past investment performance of the Clients cannot be taken to guarantee future results of the Clients or any of their Investments.

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. 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.

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 Adviser 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 Adviser could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, the Adviser 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 Adviser from transferring Client funds to an account of the Adviser 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 Adviser 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.

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.

Recent technological developments in artificial intelligence, including machine learning technology and generative artificial intelligence such as ChatGPT (collectively, "AI Technologies"), pose risks to the Adviser, the Clients, and the Portfolio Entities (including Portfolio Entities of the Clients and Other Blackstone Vehicles expected to provide services to Clients). Any of these technological innovations could result in harm to the Adviser 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 Adviser, 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 Adviser 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 Adviser, 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 Adviser, 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 Adviser, and the Clients.

AI Technologies can also be misused or misappropriated by third parties and/or employees of the Adviser 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 Adviser, the Clients, and their Portfolio Entities. Moreover, the Adviser, 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 Adviser, Clients, or Portfolio Entities, could also lead to legal and regulatory investigations and enforcement actions. Relatedly, the Adviser, 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 Adviser 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 Adviser or their affiliates in connection with such AI Technologies. See “Expenses” in **Item 5** 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 Adviser, 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 above.) 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 Adviser, 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.

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 operations, and the ability of the Clients to achieve their investment objectives.

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 Adviser'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 addition, it can be expected that tenants leasing real estate properties owned by Clients will not be able to pay rents in a timely manner or at all, resulting in a decrease in value of the Clients' investments.

A pandemic or global health crisis can be expected to also pose enhanced operational risks. For example, the Adviser'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 Adviser'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 Adviser 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 Adviser’s personnel are currently living (even if different than where the Adviser 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 Adviser’s policies and the Clients’ organizational documents.

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.

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.

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.

The Adviser 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 Adviser 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 Adviser'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 Funds 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 Adviser or the Client 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. Advisers 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 Adviser 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 Adviser 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 Adviser'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 Advisers 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 Adviser 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 Adviser 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 Adviser 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 Adviser’s reputation, result in litigation or regulatory actions, and adversely impact the Adviser’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 Adviser operate their business and/or the Clients, as well as the Adviser’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 Adviser 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 Adviser and the Clients and/or limit the number of service providers in a manner detrimental to the Adviser or the Clients. In addition, these amendments could increase the risk of exposure of the Clients, the Adviser, 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 Adviser, 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 Adviser, Blackstone, the Clients, their investments, and/or the Clients' investors or that such rules or amendments will not materially reduce returns to Client investors.

Blackstone has established a firm-wide ESG policy and related programs and procedures, including the ESG Framework, which outlines its approach to integrating ESG in its business and investment activities. The Adviser intends to apply the ESG Framework, as applicable, across investments consistent with and subject to its fiduciary duties and applicable legal, regulatory or contractual requirements. The Adviser 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 Adviser 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 Adviser will consider in making an 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 Adviser considers application of the ESG Framework to be an opportunity to enhance or protect the performance of investments over the long-term, the Adviser cannot guarantee that the application of its ESG Framework, 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 Adviser 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 Adviser'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

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<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 style. In evaluating a prospective investment or providing reporting regarding such investment, the Adviser 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 Adviser to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities. The Adviser can be expected to decide in its discretion not to utilize certain information or data. While the Adviser 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 Adviser's sole discretion.

In addition, the Adviser's ESG Framework is expected to change over time. The Adviser 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 Adviser 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 Adviser 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 Adviser 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 Adviser’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 Adviser. 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 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 Adviser will be perceived as, or accused of, greenwashing. Such perception or accusation could damage the Adviser’s reputation, result in litigation or regulatory actions, and adversely impact the Adviser’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 Adviser’s ESG Framework 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 Adviser 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 Adviser, then the Adviser will be at risk for regulatory sanction, and any such investigations could be costly, distracting and/or time consuming for the Adviser 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 Adviser's ESG Framework 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 may 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 result in a Client performing differently than investment funds that do not have ESG-related initiatives. Further, these ESG-related initiatives are aspirational and not guarantees or promises that all or any such initiatives will be achieved.

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 Adviser (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

Adviser (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 Adviser (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.

Global climate change is widely considered to be a significant threat to the global economy. Clients' Investments may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the Paris Agreement and other initiatives by international, federal, state and local policymakers and regulatory authorities as well as private actors seeking to reduce or mitigate the effects of GHG emissions may expose certain assets to so-called "transition risks" in addition to physical risks, such as: (i) political and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to GHG emissions, that could result in increased costs or changes in business operations); (ii) regulatory and litigation risks (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to climate impacts); (iii) technology and market risks (e.g., declining market for assets, products and services seen as GHG intensive or less effective than alternatives in reducing GHG emissions) and (iv) reputational risks (e.g., risks tied to changing customer or community perceptions of an asset's relative contribution to GHG emissions). Clients cannot rule out the possibility that climate risks, including changes in weather and climate patterns, could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an Investment or a Client.

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

Vehicles' 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 Vehicles 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 Vehicles 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 Vehicles 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 Vehicles, 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 Vehicles’, 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 Vehicles’, 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 Vehicles’ 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 Vehicles’ Investors and clients to lose confidence in the effectiveness of Blackstone’s security measures and Blackstone more generally.

The Clients’ and Other Blackstone Vehicles’ 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 Vehicles 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 Vehicles' 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 Vehicles' 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 Vehicles' 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 Vehicles' 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 Vehicles 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 Vehicles 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 Vehicles' 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 Vehicles and Portfolio Entities to comply with such laws and regulations continues to increase and become a significant compliance workstream.

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## Item 9 – Disciplinary Information

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

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, the Adviser 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 Adviser or the Clients’ results of operations, financial position or cash flows.

Certain regulatory, litigation and other similar matters are, from time to time, disclosed in (i) Blackstone’s public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the website of the SEC ([www.sec.gov](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>), and (ii) materials made available through Blackstone’s online portal related to Investors.



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## 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 Adviser, its Clients, the Other Blackstone Vehicles, the Portfolio Entities of Clients and Other Blackstone Vehicles and Affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. 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.

The Adviser will take such actions as may be required by the Organizational Documents of the applicable Clients to handle conflicts.

***Performance-Based Compensation.*** The Adviser's performance-based compensation creates a greater incentive for the Adviser to make more speculative Investments on behalf of a Client or time the purchase or sale of Investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist, as the Adviser receives a disproportionate share of profits above the preferred return hurdle. However, the commitment by Blackstone to invest in a Client and the General Partner clawback should reduce the incentives for the Adviser to make more speculative Investments or otherwise time the purchase or sale of Investments based on considerations related to performance-based compensation. The General Partner clawback potentially creates other misalignments of interests between the Adviser and Investors, such as an incentive for the Advisers to defer disposition of an Investment that would result in a realized loss and trigger the clawback, or delay the dissolution and liquidation of the Client if doing so would trigger a clawback obligation. In addition, the current law 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 Adviser to cause a Client to accelerate deployment of capital at the beginning of a Client's investment period and to 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 performance-based compensation. Furthermore, upon a withdrawal by an Investor from a Client, in certain circumstances, including in the event of a transfer of interests, and upon the closure, dissolution, wind-up and/or liquidation of a Client, the Adviser will, in certain circumstances, receive

performance-based compensation with respect to a distribution in-kind of non-marketable securities. The amount of the performance-based compensation will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the Adviser and could incentivize the Adviser to value the securities higher than if there were no performance-based compensation. The Adviser can engage third parties to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third-party opinion of value, but there can be no assurance such an opinion will reflect value accurately. Moreover, under the terms of the Organizational Document, the Adviser is entitled to elect to receive its performance-based compensation in the form of an in-kind distribution of marketable securities, including, but not limited to, if the purpose of such election is to permit Blackstone personnel to donate such securities to charity, to the extent permitted by applicable law (which may include private foundations, funds or other charities associated with any such personnel, or their respective family members), to the extent permitted by applicable law. The tax benefit derived from charitable giving has the effect of reinforcing and/or enhancing the Adviser's incentives otherwise resulting from the existence of the Adviser's performance-based compensation described above and therefore conflicts of interest may arise in making decisions on behalf of the Clients (including the timing of the disposition of Investments). In addition, the Adviser is incentivized to make certain determinations under the Organizational Document in a manner that results in its receipt of a greater amount of, or earlier payment of, performance-based compensation. For example, distributions of current income, unlike disposition proceeds, will not take into account a return of capital from the respective Investment or allocable fees or expenses thereto, which creates an incentive for the Adviser to determine that a recapitalization, refinancing or other similar transaction was not a "disposition" (in whole or in part) for purposes of the Organizational Document (including for purposes of calculating the General Partner's performance-based compensation). Additionally, regardless of whether a recapitalization, refinancing or other similar transaction is treated as a "disposition" (in whole or in part) for purposes of determining the Adviser's performance-based compensation, such recapitalization, refinancing or other similar transaction are not expected to be treated as a "disposition" (in whole or in part) for purposes of calculating invested capital under the Organizational Document or investment advisory agreement.

**Management Fee.** Due to the fact that following the end of a Client's investment period, the Management Fee is calculated based on invested capital (which pursuant to the Organizational Documents, includes borrowings and guarantees then outstanding that reduce unused capital commitments) rather than capital commitments, there is an incentive for the Adviser to defer realization of Investments, make more speculative Investments, seek to deploy the capital

commitments (and borrowings and guarantees secured by capital commitments) in Investments at an accelerated pace and/or hold Investments longer, in each case, than it otherwise would have if Management Fees were based solely on capital commitments. In addition, there will be circumstances where an Investment has little or no value and it has not been fully realized or disposed of, for example in the event that a Client is seeking to transfer its residual ownership of an Investment to a counterparty and in such cases, the Adviser will continue to collect Management Fees based on invested capital (as described above), including through the term of such Client. Accordingly, the Adviser may defer the realization of such Investments, in each case, for longer than it otherwise would have if Management Fees were based solely on capital commitments. See also “—*Valuation Matters*” herein.

The Management Fee will be calculated on a basis that is not necessarily tied to the Clients’ then-current NAV. As described in the Organizational Documents, from the effective date of a Client until the investment period termination date, the Management Fee with respect to each Investor will be calculated based on a percentage of such Investor’s capital commitment. Following such termination date, the Management Fee will be calculated based on a percentage of the amount of such Investor’s capital contributions with respect to investments that have not been disposed of or written off (*i.e.*, the adjusted cost of which has been reduced to zero). For the avoidance of doubt, no Management Fee will be payable on such Investor’s capital contributions with respect to investments that have been disposed of or written off (*i.e.*, the adjusted cost of which has been reduced to zero), which creates an incentive for the Adviser to avoid or delay disposing of or writing off investments. As a result, the amount of the Management Fee generally will not correspond with fluctuations in the Clients’ NAV, including following the investment period, and will not be reduced in connection with any investment write-downs, except in a case of where the investments is written off as described above. The determination to characterize an Investment as having been disposed of or written off (*i.e.*, the adjusted cost of which has been reduced to zero), which generally remains in the sole discretion of the Adviser and Blackstone, involves subjective judgments and creates conflicts of interest, due to the impact of such determinations on the total amount of Management Fees payable to the Adviser. (See also “—*Valuation Matters*” herein.) Unless the Organizational Documents expressly provide to the contrary, the Management Fee will not be reduced (in whole or in part) in the case of any recapitalization, refinancing or other similar transaction, or in connection with certain distributions such as dividends or as a result of any reorganization or restructuring of, extraordinary dividend made with respect to, or similar transaction related to, an Investment that does not result in the disposition of a Client’s interest therein (even in cases where the value of the Client’s Investment or the Client’s ownership

percentage in such investment has been reduced as a result of such recapitalization, refinancing, reorganization, restructuring, extraordinary dividend or similar transaction), and in such cases, the Investors will continue paying Management Fees based on the cost basis of investments regardless of any such transaction.

***Allocation of Personnel.*** The Adviser will devote such time and attention to a Client as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, including members of the Blackstone Real Estate Group Investment Committee will work on other projects, serve on other committees (including boards of directors, as applicable) and source potential Investments for and otherwise assist the investment programs of Other Blackstone Vehicles and their Portfolio Entities, including other investment programs to be developed in the future. Certain non-investment professionals are not dedicated solely to the Adviser but rather perform functions that benefit the Clients as well as Other Blackstone Vehicles, the Adviser and/or Blackstone, which is expected to detract from the time and attention such persons devote to the Adviser. Even some key personnel of the relevant Adviser 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 Clients, which could negatively impact the Clients and their Investors. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the Blackstone Real Estate Group share in the fees and performance-based compensation from Clients; similarly, the Blackstone Real Estate Group personnel share in the fees and performance-based compensation generated by Other Blackstone Vehicles. These and other factors create conflicts of interest in the allocation of time and attention by Blackstone personnel. The Adviser's determination of the amount of time and attention necessary to conduct a Client's activities will be conclusive, and Investors rely on the Adviser'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 Clients, Other Blackstone Vehicles 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 Clients, including if such other entities compete with Clients for investment opportunities or other resources. The Blackstone personnel in question may have a

greater financial interest in the performance of the other entities than the performance of a Client. This involvement may create conflicts of interest in making Investments on behalf of a Client and such other funds, accounts and other entities. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interest. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by a Client or Other Blackstone Vehicles, or otherwise relate to companies or issuers in which a Client has or acquires a different principal investment (including, for example, with respect to seniority). There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Clients. Investors will not receive any benefit from any such Investments, and the financial incentives of Blackstone personnel in such other Investments could be greater than their financial incentives in relation to a Client. Although the Adviser will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for a Client. 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 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 Clients or other counterparties of Clients and their Portfolio Entities and/or assets. Moreover, in certain instances, a Client or their Portfolio Entities can be expected to purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, the Organizational Documents will not preclude a Client from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies may, but are not required to, be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Adviser. The Investors rely on the Adviser to manage these conflicts in its sole discretion.

***Secondments and Internships.*** Certain personnel of Blackstone and the Consultants, will, in certain circumstances, be seconded to one or more Portfolio Entities, vendors and service providers or Investors of the Clients and Other Blackstone Vehicles 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 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 Investors of the Clients and Other Blackstone Vehicles will, in certain circumstances, be seconded to, serve internships at, receive trainings from or otherwise provide consulting services to, the Adviser, Blackstone, the Clients, Portfolio Entities and Other Blackstone Vehicles. While often the Clients, Other Blackstone Vehicles and their Portfolio Entities are the beneficiaries of these types of arrangements, the Adviser or Blackstone are from time to time beneficiaries of these arrangements as well, including in circumstances where the vendor, Portfolio Entity or service provider also provides services to the Clients, Other Blackstone Vehicles, the Adviser, 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 Adviser 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 Adviser, Blackstone, other Clients, Other Blackstone Vehicles 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 Adviser, Blackstone, other Clients, Other Blackstone Vehicles or their respective Portfolio Entities that do not benefit such Client or its Portfolio Entities. To the extent secondee 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 Adviser, Blackstone, the Clients, Other Blackstone Vehicles, Portfolio Entities, each of their respective affiliates and related parties, and any costs of such personnel could be allocated accordingly. The Adviser and Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to the Adviser, Blackstone, the Clients, Other Blackstone Vehicles, Portfolio Entities, and other parties based on time spent by the personnel or another methodology the Adviser or Blackstone deems appropriate in a particular circumstance.

In addition, there could be instances where current and former employees of Other Blackstone Vehicles' 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 Vehicles' 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 Vehicles. 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 Adviser, 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 a Client, the value of which will not offset or reduce Management Fees or otherwise be shared with a Client, its Portfolio Entities or the Investors. For example, airline travel or hotel stays will result in “miles” or “points” or credit in loyalty or status programs, and certain purchases made by credit card will result in “credit card points”, “cash back” or rebates in addition to such loyalty or status program miles or points. Such benefits will, whether or not *de minimis* or difficult to value, inure exclusively to the benefit of the Adviser, its Affiliates or their personnel or related parties receiving them, even though the cost of the underlying service is borne by a Client as partnership expenses or by its Portfolio Entities. (See also “—*Service Providers, Vendors and Other Counterparties Generally*” herein.) Similarly, the Adviser, its Affiliates and their personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Portfolio Entities and customers or suppliers of such Portfolio Entities.

**Advisors, Consultants and Partners.** The Adviser, its Affiliates and their personnel and related parties engage and retain Consultants to provide a variety of services. Similarly, Clients, Other Blackstone Vehicles and their Portfolio Entities retain and pay compensation to Consultants to

provide services, or to undertake a build-up strategy to originate, acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by a Client or a Portfolio Entity to Consultants in connection with the above services, including, performance-based compensation (*e.g.*, promote), retainers, cash fees, profits, equity interests in a Portfolio Entity, discretionary bonus awards and expense reimbursements, will be treated as partnership expenses or expenses of the Portfolio Entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser, be chargeable to the Adviser or deemed paid to or received by the Adviser, or offset or reduce any Management Fees to the Adviser or be subordinated to return of the Investor's 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 Clients, including, potentially, access to privileged information regarding the Clients' Portfolio Entities and possible future deal origination to the extent applicable with Clients or Other Blackstone Vehicles. For example, in the same way that executives from portfolio companies of Other Blackstone Vehicles may provide insight and/or deal origination for the benefit of Clients, the executives of a Client's Portfolio Entities may benefit Consultants and/or Other Blackstone Vehicles. Consultants may attend events and/or meetings sponsored by a Client's Portfolio Entities and/or Other Blackstone Vehicles or other members of a Client and may be involved in fundraising activities on behalf of Blackstone. Consultants may attend events and meetings sponsored by the Client's Portfolio Entities and/or Other Blackstone Vehicles or other Investors and may be involved in fundraising activities on behalf of Blackstone. Also, Consultants often co-invest alongside a Client in Portfolio Entities and Investments, participate in long-term incentive plans of a Portfolio Entity, and invest directly in a Client or in vehicles controlled by a Client, with reduced or waived Management Fees and performance-based compensation and such co-investment or participation (which generally will result in the Client being allocated a smaller share of an Investment and less co-investment opportunity being available to Investors) may or may not be considered part of Blackstone's side-by-side co-investment rights, as determined by the Adviser 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 Adviser 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 Adviser on transactions, provides the Adviser 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. A Client may rely on these Consultants to recommend the Adviser and Client as a preferred investment partner and carry out its investment program, but there is no assurance that any Consultant will continue to be involved with a Client for any length of time. The Adviser and Client can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. Moreover, in negotiating and structuring transactions with Consultants or counterparties (such as investment banks, financial intermediaries and other service providers) of a Client or Portfolio Entities, the Adviser will generally not seek to maximize terms as if such transaction was taking place in isolation – it will be free to consider relationship, reputational and market considerations, which can in some circumstances result in a cost to a Client or otherwise make the terms of the transaction less favorable for the Client. In certain cases, Consultants have attributes of Blackstone “employees” (e.g., they can be expected to have dedicated offices (and, potentially, have dedicated office space) at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, Affiliates or personnel for purposes of the Organizational Documents and the Advisory Agreement, as applicable, and their salary and related expenses are paid by a Client as partnership expenses or by Portfolio Entities without any reduction or offset to Management Fees. Some Consultants work only for a Client and its Portfolio Entities, while other Consultants may have other clients, including Other Blackstone Vehicles as described below. In particular, in some cases, Consultants, including those with a “Senior Advisor” title, have been and will be engaged with the responsibility to source, diligence and recommend transactions to the Adviser potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Adviser under the Advisory Agreement, the compensation to such Consultants could be borne fully by the Client and/or Portfolio Entities (with no reduction or offset to Management Fees) and not the Adviser. Consultants could have conflicts of interest between their work for a Client and

its Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and the Adviser is limited in its ability to monitor and mitigate these conflicts. Additionally, Consultants could provide services on behalf of both the Client and Other Blackstone Vehicles, and any work performed by Consultants retained on behalf of the Client could benefit such Other Blackstone Vehicles (and alternatively, work performed by Consultants on behalf of Other Blackstone Vehicles could benefit the Client), and the Adviser shall have no obligation to allocate any portion of the costs to be borne by the Client in respect of such Consultant's work on behalf of the Client to such Other Blackstone Vehicles.

In addition, a Client will, in certain circumstances, enter into an arrangement, from time to time, with one or more individuals (who may be former personnel of Blackstone or current or former personnel of Portfolio Entities of the Client or Other Blackstone Vehicles, may have experience or capability in sourcing or managing investments, and may form a management team) to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The services provided by such individuals or relevant Portfolio Entity, as the case may be, could include: 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 Client or a Portfolio Entity or asset of the Client (which may take the form of a management fee and/or profits allocation (whether paid directly to such individuals or to an affiliate entity controlled by such individuals)), or other long term incentive plans. Compensation could also be based on assets under management, or an economic mechanism similar to a waterfall for carried interest and/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 Adviser, its affiliates and/or Portfolio Entities of Other Blackstone Vehicles, can be expected to undertake analysis and evaluation of potential Investment and acquisition opportunities for such platform company. Although the Adviser is generally responsible under the Organizational Documents for certain overhead expenses and investment analysis associated with sourcing and managing Investments, as well as compensation costs of the Adviser'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, 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 Adviser'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 Adviser 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 Adviser needs to employ in respect of the Clients. Such expenses could be borne directly by a Client 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 Adviser for purposes of the Organizational Documents and none of the fees, costs or expenses described above will reduce or offset the Management Fee.

In addition, the Adviser could engage third parties as senior advisors (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such senior advisors could receive reimbursement of reasonable related expenses by Portfolio Entities or the Client and could have the opportunity to invest in a portion of the assets available to the Client for investment which could be taken by the Adviser and its affiliates. If such senior advisors generate investment opportunities on the Client's behalf, such senior advisors could 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 Client and/or Portfolio Entities (with no reduction or offset to Management Fees) and not the Adviser.

The Adviser on behalf of the Clients could retain the Agent to provide various services relating to the Client's investments and activities. The Agent will work closely with and be overseen by the Adviser's asset management, securities and operations teams and other personnel, and is expected to provide advice, analyses and recommendations to the Adviser in connection with providing such services. The Agent can be expected to provide various customary loan servicing and other related services, including with respect to sponsor equity verification, future funding draw packages and funding summaries, release of collateral, repayment expectations, loan servicing (including review of remittances, payoffs, billing statements, waterfalls and performance analysis), reporting, new loan set up and onboarding, covenant testing, financial reporting, quarterly asset updates (including performance commentary and asset summary presentations) and quarterly data review,

aggregation and analysis. Other services the Agent can be expected to perform include, inter alia, surveillance monitoring, due diligence, ongoing reporting, credit analysis, spot valuations, re-underwriting, structure and waterfall analysis, maturity and disposition tracking, site inspections and quality assurance reviews. Trimont has (and any other Agent may have) a team of personnel dedicated exclusively to providing such services to the Client (and/or other funds and accounts managed by the Adviser). Such personnel (or the personnel of other service providers of the Client) may have attributes of Blackstone “employees” (e.g., they may have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the applicable Organizational Documents, and their salary and related expenses are borne by the Client as partnership expenses or by Portfolio Entities without any reduction or offset to Management Fees. Moreover, the Adviser expects to play a substantial role in overseeing such personnel (and may with respect to other service providers of the Client) on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. Moreover, the Client may be responsible for covering the compensation and related costs of such personnel if the Client terminates the Agent, and the Client may enter into similar arrangements with other service providers.

***Multiple Blackstone Business Lines.*** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, Clients, Other Blackstone Vehicles, Portfolio Entities of Clients and Other Blackstone Vehicles and third parties will, in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits the Client’s ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the Adviser that would be relevant to monitoring the Client’s Investments and other activities. Additionally, Blackstone or Other Blackstone Vehicles can be expected to enter into covenants that restrict or otherwise limit the ability of a Client or its Portfolio Entities and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Vehicles could have granted exclusivity to a Joint Venture Partner that limits a Client and Other Blackstone Vehicles from owning assets

within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Vehicle could have entered into a non-compete agreement in connection with a sale or other transaction. These types of restrictions may negatively impact the ability of Clients to implement their investment program. (See also “—***Other Blackstone Vehicles; Allocation of Investment Opportunities.***”) Finally, Blackstone personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, including other business activities, in which case a Client will not benefit from their experience. The Investors will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses. See also “—***Restrictive Covenants; Restrictions on Client Activities.***”

Blackstone is under no obligation to decline any engagements or Investments in order to make an investment opportunity available to a Client. 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 Adviser will consider such relationships when evaluating an investment opportunity (including any incentives or disincentives as part of such relationships), and such relationships can be expected to influence the Adviser's decision to make or not make particular investments on a Client's behalf (*e.g.*, Investments in a competitor of a client or other Person with whom Blackstone has a relationship). A Client may be required to sell or hold existing Investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or Investments that Blackstone may make or has made. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to a Client. (See also “—***Other Blackstone Vehicles; Allocation of Investment Opportunities***” and “—***Portfolio Entity Relationships Generally***” herein.) The Client may also co-invest with clients of Blackstone or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by the Adviser with respect to a Client's Investments and otherwise result in a conflict. See also “—***Other Blackstone Vehicles; Allocation of Investment Opportunities***” herein.

Also, Blackstone will represent creditors or debtors in proceedings under Chapter 11 of the U.S. Bankruptcy Code or prior to such proceedings and will serve as advisor to creditor and equity committees. This involvement, for which Blackstone will, from time to time, be compensated, could limit or preclude the flexibility that a Client would otherwise have to buy or sell certain real estate related assets, and may require that a Client dispose of an Investment at an inopportune time.

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

***Minority Investments in Asset Management Firms.*** Blackstone and Other Blackstone Vehicles, including BSCH and its related parties, regularly make minority Investments in alternative asset management firms that are not affiliated with Blackstone, Clients, Other Blackstone Vehicles and their respective Portfolio Entities, and which may, from time to time, engage in similar investment transactions, including with respect to purchase and sale of Investments, with these asset management firms and their sponsored funds and Portfolio Entities. Typically, the Blackstone related party with an interest in the asset management firm would be entitled to receive a share of performance-based compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third-party asset management firm that are included in the transaction or activities of the third-party asset management firm, or a subset of such activities such as transactions with a Blackstone related party. In addition, while such minority investments are generally structured so that Blackstone does not “control” such third-party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. Although Blackstone and Other Blackstone Vehicles, including BSCH, do not intend to control such third-party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third-party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone and Other Blackstone Vehicles, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third-party asset managers will not be deemed “Affiliates” of Blackstone under the Organizational Documents or for any other purpose, Blackstone may, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic/revenue sharing interest therein will, in certain circumstances, give rise to conflicts of interest. Participation rights in a third-party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of a Client to claims by third parties in connection with such investments (as indirect owners of such asset management firms or similar businesses) that may have an adverse financial

or reputational impact on the performance of a Client. Clients, their Affiliates and their respective Portfolio Entities may, from time to time, engage in transactions with, and buy and sell investments from, any such third-party asset managers and their sponsored funds and transactions and other commercial arrangements between such third-party asset managers and a Client and its Portfolio Entities are not subject to L.P. Advisory Committee approval, as applicable. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and a Client and its Portfolio Entities, on the other hand, will be at arm's length or that Blackstone will not receive a benefit from such transactions, which 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 Client. Investors will not be entitled to receive notice or disclosure of the terms or occurrence of either the investments in alternative asset management firms or transactions therewith and will not receive any benefit from such transactions.

***Blackstone Policies and Procedures; Information Walls.*** Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Because Blackstone has many different asset management and advisory businesses, including private equity, growth equity, a credit 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 Blackstone Real Estate Group 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 which have the potential to reduce the positive synergies and collaborations that Clients could otherwise 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 Vehicles may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to a Client, might become restricted to those other respective businesses and otherwise be unavailable to the Client. There can be no assurance, however, that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of a Client to effectively achieve its investment objective by

unduly limiting the investment flexibility of the Client and/or the flow of otherwise appropriate information between the Adviser and other business units at Blackstone. For example, in some instances, personnel of Blackstone would be unable to assist with the activities of a Client as a result of these walls. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally. In addition, due to these restrictions, in some instances, a Client may not be able to initiate a transaction that it otherwise might have initiated and may not be able to purchase or sell an Investment that such Client otherwise might have purchased or sold, which could negatively affect such Client's operations.

In addition, to the extent that Blackstone is in possession of material non-public information or is otherwise restricted from trading in certain securities, Clients and the Adviser may also be deemed to be in possession of such information or otherwise restricted. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone fund has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of a Client and/or its Portfolio Entities and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone reserves the right to 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, may require a Client to share such opportunities or otherwise limit the amount of an opportunity a Client can otherwise take.

**Data.** Blackstone receives, generates or obtains various kinds of data and information from the Clients, Other Blackstone Vehicles, their respective Portfolio Entities, and, at their election, certain investors in the Clients and investors in Other Blackstone Vehicles, 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 Vehicles, their Portfolio Entities and investors in the Clients and investors in Other



Blackstone Vehicles. Blackstone has entered and will continue to enter into information sharing and use, measurement, and other arrangements with the Clients, Other Blackstone Vehicles, their Portfolio Entities, and, at their election, certain investors in the Clients and investors in Other Blackstone Vehicles, 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 Vehicles 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 Vehicles, information obtained from the Clients, their Portfolio Entities and, at their election, certain investors in the Clients and in Other Blackstone Vehicles also provides material benefits to Blackstone or Other Blackstone Vehicles 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 Vehicles that do not own an interest in such 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 Vehicle. Any confidentiality obligations in the Organizational Documents do not limit Blackstone's ability to do so. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry could, subject to applicable law, be enhanced by information of a Portfolio Entity 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 Adviser has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Vehicles. See also “—*Blackstone Affiliate Service Providers*” and “—*Data Services*” herein.

***Blackstone Strategic Relationships.*** Blackstone has entered, and it can be expected that Blackstone in the future will enter, into Strategic Relationships. A Strategic Relationship often involves an Investor agreeing to make a capital commitment or extend a commitment or lock-up period, as applicable, to two or more Blackstone funds, one of which may 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) and will be unable to elect in the “most favored nations” election process any such rights or benefits afforded through a Strategic Relationship (for the avoidance of doubt, no further disclosure or reporting information will be shared with the Investors about any Strategic Relationship). Specific examples of such additional rights and benefits have included and can be expected to include, among others, specialized reporting, discounts on, reductions to and/or reimbursement or rebates of management fees or performance-based compensation beyond those available to the Investors, secondment of personnel from the investor to Blackstone (or *vice versa*), targeted amounts for co-investments alongside Other Blackstone Vehicles (including, without limitation, preferential or favorable allocation of co-investment opportunities, and preferential terms and conditions related to co-investment or other participation in Other Blackstone Vehicles (including any performance-based compensation 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 may result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). For the avoidance of doubt, such examples are not exhaustive, and the specific terms of any such additional rights and benefits that are ultimately granted to one or more Investors may vary from the rights and benefits offered to Investors generally under the Organizational Documents. The co-investment that is part of a Strategic Relationship may include co-investment in investments made by all Clients. To the extent any allocations are made pursuant to the Organizational Documents based on unused capital commitments, any such discount or reduction of management fees may cause the unused capital commitments of the applicable investor to fluctuate disproportionately as compared to the unused capital commitments of any other Investor without such management fee discount or reduction. (See also “—*Diverse Investor Group*” below.) Blackstone, including its personnel (including real

estate personnel), will receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from a Client or source investment opportunities for Strategic Relationships. Strategic Relationships will, in certain circumstances, result in fewer co-investment opportunities (or reduced allocations) being made available to Investors. See also “— ***Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment***” herein.

***Buying, Selling and Acquiring Investments or Assets from Certain Related Parties.*** A Client and its Portfolio Entities can be expected to purchase investments or assets from or sell investments or assets of such Client (including its Portfolio Entities) to Investors, other Clients, Other Blackstone Vehicles, Portfolio Entities of other Clients or Other Blackstone Vehicles or their respective related parties, including parties which such Investors, other Clients, Other Blackstone Vehicles or Portfolio Entities own or have invested in. Such purchases and sales could occur on a programmatic basis; for example, where one Portfolio Entity is focused on property development and construction within a given sector and another Portfolio Entity is focused on acquiring and holding multiple properties within the same sector as a part of a platform investment. In certain circumstances, it can be expected that the proceeds received by a counterparty from a Client or its Portfolio Entities in respect of an investment or asset will be distributed, in whole or in part, to a related party of the Client (*i.e.*, an Investor, Other Blackstone Vehicles 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). Blackstone will generally rely upon internal analysis consistent with its valuation policies and procedures to determine the ultimate value of the applicable investment or asset, though it could also obtain third-party valuation reports in respect thereof. In other circumstances where a Client or a related party of the Client (*i.e.*, an Investor, a Portfolio Entity of another Client or an Other Blackstone Vehicle, another Client or an Other Blackstone Vehicle) 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, Investors, other Clients, Other Blackstone Vehicles, Portfolio Entities of other Clients or Other Blackstone Vehicles or their respective related parties could also have limited governance rights in respect of such counterparty or such investment or asset. Purchases and sales, directly or indirectly, of investments or assets of the Clients between the Clients or their Portfolio Entities, on the one hand, and Investors and/or Portfolio Entities of other Clients or Other

Blackstone Vehicles or their respective related parties, on the other hand, are not subject to the approval of the L.P. Advisory Committee, if any, as applicable or any Investor, except as expressly required under the 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 Vehicles or where such other Clients or Other Blackstone Vehicles 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 Vehicles when a Client (or its Portfolio Entity) buys or sells assets from or to other Clients or Other Blackstone Vehicles or Portfolio Entities thereof (and, potentially, when the Client buys, sells, or redeems interests in other Clients or Other Blackstone Vehicles) or when such other Clients or Other Blackstone Vehicles 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 could have with respect to the Client and such Other Blackstone Vehicles. These conflicts will not necessarily be resolved in favor of a Client, and the Investors 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 Organizational Documents, as determined by the General Partner in good faith. For example, where the Clients, in anticipation of a take private transaction, purchase publicly traded securities of an issuer in which an Other Blackstone Vehicle holds a *de minimis* interest, such take private transaction, if structured as a merger between the issuer and one or more subsidiaries of the Clients would generally not be treated as the sale of an Investment in such issuer from such Other Blackstone Vehicle to the Clients for purposes of the Organizational Document, including in a situation where holders of the securities of the issuer automatically receive each consideration in exchange for their interest when the merger becomes effective.

There can be no assurance that any investment or asset sold by a Client or its Portfolio Entities to an Investor, other Clients, or Other Blackstone Vehicles, Portfolio Entities to an Other Blackstone Vehicle or 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 Vehicles 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 an Investor, other Clients, or Other Blackstone Vehicle or, Portfolio Entities thereof (or were sold in a transaction where the Client or the third-party purchaser is not receiving financing from a related party, or in the case of interests in an Other Blackstone Vehicle sold or redeemed by the Clients, if the issuer of the interests were a third-party rather than another Client or an Other Blackstone Vehicles or any of their respective related parties). For example, a Portfolio Entity may sell its data to investors, Portfolio Entities of other Clients or Other Blackstone Vehicles or their respective related parties. (See also “—*Data*” and “—*Data Services*” herein.) 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 Vehicle (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 Vehicle 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 Vehicles in the relevant transaction. All the foregoing transactions involve conflicts of interest, as Blackstone will, in certain circumstances, 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. 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.

Similarly, there can be no assurance that any investment or asset sold by a Client to an Investor, Portfolio Entity of Other Blackstone Vehicles or any of their respective related parties will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third-party rather than to an Investor, Portfolio Entity of Other Blackstone Vehicles or any of their respective related parties. Blackstone will not be required to solicit third-party bids or obtain a third-party valuation prior to causing the Clients or any of their Portfolio Entities to purchase or sell any asset or Investment from or to an Investor, Portfolio Entity of Other Blackstone Vehicles or any of their respective related parties as provided above. These transactions involve conflicts of interest, as Blackstone will, in certain circumstances, receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction,

including different financial incentives Blackstone may have with respect to the parties to the transaction.

***Allocation of Portfolios.*** Blackstone will, in certain circumstances, have an opportunity to acquire a property, portfolio or pool of assets, securities and instruments that it determines should be divided and allocated among Clients and Other Blackstone Vehicles. Such allocations generally would be based on Blackstone's assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool may have an opportunistic return profile, while others may have a lower return profile, which in either case, may not be appropriate for Clients. Also, a pool may contain both debt and equity instruments that Blackstone determines should be allocated to different funds. In certain circumstances, the Adviser may determine that for legal, tax, regulatory, accounting, administrative or other reasons such portfolio or pool should be held through a single holding entity even though such portfolio or pool is divided and allocated among the Client and such Other Blackstone Vehicles. In such circumstances, it is expected that the economic rights, liabilities and obligations in respect of the portion of such portfolio or pool that is allocated to the Client would be specifically attributed to the Client through tracking interests in such holding entity or back-to-back or other similar contribution or reimbursement agreements or other similar arrangements entered into with such Other Blackstone Vehicles, and that the Client would be deemed for purposes of the Organizational Documents to hold its portion of the portfolio or pool separately from, and not jointly with, such Other Blackstone Vehicles (and vice versa in respect of the portion of such portfolio or pool allocated to such Other Blackstone Vehicles). Similarly, there will likely be circumstances in which the Clients and Other Blackstone Vehicles will sell assets in a single or related transactions to a buyer. In that regard, the contractual purchase price paid to a seller or received from a buyer would be allocated among the multiple assets, securities and instruments in the pool, and therefore among the Clients and Other Blackstone Vehicles acquiring or selling any of the assets, securities and instruments, in accordance with the allocation of value in respect of the transaction (e.g., accounting, tax or different manner), although Blackstone could, in certain circumstances, allocate value to the Clients and such Other Blackstone Vehicles on a different basis. For example a counterparty could utilize an allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not appropriate and should not be relied upon. Blackstone will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third-party valuation reports. Regardless of the methodology for allocating value, Blackstone will have conflicting duties to Clients and Other Blackstone Vehicles 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 Clients and Other Blackstone Vehicles. In certain cases, a Client could purchase the entire portfolio or pool from a third party seller and promptly thereafter sell the portion of the portfolio or pool allocated to an Other Blackstone Vehicle to that Other Blackstone Vehicle pursuant to an agreement entered into between the Client and such Other Blackstone Vehicle prior to closing of the transaction (or *vice versa*), and any such sell down of assets will not be subject to the approval of the L.P. Advisory Committee, any Investor, or otherwise, as applicable.

***Selling Assets to Other Blackstone Vehicles.*** Blackstone will have conflicting duties to a Client and Other Blackstone Vehicles when a Client sells assets to Other Blackstone Vehicles or when such Other Blackstone Vehicles 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 may have with respect to a Client and such Other Blackstone Vehicles. A Client may originate or initially acquire an Investment (or portfolio of related Investments) in circumstances where it expects that certain portions or tranches thereof (which may be of different levels of seniority or credit quality) will be syndicated to one or more Other Blackstone Vehicles (in which case Blackstone will have conflicting duties in determining the tranching thereof). In addition, certain financings between a Client and Blackstone affiliates may involve structuring that in form is a transaction between the Client and an Affiliate, but will not be treated as the sale of an Investment from or to the Client from or to a Blackstone Affiliate for purposes of the Organizational Documents of such Client, as determined by the General Partner in good faith. There can be no assurance that any assets sold by a Client or its Portfolio Entities to an Other Blackstone Vehicle or Portfolio Entities thereof (or where such Other Blackstone Vehicle is providing financing to a Client or a third party purchaser) will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to an Other Blackstone Vehicle or Portfolio Entities thereof, including a third party purchaser that is not receiving such financing from an Other Blackstone Vehicle. Blackstone will not be required to solicit third-party bids prior to causing a Client to sell an asset to an Other Blackstone Vehicle as provided above. In the event Blackstone does solicit third-party bids in a sale process of any such assets, the participation of an Other Blackstone Vehicle through the financing of a third-party purchase, could potentially have a negative impact on the overall process.

For example, a bidder that is not or has otherwise chosen not to work with an Other Blackstone Vehicle for such financing, may perceive the process as favoring parties that are doing so. While Blackstone will seek to develop sale procedures that mitigate conflicts for the Clients, there can be no assurance that any bidding process will not be negatively impacted by the presence of any Other Blackstone Vehicles.

***Other Blackstone Vehicles; Allocation of Investment Opportunities.*** Blackstone invests its own capital and third-party capital on behalf of Other Blackstone Vehicles and Clients in a wide variety of investment opportunities throughout the world. Not every opportunity suitable for a Client will be allocated to it in whole or in part. Certain exceptions exist that allow specified types of investment opportunities that fall within a Client’s investment objectives or strategy to be allocated in whole or in part to Blackstone itself or Other Blackstone Vehicles, such as strategic Investments made by Blackstone itself (whether in financial institutions or otherwise) and the exception for other Clients and Other Blackstone Vehicles that have investment objectives or guidelines similar to, or overlapping, in whole or in part with, those of a Client, to some extent, or pursue similar returns as a certain Client but have a different investment strategy or objective. Therefore, there may be circumstances where investments that are consistent with a certain Client’s investment objectives may be required or permitted to be offered to, shared with or made by one or more Other Blackstone Vehicles (and so, offered to, shared with or made thereby). For example, investments in data center assets and other real estate assets that have infrastructure-like characteristics in particular are expected to be shared by the Client with one or more Other Blackstone Vehicles. Further, with respect to any investment opportunities falling within a Client’s investment objectives or strategy involving interests in portfolio companies of other funds (including Other Blackstone Vehicles) that are the subject of a fund restructuring or similar transaction, investors in such funds can be expected to have priority rights to roll over their existing interests or otherwise reinvest in such portfolio companies (e.g., through a newly formed “continuation fund”) in connection therewith, such that a Client is not allocated all or any part of any such investment opportunity. It is expected that some activities of Blackstone, other Clients, the Other Blackstone Vehicles and their Portfolio Entities will compete with a Client and its Portfolio Entities for one or more investment opportunities that are consistent with a Client’s investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to a Client. The Adviser has conflicting loyalties in determining whether an investment opportunity should be allocated to one or more Clients, Blackstone or an Other Blackstone Vehicle. Blackstone has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities. Additionally, investment opportunities sourced



by Blackstone Affiliates for Other Blackstone Vehicles will, in certain circumstances, be allocated in accordance with Blackstone's and the Adviser's respective allocation policies, which may provide that investment opportunities, including those sourced with respect to such Other Blackstone Vehicles, will be allocated in whole or in part to other business units of Blackstone on a basis that Blackstone and the Adviser believe in good faith to be fair and reasonable, based on various factors, including the involvement of the respective teams from Blackstone or the Adviser and such other business units, as set forth below. It should also be noted that investment opportunities sourced by other business units of Blackstone (outside of those managed by the Adviser) will be allocated in accordance with such business units' allocation policies, which will result in such investment opportunities being allocated, in whole or in part, away from Clients to Other Blackstone Vehicles.

- Overlapping Objectives and Strategies: In circumstances in which any Other Blackstone Vehicles have investment objectives or guidelines that overlap with those of a Client, in whole or in part, Blackstone (and the particular investment professionals overseeing allocations with respect to the Client and such Other Blackstone Vehicles) generally determines the relative allocation of investment opportunities among such vehicles on a fair and reasonable basis in good faith according to guidelines and factors determined by it. However, the application of those guidelines and factors has, in limited circumstances, resulted and can be expected to result in a Client not participating, or not participating to the same or greater extent, in investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines. The Adviser could also determine not to pursue opportunities, as discussed below in "Certain Investments inside a Client's Mandate that are not Pursued by a Client", or, alternatively, could later determine an opportunity is appropriate for the Client after initially reviewing such opportunity for or on behalf of an Other Blackstone Vehicle. Subject to certain limitations, a Client could invest in the securities of publicly traded companies in which Other Blackstone Vehicles hold existing investments. Among the factors that the Adviser (and the particular investment professionals overseeing allocations with respect to the Client and such Other Blackstone Vehicles) considers in making investment allocations among Clients and Other Blackstone Vehicles are the following: (i) any applicable investment objectives, parameters, limitations and other contractual provisions relating to a Client and such Other Blackstone Vehicles, (ii) available capital of a Client and such Other Blackstone Vehicles, as determined by the Adviser in good faith (which may take into account relative portfolio composition, anticipated co-investment and

other considerations in addition to buying power), (iii) legal, tax, accounting, regulatory and other considerations (iv) primary and permitted investment strategies, and objectives of a Client and the Other Blackstone Vehicles, including, without limitation, with respect to Other Blackstone Vehicles that expect to invest in or alongside other funds or across asset classes based on expected return, (v) sourcing of the Investment (including by a particular Blackstone business unit), (vi) the sector and geography/location of the Investment (including adjacency to existing assets of the Client and the Other Blackstone Vehicles), (vii) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the Investment, (viii) expected investment return, (ix) risk profile of the Investment, (x) expected leverage on the Investment, (xi) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (xii) capital expenditure required as part of the Investment, (xiii) portfolio diversification/construction concerns (including, but not limited to, whether a particular fund already has its desired exposure to the Investment, sector, industry, geographic region or markets in question), (xiv) relation to existing investments in a fund, if applicable (*e.g.*, “follow on” to existing investment, joint venture or other partner to existing investment, or same security as existing investment), (xv) avoiding allocation that could result in de minimis or odd lot investments (xvi) timing expected to be necessary to execute an investment, and (xvii) how governance will be shared between the Client and such Other Blackstone Vehicle(s), and (xviii) other considerations deemed relevant by the Adviser in good faith. It may be the case that following the consummation of a particular Investment with one or more Clients or Other Blackstone Vehicles that have different investment objectives or strategies, Blackstone may determine based on a variety of factors that it deems relevant in its discretion that such Investment is suitable for a “continuation” fund or vehicle. In such case, Blackstone may determine that the investors of such Other Blackstone Vehicle will receive the first opportunity to elect to roll over their interests in such Investment even if such Investment has a “core” or “core+” profile on a go-forward basis.

- Investments Outside of a Client’s Mandate: Investment opportunities (including, for the avoidance of doubt, follow-on opportunities) that the Adviser makes a good faith determination are not expected to yield a Client’s targeted return profile or are otherwise inappropriate for a Client given considerations described in Organizational Documents or as otherwise determined by the Adviser, will generally not be allocated to a Client.

- Certain Investments Inside a Client's Mandate that are not Pursued by a Client: Under certain circumstances, Blackstone can be expected to determine not to pursue some or all of an investment opportunity (including, for the avoidance of doubt, a follow-on opportunity) within a Client's mandate, including without limitation, as a result of business, reputational or other reasons applicable to Clients, Other Blackstone Vehicles, their respective Portfolio Entities or Blackstone. In addition, the Adviser will, in certain circumstances, determine that a Client should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because (i) a Client has insufficient available capital (as determined by the Adviser in its good faith discretion taking into account not only capital that is actually available but considerations such as portfolio composition, anticipated co-investment and other factors) to pursue the investment opportunity, (ii) a Client has already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Adviser in its good faith discretion, or (iii) the investment opportunity is not appropriate for a Client for other reasons as determined by the Adviser in its good faith reasonable sole discretion (which may include, for example, as a result of an Other Blackstone Vehicle having an existing interest in a portfolio entity, or where an Other Blackstone Vehicle is currently considering or pursuing acquiring such an interest). In any such case Blackstone can be expected to, thereafter, offer such opportunity, in whole or in part, to other parties, including Other Blackstone Vehicles or Portfolio Entities or Investors of a Client or Other Blackstone Vehicles, Joint Venture Partners, related parties or third parties. Such Other Blackstone Vehicles will from time to time (i) make or receive priority allocations of certain investments that are appropriate for a Client and (ii) participate in investments alongside a Client, *provided*, that any such allocation may be subsequently adjusted at Blackstone's discretion. Any such Other Blackstone Vehicles may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than the Adviser believes to be the case. In any event, there can be no assurance that the Adviser's assessment will prove correct or that the performance of any Investments actually pursued by a Client will be comparable to any investment opportunities that are not pursued by a Client. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the Investment, including an allocation of performance-based compensation or referral fees, and any such compensation could be greater than amounts paid by a Client to the Adviser. In some cases, Blackstone earns greater fees when Clients or Other Blackstone Vehicles participate alongside or instead of a particular Client in an Investment.

- Financial Compensation to Allocate Investment Opportunities to Other Blackstone Vehicles: When the Adviser 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 Vehicles, Blackstone, including its personnel (including Blackstone Real Estate Group personnel), can be expected to receive compensation from the Other Blackstone Vehicles, whether or not in respect of a particular investment, including an allocation of performance-based compensation, referral fees or revenue share, and any such compensation could be greater than amounts paid by such Client to the Adviser. As a result, there is an incentive for the Adviser (including its personnel who receive such compensation) to allocate investment opportunities away from the Clients to or source investment opportunities for Other Blackstone Vehicles, 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 Vehicles participate alongside or instead of the Clients in an investment.
- Basis for Investment Allocation Determinations: The Adviser makes good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate. Information unavailable to the Adviser, or circumstances not foreseen by the Adviser at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Adviser determines to be consistent with the return objectives of a particular type of fund rather than a particular Client may not match the Adviser's expectations and underwriting and generate an actual return that would have been appropriate for the Client. Conversely, an Investment that the Adviser expects to be consistent with a Client's return objectives will, in certain circumstances, fail to achieve them. Furthermore, in certain circumstances where a Client is participating alongside one or more Other Blackstone Vehicles in an investment opportunity, the Adviser is expected to be required to make preliminary investment allocation decisions at the time of the funding of the deposit or the signing of the related purchase agreement (or equivalent) in respect thereof. In such circumstances, the Adviser could change the applicable investment allocations as between the Client and such Other Blackstone Vehicles between the funding of such deposit or signing of such agreement, on the one hand, and the closing of such investment opportunity as it determines appropriate based on a number of factors, including (i) available capital (taking into

account changes in capital commitment subscriptions, redemptions, transfers, deployment of capital, reserves for future investments among other factors), (ii) changes in concentration limits in respect of sector, industry, geographic region or markets in question or (iii) other reasons, in each case as determined by the Adviser in its good faith reasonable sole discretion, in which the Client's and such Other Blackstone Vehicles' respective obligations in respect of any applicable deposit and transaction costs and expenses (including broken deal fees and expenses) are expected to change correspondingly and such Client and such other Blackstone Vehicles are expected to reimburse each other for any over or under funding in respect thereof.

- Reallocation of Investments: The Adviser could determine at any point prior to the closing of an investment opportunity that any such investment opportunity that was initially allocated to a Client based on information available to the Adviser at the time the allocation decision is made should subsequently be reallocated in whole or in part to one or more Other Blackstone Vehicles (and *vice versa*) based on subsequent information received by the Adviser in respect of such investment opportunity (e.g., an investment opportunity that the Adviser initially determines to be consistent with the return objectives of the Client could subsequently be determined to be consistent with the return objectives of one or more Other Blackstone Vehicles). In such circumstance, the Adviser could determine to reallocate all or any portion of any such investment opportunity from a Client to such Other Blackstone Vehicle (or *vice versa*) (such fund from which an investment opportunity is being reallocated, a "Reallocating Fund"), including in circumstances where such Reallocating Fund has entered into an exclusivity arrangement or other binding agreement with one or more third parties (any such reallocated investment opportunity, a "Reallocated Investment"). In such cases, if the non-Reallocating Fund agrees to pursue the investment, it will reimburse the Reallocating Fund for such amount of deferred acquisition costs (including non-refundable or refundable deposits, breakage fees, due diligence costs and other fees and expenses) as allocated to it by Blackstone, as Blackstone deems appropriate, in its sole discretion, incurred by the Reallocating Fund relating to such Reallocated Investment reallocated without the consent of the L.P. Advisory Committee, or otherwise, as applicable. To the extent a non-Reallocating Fund causes additional due diligence costs to be incurred for a Reallocating Investment it ultimately declines to pursue, such non-Reallocating Fund(s) will reimburse such incurred costs, as deemed appropriate by Blackstone in its sole discretion.

- Investment alongside other Clients and Other Blackstone Vehicles: A Client will also invest alongside other Clients and Other Blackstone Vehicles (including other vehicles in which Blackstone or its personnel invest) in Investments that are suitable for one or more of the Client and such other Clients and Other Blackstone Vehicles. Where the Client and Other Blackstone Vehicles pursue an investment opportunity contemporaneously, the Adviser typically makes an initial investment allocation decision among a Client and such Other Blackstone Vehicles (taking into account, among other factors as described herein, expected investor and other third-party co-investment allocations to either the Client or such Other Blackstone Vehicles) on or prior to the time the Client and such Other Blackstone Vehicles commit to make the investment (which in many cases is when the purchase agreement (or equivalent) in respect of such investment opportunity is signed), and is expected to be updated from time to time prior to the time of consummation of the investment (including after deposits are made thereon) due to changes in the factors that the Adviser considers in making investment allocations among the Client and Other Blackstone Vehicles, including, for example, changes in available capital (including as a result of investor subscriptions or withdrawals, deployment of capital for other investments or a reassessment of reserves), changes in portfolio composition or changes in actual or expected investors or third-party co-investment allocation, in each case between the time of committing to make the investment and the actual funding of the investment. Such adjustments in investment allocations could be material, and could result in a reduced or increased allocation being made available to a Client or to the Investors as co-investors and there can be no assurance that a Client will not be adversely affected thereby. Further, to the extent a Client jointly holds securities with any other Client or Other Blackstone Vehicle that has a different expected duration or liquidity terms, conflicts of interest will arise between the Client and such Other Blackstone Vehicle with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, a Client may recuse itself from participating in any decisions relating, or with respect, to the Investment by a Client or Other Blackstone Vehicle. If the Other Blackstone Vehicle maintains voting rights with respect to the securities it holds, or if a Client does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to Clients and Other Blackstone Vehicles, which may adversely impact a Client. (See also “—*Other Blackstone Vehicles; Allocation of Investment Opportunities*” herein.) Even if the Client and such Other Blackstone Vehicles and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other

considerations, the terms of such investment (including with respect to price and timing) for the Client and/or such Other Blackstone Vehicles and vehicles may not be the same. Additionally, the Client and/or such Other Blackstone Vehicles and/or vehicles will generally have different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, the Client and/or such Other Blackstone Vehicles may dispose of any such shared investment (or choose whether to invest in related investments (such as follow-on investments)) at different times and on different terms. In certain instances, a Client and the applicable Other Blackstone Vehicles may acquire an interest in the same investment or Investment Vehicle at different times and/or dispose of any such shared Investment at different times and on different terms, for example, due to different desired hold periods or liquidity needs. It is also possible that a Client and/or Other Blackstone Vehicles will buy certain investments or assets at or about the same time that a Client and/or Other Blackstone Vehicles are selling the same or related investments or assets. Such circumstances can be expected to arise from time to time for a number of reasons and may depend on various factors including the respective amounts of available capital, expiration dates, investment objectives and/or return profiles of a Client and/or Other Blackstone Vehicles. In addition, certain Other Blackstone Vehicles which are regulated under the 1940 Act (or foreign jurisdiction equivalent) and subject to certain exemption orders from the SEC (or equivalent regulator in a foreign jurisdiction) that invest alongside a Client may cause such Client to be subjected to restrictions and/or limitations that were not initially expected for such Client, nor would have ordinarily been expected for such Client, which may include, without limitation, a restriction on a Client from investing in an asset outside of a capital structure in which another Other Blackstone Vehicle already holds an interest or intends to invest, or on different terms or a different time than such Other Blackstone Vehicle. Furthermore, in certain situations, it is possible an advisor of such Other Blackstone Vehicles may need to serve as a co-advisor and/or sub-advisor to the Client as a result of such Other Blackstone Vehicle's regulated status. The Adviser will not be required to provide notice or disclosure of the terms or occurrence of any such transactions to Investors or to obtain any consent or approval from Investors or the L.P. Advisory Committee, and there can be no assurance that conflicts of interest arising out of such transactions will be resolved in favor of a Client. See also “—*Liability Arising From Transactions Entered into Alongside Other Blackstone Vehicles*” and “—*Broken Deal Expenses*”.

From time to time, investment opportunities that are appropriate for a Client may not be allocated to such Client in whole or in part, and Other Blackstone Vehicles will, from time to time, make or receive priority allocations of certain Investments that are appropriate for a Client and will, from time to time, participate in Investments alongside a Client.

- Investment alongside Blackstone Affiliates: The Organizational Documents specify that Blackstone (which includes participation by Blackstone Affiliates, professionals, employees and related parties, and entities and other key advisors and relationships of Blackstone, including in certain circumstances, Other Blackstone Vehicles) will be permitted, and is expected, to make investments alongside the Clients up to a maximum specified percentage of the total investment amount through Blackstone's side-by-side investment rights. In addition, subject to the terms of the Organizational Documents, the Adviser will, in certain circumstances, permit certain Blackstone personnel and other professionals responsible for portfolio operations and other similar operational initiatives to participate in these side-by-side rights on an investment-by-investment basis. The Adviser intends to limit participation by any such professionals to Investments involving Portfolio Entities of the Clients with respect to which the Adviser expects in good faith that such professionals will be materially involved following the consummation of such Investment. Such side-by-side investments generally result in the 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, Blackstone generally receives no fees in relation to side-by-side investments, but will often receive additional income in fees and performance compensation from Other Blackstone Vehicles in connection with such investments. Additionally, Other Blackstone Vehicles and former Blackstone employees and professionals (and their relatives and related endowment funds) will be permitted (or have the preferred right), and are expected to participate in Blackstone's side-by-side co-investment rights (and may be allocated a substantial portion of Blackstone's side-by-side co-investment rights (and in some cases, a majority)). In particular, the BTAS Funds, which invest in, or alongside, multiple Blackstone funds, will participate in investments alongside the Clients pursuant to Blackstone's side-by-side investment rights, and in such cases Blackstone would be eligible to receive fees and performance-based compensation from the investors in such vehicles (as determined in Blackstone's sole discretion). The Clients can be expected to lend an amount to Blackstone and its Affiliates with respect to its pro rata share of such Investments; *provided*, that any such amounts so borrowed shall be on



no more favorable terms for Blackstone and its Affiliates than those applicable to the Clients' borrowing of the related proceeds and shall be in accordance with applicable law.

- Supplemental Accounts: Blackstone has established, and could continue to establish Supplemental Accounts for certain investors with different capital commitment amounts, to invest alongside a Client, Investor or Investors. While such Supplemental Accounts would be expected to receive allocations of investment opportunities allocated to the Client that otherwise exceed the amount that Blackstone determines is appropriate for Clients to invest, the terms of a Supplemental Account could also limit the total allocation of such Supplemental Account's aggregate capital commitments per any investment opportunity. Any allocations to a Supplemental Account will (in those circumstances where co-investment opportunities are or otherwise would be offered) have the effect of reducing the amount of potential co-investment opportunities that are available to the Investors.

Certain funds, vehicles, clients, accounts and other similar arrangements (including vehicles for retail investors), including, among others, 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 Blackstone Multi-Strategy Vehicles will seek to invest a material portion (and potentially substantially all) of their assets in investments in which Other Blackstone Vehicles participate, and, as part of their investment programs, can be expected to seek to make investments that are also appropriate for the Clients. The Blackstone Multi-Strategy Vehicles (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 Vehicles 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 Blackstone Multi-Strategy Vehicles (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 Blackstone Multi-Strategy Vehicles (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 Blackstone Multi-Strategy Vehicles, 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 Other Blackstone Vehicles*” herein.) Blackstone intends to establish additional Blackstone Multi-Strategy Vehicles in the future.

With respect to the BXPE Funds specifically, the BXPE Funds are currently expected to participate alongside the Clients in certain investments. However, such potential allocations to the BXPE Funds are subject to change in the Adviser’s sole discretion, and the portion of investments, if allocated to the BXPE Funds could be expected to be substantial, and could be expected to increase over time as the BXPE Funds’ 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 Funds to facilitate their participation in one or more investments (see also “—*Credit Facilities*” herein), or acquire a portion of an investment with the intention of syndicating such portion to the BXPE Funds, 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*” 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, 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 Adviser 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 could 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 could grow significantly in size over time, and such vehicles could 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 and which have investment objectives that overlap with all or a portion of the investment strategy(ies) pursued by the Clients, the Clients will receive a lower allocation (and potentially, in some cases, no allocation) of investment opportunities than otherwise would be the case.

Other Blackstone Vehicles (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 Adviser or Blackstone, including the Clients, Other Blackstone Vehicles, 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 Adviser 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 Vehicles 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 Vehicles 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 Vehicles 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 Vehicle 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.

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

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

***Investments in Which Other Blackstone Vehicles Have a Different Principal Investment Generally.*** A Client will likely hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by other Clients or Other Blackstone Vehicles (and in certain circumstances, the Adviser will be unaware of an Other Blackstone Vehicle's participation or the size of the Other Blackstone Vehicle's investments, as a result of information walls or otherwise). Generally, there are no limitations in the Organizational Documents of the Client with respect to such investments (including with respect to terms, price, quantity, frequency, percentage interest therein or otherwise). In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, a Client could, in certain circumstances, recuse itself from participating in any decisions relating or with respect to such Investment by a Client or the applicable Investments by other Clients or Other Blackstone Vehicles, 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 other actions described below that Blackstone may take to mitigate the conflict, Blackstone will, in certain circumstances, be required to take action when it will have conflicting loyalties between its duties to a Client and such other Clients and Other Blackstone Vehicles, which will, in certain circumstances, adversely impact the Client. In that regard, actions may be taken for other Clients and Other Blackstone Vehicles that are adverse to a Client (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 may have with respect to the parties to the transaction. Except to the extent expressly subject to the Management Fee offset provisions of the Organizational Documents, the Investors will in no way receive any benefit from fees paid to the Adviser or its Affiliates from a Portfolio Entity in which any Other Blackstone Vehicle also has an interest (including, for greater certainty, any fees the Adviser or its affiliates received as a result of the provision of services by such Affiliates).

In addition, under certain circumstances, a Client may be prohibited (or refrain) from decision-making or exercising other rights it would otherwise have with respect to a Portfolio Entity, as a result of the Client's affiliation or other relationship with Other Blackstone Vehicles that own different interests in such Portfolio Entity. While the Adviser will seek, where applicable to have a third party exercise rights on behalf of the relevant Client for purposes of exercising voting rights and/or managing any conflicts of interest related to such investments (which may include third-party co-investors or independent representatives), in certain instances such investments may be made without any such third-party participation (for example, because the Client owns or acquires the entirety of the relevant instrument or tranche) or with minority third-party participation, and in such circumstances the absence or size of any such third party could adversely affect the Client or its interest in the Portfolio Entity (or the applicable Other Blackstone Vehicle(s)) or its ability to effectively mitigate such conflicts of interest.

Clients and the Other Blackstone Vehicles will likely make and hold Investments at different levels of a Portfolio Entity's capital structure, which will, in certain circumstances, include a Client making one or more Investments directly or indirectly relating to Portfolio Entities of Other Blackstone Vehicles and *vice versa* (including through investments in CMBS where the underlying properties are owned by Other Blackstone Vehicles). In these situations, conflicts of interest will arise, and the price and terms on which Clients agree to participate in such Investments will likely be negotiated by third parties (if any) participating alongside such Clients in such Investments, and not the Adviser. Other Blackstone Vehicles may also provide financing and make debt investments in the Client's special purpose vehicles and other subsidiaries which hold one or more of the Client's assets, and may obtain a collateral interest in the Client's assets held therein (*e.g.*, a NAV credit facility). Other Blackstone Vehicles could, in certain circumstances, also participate in a separate tranche of a financing with respect to a Portfolio Entity in which a Client has an interest or otherwise in different classes of such Portfolio Entity's securities, including in circumstances

where a Client originates a whole loan and syndicates a portion of such loan to one or more Other Blackstone Vehicles or other credit instruments. Such Investments inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities – for example, a Client may represent the controlling class in respect of a financing and as such, may be required to make decisions for all investors, including Other Blackstone Vehicles in the capital structure and *vice versa*. In addition, in connection with any shared Investments in which a Client participates alongside any such Other Blackstone Vehicles, the Adviser will likely grant absolutely to, or share with, such Other Blackstone Vehicles certain rights relating to such shared Investments for legal, tax, regulatory or other reasons, including certain control- and/or foreclosure-related rights with respect to such shared Investments or otherwise agree to implement certain procedures to mitigate conflicts of interest which may include and often involve, without limitation, maintaining a non-controlling interest in any such Investment and a forbearance of rights, including certain non-economic rights (or retaining a third-party loan servicer, administrative agent or other agent for the relevant Investment held by a Client to make decisions on its behalf), relating to a Client (*e.g.*, following the vote of other third-party lenders generally (or otherwise recusing itself with respect to decisions, including with respect to both normal course ongoing matters (such as, without limitation, consent rights with respect to loan modifications in intercreditor agreements) and also defaults, foreclosures, workouts, restructurings and/or exit opportunities)), subject to certain limitations. With respect to debt securities acquired or sold in a secondary transaction or syndication between the Client, Other Blackstone Vehicles, the Adviser, or Blackstone and a third party in particular (following the issuance of origination of any financing or refinancing), the Adviser and/or such Other Blackstone Vehicles may determine that no mitigation of any potential conflicts of interest with respect to such acquisition or sale is required. Further, the Clients and such Other Blackstone Vehicle, Blackstone, or the Adviser are generally permitted to exit their holdings in such Portfolio Entity at different times, on different terms or otherwise on a non-pro rata basis, including for example, the Clients acquiring debt securities held by such Other Blackstone Vehicle, Blackstone, or the Adviser in such Portfolio Entity (which could be at par or at a discount) as a part of a control acquisition or debt buyback or otherwise. Blackstone or the Adviser can be expected to reach different conclusions for each such vehicle on the determination of whether, when and at what price to sell such securities based on the different termination dates, investment limitations and/or investment objectives of the Clients and such Other Blackstone Vehicles (including in light of the perpetual nature of certain Other Blackstone Vehicles), the Adviser, or Blackstone or for other reasons, and this could result in Other Blackstone Vehicles, the Adviser or Blackstone exiting its interests in a Portfolio Entity earlier or at a higher price than the Clients (or *vice versa*). While it



is expected that the participation of a Client in connection with any such investments and transactions are expected to be negotiated by such third parties on market prices, such investments and transactions will give rise to potential or actual conflicts of interest. There can be no assurance that any conflict will be resolved in favor of the Client.

In addition, a Client may from time to time invest in debt securities and other obligations relating to Portfolio Entities of Other Blackstone Vehicles. 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 Blackstone Vehicles participating in the transaction (whether or not in the same tranche as the Client). In addition, it is possible that in a bankruptcy proceeding a Client's interests will be subordinated or otherwise adversely affected by virtue of such Other Blackstone Vehicles' involvement and actions relating to its Investment. For example, there may be senior debt instruments issued by a Portfolio Entity in which the Client holds or makes an Investment and in such circumstances the holders of more senior classes of debt issued by such Portfolio Entity (which may include Other Blackstone Vehicles) may take actions for their benefit (particularly in circumstances where such Portfolio Entity faces financial difficulties or distress) that further subordinate or adversely impact the value of the Client's investment in such Portfolio Entity. In connection with negotiating loans and bank financings in respect of Blackstone-sponsored real estate related transactions, Blackstone will generally obtain the right to participate on its own behalf (or on behalf of the BREDS Funds) in a portion of the financings with respect to such Blackstone sponsored real estate-related transactions (including transactions where the underlying collateral includes property owned by Other Blackstone Vehicles) upon an agreed upon set of terms. The Adviser does not believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such senior loans. Because of the affiliation with Blackstone, the Adviser may have a greater incentive to invest in Blackstone-sponsored financings (as compared to real estate related financings sponsored by other real estate firms or financial sponsors). Except to the extent of fees paid to Adviser specifically relating to a Client's commitment or investment of capital, the Investors will in no way receive any benefit from fees paid to any Affiliate of the Adviser from a Portfolio Entity in which any Other Blackstone Vehicle also has an interest (including, for greater certainty, any fees Blackstone received as a result of the provision of services by such Affiliates). To the extent a Client holds an interest in a loan or security that is different (including with respect to its relative seniority) than those held by such Other Blackstone Vehicles (and *vice versa*), such Client will forego some or all of its ability to participate in the decision-making with respect to the rights and actions available to the holders of the same or similar class of loan or security held by the Client. In certain circumstances, a Client

may be required to commit funds necessary for an investment prior to the time that all anticipated debt (e.g., senior and/or mezzanine) financing has been secured. In such circumstance, Other Blackstone Vehicles and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. Similarly, Clients and/or Other Blackstone Vehicles may seek to initially acquire investments (including all or part of the relevant tranche of securities) for the purpose of syndicating a portion thereof to one or more Other Blackstone Vehicles, co-investors or third parties. The terms of any such acquisition and syndication will be determined by the Adviser in its sole discretion, and may involve a client initially acquiring all or substantially all of an instrument or relevant tranche or class of securities with a view towards syndication. In any such circumstance, third parties may not be available for purposes of mitigating any potential conflicts of interest (as described above) and the Other Blackstone Vehicles and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of Management Fees payable by the Investors. The conflicts applicable to Other Blackstone Vehicles 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, conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof.

***Continuation Vehicles and Continuation Transactions.*** The Adviser could, subject to the requirements of the Organizational Documents, from time to time establish other investment vehicles for the purpose of purchasing one or more investments from a 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 Adviser 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, Selling and Acquiring Selling Investments or Assets from Certain Related Parties*” between the Client and the Continuation Vehicle more generally. Further, because the Adviser and/or its Affiliates will have the opportunity to earn additional management fees and/or receive additional performance-based compensation 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

Adviser will have a potential conflict of interest in determining transaction terms and participants. While certain conflicts of interest related to Continuation Transactions often require approval by the L.P. Advisory Committee of a Client, certain Continuation Transactions will be able to be completed at the initiation of the Adviser without any such approval.

To the extent a Client makes or has an Investment in, or, through the purchase of debt obligations becomes a lender to, a company in which an Other Blackstone Vehicle has a debt or equity Investment (including through investments in CMBS where the underlying properties are owned by Other Blackstone Vehicles), or if an Other Blackstone Vehicle participates in a separate tranche of a financing with respect to a Portfolio Entity, Blackstone will generally have conflicting loyalties between its duties to a Client and to such Other Blackstone Vehicles. In that regard, actions may be taken for the Other Blackstone Vehicles that are adverse to the Client (and *vice versa*). Moreover, Clients will generally “follow the vote” of other similarly situated third-party creditors (if any) in voting and governance matters where conflicts of interest exist and will have a limited ability to separately protect its Investment and will be dependent upon such third parties’ actions (which may not be as capable as the Adviser and may have other conflicts arising from their other relationships, both with Blackstone and other third parties that could impact their decisions). The foregoing may similarly apply where one or more tenants of a property in which Clients have made a related Investment is related to the Adviser (e.g., an Other Blackstone Vehicle, Investors of Clients or Investors in Other Blackstone Vehicles, other Blackstone Affiliates, Blackstone personnel or service providers of Clients, the Adviser or one or more of their Affiliates). For example, a Client may forego or waive certain consent rights as a lender vis-à-vis tenants, in which case such rights may be waived entirely, or exercised by other lenders, the borrower or a servicer, depending on the circumstances. The efficacy of “following the vote” of third-party creditors will be limited in circumstances where a Client acquires all or substantially all of a relevant instrument, tranche or class of securities. In addition, conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof.

***Simultaneous Transactions.*** There may be instances where Blackstone negotiates transactions with counterparties that involve a Client, an Other Blackstone Vehicle and/or Blackstone in different capacities. For example, a Client may sell or purchase an interest in a portfolio company to or from a counterparty (such as another sponsor’s fund), while the same counterparty acquires or sells an interest in a portfolio company of an Other Blackstone Vehicle or Blackstone. While these transactions may be separate or non-contingent, due to the simultaneous or closely related

timing of these transactions, there may be actual or perceived conflicts of interest in connection with such transactions due to Blackstone's duties to a Client on one hand, and such Other Blackstone Vehicle 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 Vehicle and a Client and that the valuations are fair and reasonable to each respective fund, among other things. To mitigate such conflicts, Blackstone could, 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.

***Related Financing Counterparties.*** Clients can be expected to invest in companies or other entities in which Other Blackstone Vehicles make an investment in a different part of the capital structure (and *vice versa*). The Adviser requests in the ordinary course proposals from lenders and other sources to provide financing to Clients and their Portfolio Entities. The Adviser 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 is expected to be provided, from time to time, by third parties, affiliates of Investors, Other Blackstone Vehicles 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 Vehicles and their Portfolio Entities, as well as by Blackstone itself in accordance with the terms of the Organizational Documents. Blackstone could have incentives to cause a Client and its Portfolio Entities to accept less favorable financing terms from an Investor, Other Blackstone Vehicles, their Portfolio Entities and Investors, Blackstone 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 such Client, even if the form of the transaction is not a financing. Although less common, a Client or a Portfolio Entity could also occupy a more senior position in the capital structure than an Investor, Other Blackstone Vehicle, their Portfolio Entities and other parties with material relationships with Blackstone, in

which case Blackstone could have an incentive to cause such Client or Portfolio Entity to offer more favorable financing terms to such parties. In the case of a related party financing between a Client or its Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Vehicles or their Portfolio Entities, on the other hand, the Adviser 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 Adviser could instead rely on its own internal analysis, which the Adviser believes is often superior to third-party analysis given Blackstone's scale in the market. If, however, any of Blackstone, a Client, an Other Blackstone Vehicle or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a Joint Venture Partner, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Blackstone related vehicle impacts the market terms and Blackstone may have influence on such third parties. For example, in the case of a loan extended to a Client or a Portfolio Entity by a financing syndicate in which an Other Blackstone Vehicle has agreed to participate on terms negotiated by a third-party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if the Other Blackstone Vehicle had not participated; it is also possible that the frequent participation of Other Blackstone Vehicles 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 a Client. The Adviser does not believe either of these effects is significant, but no assurance can be given to Investors that these effects will not be significant in any circumstance. The Adviser will not be required to obtain any consent or seek any approvals from Investors, the L.P. Advisory Committee, or otherwise, as applicable, in the case of any of these conflicts.

Blackstone could cause actions adverse to a Client to be taken for the benefit of Other Blackstone Vehicles that have made an Investment more senior in the capital structure of a Portfolio Entity than such Client (*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 such Client and its Portfolio Entities that are adverse to Other Blackstone Vehicles. 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 a Client or relevant Other Blackstone Vehicle (or their respective Portfolio Entities, as the case may be) by, for example, agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing a Client or relevant Other Blackstone Vehicle (or their respective

Portfolio Entities, as the case may be) to hold only a non-controlling interest in any such Portfolio Entity, (iii) retaining a third-party loan servicer, administrative agent or other agent to make decisions on behalf of a Client or relevant Other Blackstone Vehicle (or their respective Portfolio Entities, as the case may be), or (iv) 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 one of the clients that has a conflicting position with other clients. As an example, to the extent an Other Blackstone Vehicle holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by a Client or its Portfolio Entities, Blackstone may decline to exercise, or delegate to a third party, certain control, foreclosure and other similar governance rights of the Other Blackstone Vehicle. In these cases, Blackstone would generally act on behalf of one of its clients, though the other client would generally retain certain control rights, such as the right to consent to certain actions taken by the trustee or administrative or other agent of the Investment, including a release, waiver, forgiveness or reduction of any claim for principal or interest; extension of maturity date or due date of any payment of any principal or interest; release or substitution of any material collateral; release, waiver, termination or modification of any material provision of any guaranty or indemnity; subordination of any lien; and release, waiver or permission with respect to any covenants.

In connection with negotiating loans and bank financings in respect of Blackstone-sponsored transactions, Blackstone will generally obtain the right to participate (for its own account or an Other Blackstone Vehicle) 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 Adviser determines to be consistent with the market. Although Blackstone could rely on third parties to verify market terms, Blackstone may nonetheless have influence on such third parties. No assurance can be given that negotiating with a third party, or verification of market terms by a third party, will ensure that a Client and its Portfolio Entities receive market terms.

In addition, it is anticipated that in a bankruptcy proceeding a Client's interests will likely be subordinated or otherwise adverse to the interests of Other Blackstone Vehicles with ownership positions that are more senior to those of such Client. For example, an Other Blackstone Vehicle that has provided debt financing to an Investment of a Client may 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 Vehicles can be expected to provide financing to a Client or its Portfolio Entities, there can be no assurance that any Other Blackstone Vehicle will indeed provide

any such financing with respect to any particular Investment. Participation by Other Blackstone Vehicles in some but not all financings of a Client and its Portfolio Entities may adversely impact the ability of a Client and its Portfolio Entities to obtain financing from third parties when Other Blackstone Vehicles do not participate, as it may serve as a negative signal to market participants.

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

***Conflicting Fiduciary Duties to Debt Funds.*** Other Blackstone Vehicles include Debt Funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments. As discussed above, it is expected that Clients and these Other Blackstone Vehicles will be offered the opportunity to provide financing with respect to Investments made by a Client and its Portfolio Entities. Blackstone owes a fiduciary duty to all Clients and Other Blackstone Vehicles and will encounter conflicts in the exercise of these duties. For example, if an Other Blackstone Vehicle purchases high-yield securities or other debt instruments of a Portfolio Entity of a particular Client, or otherwise occupies a senior (or other different) position in the capital structure of an Investment relative to a particular Client, Blackstone will encounter conflicts in providing advice to this Client and to the other Clients and Other Blackstone Vehicles 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 hold an Investment that is senior in the capital structure, such as a debt instrument, to another Client or Other Blackstone Vehicle. Although measures described above in “—***Related Financing Counterparties***” can mitigate these conflicts, they cannot completely eliminate them.

Similarly, certain Other Blackstone Vehicles can be expected to invest in securities of publicly traded companies that are actual or potential Investments of a Client or its Portfolio Entities. The trading activities of Other Blackstone Vehicles may 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 may 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 Vehicles.

**Possible Exclusion.** The General Partner of a Client may determine that it is appropriate to exclude in whole or in part one or more Investors (or categories of Investors) of the Client from a particular Investment (or category of Investments) initially or permanently due to particular tax concerns related thereto or for other policy, regulatory, accounting, legal or similar reasons, in which case non-excluded Investors of the Client will be allocated a greater proportionate interest in such Investment (which may increase the percentage interest of other Investors in, and contribution obligations of other Investors with respect to, such Investment or category of Investments). An Investor of the Client may be excluded from participation in certain Investments in whole or in part if such participation would result in a significant delay, extraordinary expense or material adverse effect with respect to such Investment, the Client or its Affiliates or such Investor of the Client, or would cause a serious risk of jeopardizing such Investment including potential competitive disadvantages, which may, among other things, reasonably likely result in the imposition of conditions by a governmental authority that reduce the reasonably anticipated benefits to the Client of the Investment or would subject such Investment, the Client or its Affiliates to any material regulatory requirement or render any material filing advisable or mandatory or make such filing or regulatory requirements substantially more burdensome. Subject to the goal of maximizing overall returns for the Investors of the Client, the General Partner of the Client will generally seek to mitigate the circumstances giving rise to such exclusion. Furthermore, to the extent the General Partner of the Client determines the participation of any Investor of the Client in an Investment on a temporary or permanent basis may subject the Client, or an Other Blackstone Vehicle participating in such Investment, to a regulatory or other filing, notice or approval requirement, the General Partner of the Client may provisionally exclude such Investor of the Client from such Investment, including in connection with regulatory or other filings made with respect to such Investment prior to such Investor's admission (or prior to an increase in capital commitment with respect to an existing Investor). To the extent an Investor is provisionally excluded, such Investor's unused capital commitment will be deemed reduced by an amount equal to such Investor's pro rata participation in the Investment as if such Investor had participated in such Investment from the closing date of such Investment, and such recalculated unused capital commitment will be used to determine such Investor's participation in any subsequent Investment following the date of such provisional exclusion, pursuant to the Organizational Document. Further, to the extent a provisionally excluded Investor becomes permanently excluded, such Investor's unused capital commitment will be increased on a prospective basis by the amount described in the foregoing sentence on the date of such permanent exclusion is determined by the General Partner but its share of any Investment made between the date of such provisional exclusion and such determination to permanently exclude will not be adjusted. In addition or in



lieu of the foregoing, the General Partner may structure all or a portion of such Investors' interest in such Investment in a manner it determines, in its sole discretion, including, without limitation, where an alternative investment vehicle may hold all or a portion of its interest in such Investment as debt (rather than equity), in which case the applicable Investor's indirect interest in such Investment through such alternative investment vehicle may be on different terms and timing from other Investors' participation in such Investment.

The General Partner of each Client expects to accept capital commitments from a significant number of investors that are subject to tax, ERISA, and other regulatory or policy considerations. The foregoing may result in the Client not pursuing certain opportunities that it otherwise would have, or excluding investors that are subject to ERISA or certain tax, regulatory or policy limitations, or other investors (in whole in part) from participating in certain Investments. In any such case the General Partner of the applicable Client will determine in good faith the manner and proportions in which applicable Investors are excluded, depending the circumstances at such time. To the extent investors or capital are excluded from participating in certain Investments, the participating investors will bear a greater interest in such Investments. In addition, while the General Partner of the applicable Client may from time to time request an investor confirm whether it will exercise its excuse rights with respect to one or more particular Investments, the General Partner is under no obligation to do so. Generally, unless otherwise expressly agreed to with the Investors of a Client, excuse or exclusion rights will not apply to follow-on investments, and in particular, excuse or exclusions rights do not apply to follow-on investments resulting from decisions in respect of subsequent acquisitions made by management of a Portfolio Entity of a Client, or follow-on investments that are made as part of a platform investment, or in the same Portfolio Entity as the initial Investment (and therefore is not segregated from the initial Investment). Furthermore, subject to legal, finance and operational considerations (e.g. technical ability to separate an initial investment from a follow-on investment), in certain limited circumstances, the General Partner could explicitly agree, in its sole discretion, with an Investor that its excuse rights will also apply to follow-on investments or that an Investor may be excused from a follow-on investment in respect of an initial Investment in which such Investor did not exercise its excuse rights in connection with the original Investment and participated therein, and for greater certainty, the General Partner may also in its discretion exclude an Investor from a follow-on investment in respect of an initial Investment in which such Investor was not originally excluded and participated therein, although in each case, the General Partner is under no obligation to do so. See also “—*Diverse Investor Group*” herein regarding participation in follow-on investments (or lack thereof).

***Related Financing of Counterparties to Acquire Assets from, or Sell Assets to, a Client and its Portfolio Entities.*** In certain transactions, Clients and Other Blackstone Vehicles will commit to and/or provide financing to third parties that bid for and/or purchase assets from a particular Client or its Portfolio Entities. Generally, there are no limitations in the Organizational Documents of the Clients with respect to such investments (including with respect to terms, price, quantity, frequency, percentage interest therein or otherwise). In addition, a Client and its Portfolio Entities will, from time to time, purchase assets or portfolio companies from third parties that obtain, or currently have outstanding, debt financing from Other Blackstone Vehicles. (See also “—***Related Financing Counterparties***” herein.) Although Blackstone believes that the participation by other Clients and Other Blackstone Vehicles in such debt financings could be beneficial to the Client by supporting third parties in their efforts to bid on the sale of assets by, and to sell assets to, the Client and its Portfolio Entities, Blackstone will have an incentive to cause a Client or relevant Portfolio Entity to elect to sell an asset to, or purchase an asset from, a third party that obtains debt financing from another Client or Other Blackstone Vehicle 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 may be. The Adviser could therefore cause a Client or a Portfolio Entity to sell an asset to, or buy an asset from, a third party that has received financing from another Client or Other Blackstone Vehicle, even when such third party has not offered the most attractive price. Investors rely on the Adviser to select in its sole discretion the best overall buyer in sales, and the best overall seller in the acquisition, of Client assets, despite any conflict related to the parties financing the buyer or the seller, as applicable.

***Related Financing Providers.*** The Adviser may request in the ordinary course proposals from lenders and other sources to provide financing to Clients. The Adviser 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 Clients is expected to be provided, from time to time, by Other Blackstone Vehicles, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Vehicles and their Portfolio Entities. Blackstone could have incentives to cause Clients to accept less favorable financing terms from Other Blackstone Vehicles, their Portfolio Entities and other parties with material relationships with Blackstone than it would from a third party.

***Co-Investment.*** A Client will co-invest with Investors, other Clients, Other Blackstone Vehicles and their Investors, Blackstone 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 Blackstone, and it is expected that many Investors who may have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or will, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested. For example, Blackstone can be expected to prioritize any Supplemental Accounts in the allocation of co-investment opportunities. (See also “—***Other Blackstone Vehicles; Allocation of Investment Opportunities***” herein.) Furthermore, co-investments offered by Blackstone will be on such terms and conditions (including with respect to Management Fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as Blackstone determines to be appropriate in its sole discretion on a case-by-case basis, which can be expected to differ amongst co-investors with respect to the same co-investment, and Blackstone will determine in its sole discretion whether to offer co-investment opportunities (based on, among other factors, whether there has been sufficient allocation of an investment to a Client and whether a potential co-investor would offer a strategic benefit to the investment, including, but not limited, to the consummation, operation or monitoring thereof). In addition, the performance of Other Blackstone Vehicles co-investing with a Client is not considered for purposes of calculating the performance-based compensation payable by a Client to the Adviser. Furthermore, a Client and co-investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold periods. Blackstone, as a result of the foregoing, will have conflicting incentives in making decisions with respect to such opportunities. Even if a Client and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the Investors, among other items.

- General Co-Investment Considerations: There are expected to be circumstances where an amount that would have otherwise been invested by a Client is instead allocated to

co-investors (who may or may not be Investors of Clients or Other Blackstone Vehicles) or supplemental capital vehicles, and there is no guarantee that any Investor will be offered any particular co-investment opportunity. The Adviser will take into account various facts and circumstances deemed relevant by the Adviser in allocating co-investment opportunities, including, among others, whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone, the potential co-investor's history of investments with Blackstone, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the Adviser's assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the Investment (taking into account the amount of capital needed as well as the maximum number of Investors that can realistically participate in the transaction) and the Adviser'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 Clients and Other Blackstone Vehicles and strategic third-party investors; whether a potential co-investor has committed to a Client or Other Blackstone Vehicle; the size of the potential co-investor's interest to be held in the underlying Portfolio Entity as a result of a Client's Investment (which is likely to be based on the size of the potential co-investor's capital commitment or investment in a Client); whether the potential co-investor has demonstrated a long-term or continuing commitment to the potential success of Blackstone, the Clients or Other Blackstone Vehicles (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to Clients or Other Blackstone Vehicles and their Portfolio Entities, or whether the co-investor has significant capital under management by Blackstone or intends to increase such amount); whether the potential co-investor has an overall Strategic Relationship with Blackstone that provides it with more favorable rights with respect to co-investment opportunities; whether the co-investor is considered "strategic" to the Investment because it is able to offer certain benefits, including, but not limited to, the ability to help consummate the Investment, the ability to aid in operating or monitoring the Portfolio Entity or the possession of certain expertise; the transparency, speed and predictability of the potential co-investor's investment process; whether Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential co-investor; whether a potential co-investor has the financial and operational

resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the familiarity Blackstone has with the personnel and professionals of the Investor in working together in investment contexts (which can be expected to include such potential co-investor's history of investment in a Client or Other Blackstone Vehicles); whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of a Client or an Other Blackstone Vehicle (*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 acquisitions for the Portfolio Entity or participate in defensive Investments; the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the Investor would be willing to defer to Blackstone and assume a more passive role in governing the Portfolio Entity); any interests a potential co-investor may have in any competitors of the underlying Portfolio Entity; the tax profile of the potential co-investor and the tax characteristics of the Investment (including whether or not the potential co-investor would require particular structuring implementation or covenants that would not otherwise be required but for its participation or whether such co-investor's participation is beneficial to the overall structuring of the Investment); whether a potential co-investor's participation in the transaction would subject a Client or any of its Portfolio Entities to additional regulatory requirements, review 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 a Client 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 any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for distributions; the ability of the investor to hold investments for longer periods of time and whether the expected holding period and risk-return profile of the Investment is consistent with the stated goals of the Investor and the expected underwriting of the investment; and such other factors that Blackstone may in good faith deem relevant and appropriate to consider in the circumstances. Blackstone can be expected to establish co-investment vehicles for one or more Investors (including

third-party Investors and Investors in a Client) in order to co-invest alongside a Client in one or more future Investments. The existence of these vehicles could reduce the opportunity for other Investors to receive allocations of co-investments. Also, Blackstone will, in certain circumstances, agree with Investors (including Blackstone strategic relationships (including Strategic Relationships) and third-party Investors) to more favorable rights or pre-negotiated terms with respect to co-investment opportunities, including with respect to discounts or rebates of performance-based compensation or Management Fees and/or tailored underwriting toward such Investor's interests. To the extent any such arrangements are entered into, they can be expected to result in fewer or no co-investment opportunities being made available to the other Investors. In addition, the allocation of Investments to Other Blackstone Vehicles, including as described under “—*Other Blackstone Vehicles; Allocation of Investment Opportunities*” herein, can be expected to result in fewer co-investment opportunities (or reduced allocations) being made available to Investors.

There may be circumstances, including in the case where there is a seller who is seeking to dispose of a pool or combination of assets, properties, securities or instruments, where a Client or Other Blackstone Vehicle participates in a single transaction 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 the Client and such Other Blackstone Vehicle. The allocation of such specific items generally would be based on the Adviser's determination of, among other things, the expected returns for such items, 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 Adviser and its Affiliates.

- Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment: The Adviser and its Affiliates will, in certain circumstances, be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship (including Strategic Relationships and Supplemental Accounts with Blackstone)) opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation or Management Fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional

discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor's relationship with Blackstone. The Management Fees, performance-based compensation and other fees received by Blackstone from and the amount of expenses charged to a Client can be expected to be less or more than such amounts paid by or charged to co-investors 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 a Client or such co-investment vehicles or co-investors, as the case may be. In addition, other terms of existing and future co-investors may differ materially, and in some instances, will be more favorable to Blackstone, than the terms of a Client, 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 a Client or such co-investor, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to a Client or Investors through co-investment will be made available. Additionally, it can be expected that Blackstone will 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 these rebates can be expected to relate to allocations of co-investment opportunities and increase if certain co-investment allocations are not made. While it is possible that a Client will, along with Blackstone itself, benefit from the existence of those arrangements and relationships, it is also possible that investment opportunities that would otherwise be presented to or made by a Client would instead be referred (in whole or in part) to such third party.

***Liability Arising From Transactions Entered into Alongside Other Blackstone Vehicles.*** Participating in Investments alongside Clients and Other Blackstone Vehicles will subject a particular Client to a number of risks and conflicts (and, in certain circumstances, the Adviser will

be unaware of an Other Blackstone Vehicle's participation, as a result of information walls or otherwise). 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, a Client being solely liable with respect to its own share as well as other Clients and Other Blackstone Vehicles' shares of any applicable obligations, or (ii) if a Client is not the direct counterparty, a Client having a contribution obligation to the relevant other Clients and Other Blackstone Vehicles. Alternatively, a counterparty could agree to face multiple funds, which could result in a Client being jointly and severally liable alongside other Clients and Other Blackstone Vehicles for the full amount of the applicable obligations. Similarly, there may be transactions with respect to which, to address legal, tax, regulatory, administrative or other commercial considerations, Blackstone determines to utilize the Client to make an investment commitment for a proposed investment on behalf of itself and one or more Other Blackstone Vehicles (or vice versa) with the expectation that such Other Blackstone Vehicle (or the Client, 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 another Client or Other Blackstone Vehicle, 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 a Client (or the relevant parallel fund). For these transactions, it is anticipated that a Client (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 Vehicles. The party owing under such an arrangement may not have resources to pay its liability, however, in which case the other party will bear more than its *pro rata* share of the relevant loss. In certain circumstances where a Client participates in an Investment alongside any Other Blackstone Vehicle, to the fullest permitted by applicable law, the Client may 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 Vehicle's insufficient reserves or inability to call capital contributions to cover expenses. It is not expected that a Client or Other Blackstone Vehicles 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 IPO) and/or the wind-down of a Portfolio Entity, Blackstone will seek to track the ownership interests, liabilities and obligations of a Client and any Other Blackstone Vehicles owning an interest in the Portfolio Entity comprising such operating business, but it is possible that a Client and applicable Other Blackstone Vehicles 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 Client and such



Other Blackstone Vehicles, 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 a Client is participating in an Investment alongside an Other Blackstone Vehicle (including a co-investment vehicle), the Client could also bear more than its pro rata share of expenses relating to such Investment if such Other Blackstone Vehicle 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).

***Syndication; Warehousing.*** Blackstone, Clients, Other Blackstone Vehicles, Joint Venture Partners, Affiliates or related parties of the foregoing could, subject to the limitations in the applicable Organizational Documents, commit to or initially acquire an Investment as principal and subsequently sell some or all of it to a Client, Other Blackstone Vehicle or co-investors in an affiliate or related party transaction. Similarly, subject to the limitations in the applicable Organizational Documents, a Client will, in certain circumstances, commit to or initially acquire an Investment and subsequently syndicate, or sell some or all of it, to Blackstone, Other Blackstone Vehicles, co-investors, Joint Venture Partners, or Affiliates or related parties of the foregoing or other third parties (which may result from a determination by the Adviser that such person has the ability to add value to an Investment in light of its relationships, experience, geographic location, market or industry knowledge, or other relevant attributes as determined by the Adviser), notwithstanding the availability of capital from the Investors and other investors thereof or applicable credit facilities. If any such intended syndication is not ultimately consummated, Blackstone, Clients or the other party that initially acquires such portion will be expected to retain it, leading to Clients or such other party having more of the Investment initially intended to be syndicated than it would otherwise have had if such syndication had not initially been contemplated. For the avoidance of doubt, certain Other Blackstone Vehicles participating in such Investment will likely not take part in any such syndication in the same manner or to the same extent (if at all), or may participate in a syndication alongside a Client but at a different interest rate, due to legal, regulatory, accounting, administrative or other considerations. The Adviser may cause these transfers to be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer, notwithstanding that the fair market value of any such Investments may have declined below or increased above cost from the date of acquisition to the time of such transfer. The Adviser may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, the Adviser will, in certain circumstances, charge fees on these transfers to either or both of the parties to them. In respect of

certain Clients, the Adviser or its Affiliates will from time to time be permitted to retain any portion of an Investment initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. 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 Adviser will have a conflict of interest when the Adviser receives fees, including performance-based compensation, from an Other Blackstone Vehicle acquiring from or transferring to a Client all or a portion of an investment.

More specifically, the Client will, in certain circumstances, initially acquire all or a portion of certain Investments (including through borrowings on a subscription-based credit facility or from Blackstone itself) intended as co-investments as described herein and to syndicate all or part of such co-investments to one or more co-investors. The value of the Investment during such period could increase by a greater amount, but a Client will not receive the full benefit of such increase.

***Break-up and other Similar Fees.*** Break-up or topping fees with respect to a Client's Investments can be paid to the Adviser, in which case Management Fees will be offset by 80% of the amount of break-up or topping fees attributable to a potential Investment by the Client, but not to any amount attributable to a potential investment by Other Blackstone Vehicles, Blackstone's side-by-side co-investment vehicles, permanent capital vehicles and/or accounts (including, without limitation, BIS Clients) managed by Affiliates of Blackstone and related entities or third parties (See also "***Other Blackstone Business Activities***" herein.) Alternatively, a Client could receive the break-up or topping fees directly, in which case there will be no Management Fee offset. The Adviser will generally receive a greater economic benefit by structuring the break-up or topping fee to be paid to it directly, subject to the Management Fee offset, and may do so in its sole discretion. Break-up or topping fees paid to the Adviser or a Client in connection with a transaction could be allocated, or not, to Other Blackstone Vehicles or co-investment vehicles that invest (or are expected to invest) alongside a Client, as determined by the Adviser to be appropriate in the circumstances. Generally, the Adviser would not allocate break-up or topping fees with respect to a potential Investment to the Clients, an Other Blackstone Vehicle 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, Investors will not receive the benefit of any fees relating to the Client's Investments (including, without limitation, as described above) other than as set forth in the Organizational Documents. Any fees that result in an offset of the Management Fee only apply to the extent it is

made as part of the Clients' investment in such company, and without regard to the nature of the fees, there will be no offset for Management Fees with respect to any fees paid to Blackstone after the Clients have exited the Investment. For example, a Portfolio Entity may retain or continue to retain the Blackstone Capital Markets Group (including with respect to fees for services described herein) or continue to work with Blackstone in connection with group purchasing arrangements when and after the Clients exited its Investment therein. Following an exit of a Client's Investment in a Portfolio Entity, Other Blackstone Vehicles may continue to hold interests (debt and/or equity) in such Portfolio Entity, and Blackstone may begin to earn fees or continue to earn fees from such Portfolio Entity for providing services to such Portfolio Entity, including, but not limited to, capital markets advice, group purchasing and health care brokerage, insurance and other similar services, which in each case will not offset or reduce 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 the Clients have exited (or is in the process of exiting) the applicable Portfolio Entity and/or following the termination of such employee's employment with Blackstone. 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), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, financial advisory fees and similar fees for arranging acquisitions and other major financial restructurings, loan servicing and/or other types of insurance fees, 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, 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 Investors and will not result in any offset to the Management Fee payable by the Investors.

In connection with certain Investments in certain jurisdictions, the Clients may contribute capital contributions made by Investors 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 Adviser. 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 Adviser under the Advisory Agreement (and such amounts paid to an Affiliate of the Adviser 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 Adviser and its Affiliates had the Clients paid the entirety of the Management Fee to the Adviser).

***Broken Deal Expenses.*** Any expenses incurred by the Clients for actual Investments as described herein or in the Organizational Documents will also be incurred by the Clients with respect to broken deals (*i.e.*, investments or proposed dispositions that are not consummated). The Adviser 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). 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, 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, 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 legal, accounting, tax and other due diligence and pursuit costs and expenses (including, for the avoidance of doubt, any Consultant expenses and including, in certain instances, broken deal expenses associated with services provided by Portfolio 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 Adviser, be allocated solely to the Clients and not to other Clients or Other Blackstone Vehicles or co-investment vehicles (including committed co-investment vehicles) that could have made the Investment (including any situation where an Other Blackstone Vehicle was initially allocated an investment opportunity and incurred such expenses before such investment opportunity was reallocated to a Client), even when the other Client or Other Blackstone Vehicle or co-investment vehicle commonly invests alongside the Clients in their Investments or Blackstone or other Clients or Other Blackstone Vehicles in

their Investments (including 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 Vehicle 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 another Client or Other Blackstone Vehicle or a co-investment vehicle, the Adviser or Clients will, in certain circumstances, advance such fees and expenses without charging interest until paid by the Client or Other Blackstone Vehicle or co-investment vehicle, as applicable. Additionally, certain co-investment vehicles, or certain potential co-investors, including Other Blackstone Vehicles, 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 Adviser determines otherwise in its discretion or as may be set forth in the relevant Organizational Documents 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 Vehicles 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 Adviser will endeavor in good faith to allocate such broken deal-related costs to the Clients and such Other Blackstone Vehicles 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, more, or the same amount 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, (including, without limitation, the aggregate value or number of, or invested capital in, transactions consummated in the applicable prior quarter), 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, Clients, Other Blackstone Vehicles, their Portfolio Entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, which could be substantial, for products and services provided to a Client and its Portfolio Entities, such as fees for asset management (including, without limitation, management fees and performance-based compensation), development and property management; arranging; portfolio operations support (such as those provided by Blackstone’s Portfolio Operations Group); arranging, underwriting (including, without limitation, evaluation regarding value creation opportunities and ESG risk mitigation); syndication or refinancing of a loan or Investment (or other additional fees, including acquisition fees, loan modification or restructuring fees); servicing; 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, placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement, brokerage, solutions and risk management services; data extraction and management products and services; BX Energy Services; fees for monitoring and oversight of loans, property, title and/or other types of insurance provided to Portfolio Entities and/or third parties; and other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organization and financing, and divestment services). (See also “—***Blackstone Affiliate Service Providers***” herein.) For example, Blackstone or an Other Blackstone Vehicle may, directly or indirectly through a portfolio entity, from time to time, acquire certain assets, loans or other interests for the purpose of syndicating some or all of such assets, loans or other interests to a Client and/or Other Blackstone Vehicles, and may receive syndication or other fees in connection therewith. Other than as expressly set forth in the Organizational Documents, such fees shall not be applied to offset Management Fees and Investors of the Clients will not share therein. Such parties will also provide products and services for fees to Blackstone, Clients, Other Blackstone Vehicles 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 a Client, Other Blackstone Vehicles and their Portfolio Entities in circumstances where third-party service providers are concurrently providing similar services to a Client, Other Blackstone Vehicles and their Portfolio Entities. Through its Innovations group, Blackstone incubates (or otherwise invests in) businesses that can be expected to provide goods and services to Clients and Other Blackstone

Vehicles 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, a Client and its Portfolio Entities would provide not only current income to the business and its stakeholders, but could also create significant enterprise value in them, which would not be shared with a Client or Investors and could benefit Blackstone directly and indirectly. Also, Blackstone, Clients, Other Blackstone Vehicles 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 a Client and its Portfolio Entities. A Client and its Portfolio Entities will incur expenses in negotiating for any such fees and services, which will be treated as partnership expenses. In addition, the Adviser can be expected to receive fees associated with capital invested by co-investors relating to Investments in which a Client participates or otherwise, in connection with a joint venture in which a Client participates or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Adviser performs services. Finally, Blackstone and its personnel and related parties will, in certain circumstances, also receive compensation for origination expenses and with respect to unconsummated transactions.

A Client will, in certain circumstances, engage a third-party administrator to provide certain administrative services to such Client. A Client will, as determined by the Adviser and as permitted by the Organizational Documents, bear the cost of fund administration, in-house legal and accounting (including, without limitation, maintenance of a Client's books and records, preparation of net asset value and other valuation support services, as applicable (e.g., valuation model and methodology review, review of third party due diligence conclusions and sample testing); 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 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., including all services provided by it to a parallel vehicle of a Client that would be considered costs of fund administration if provided by Blackstone to a Client (notwithstanding the customary scope of such services by third-party service providers)) to a Client and its 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. In certain circumstances, a Client or its parallel vehicle may engage a third-party administrator (e.g., as required for the a Client's parallel vehicle) and in such circumstances there may be some overlap in the services performed by the third-party administrator and Blackstone personnel and a Client and its parallel vehicles 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 a Client 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 a Client or Blackstone approximating the proportion of certain personnel's time spent with respect to a Client, and in each case allocating their compensation (including, without limitation, salary, bonus, and benefits), 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 Vehicles, 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 a



Client 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 a Client and its Portfolio Entities than would be the case if such services were provided by third parties.

The Adviser, Clients, Other Blackstone Vehicles 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 a Client or its 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 Adviser, Clients, Other Blackstone Vehicles and their Portfolio Entities, and their Affiliates, personnel and related parties may acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

Clients and Investors will not receive the benefit (e.g., through an offset to the Management Fee or otherwise) of any fees or other compensation or benefit received by the Adviser, its Affiliates or their personnel and related parties (See also “—***Portfolio Entity Service Providers and Vendors***” herein.) The Adviser and its Affiliates and their personnel and related parties will receive fees attributable to Clients, Other Blackstone Vehicles (including co-investment vehicles, supplemental capital vehicles, accounts and/or third parties) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to Clients and Other Blackstone Vehicles (including co-investment vehicles, supplemental capital vehicles, accounts and/or third parties) will not result in an offset of the Management Fees payable by Investors in a Client or otherwise be shared with a Client, its Portfolio Entities or the Investors, even if (i) such other Clients or Other Blackstone Vehicles (including co-investment vehicles, supplemental 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 performance-based compensation) or (ii) such fees result in an offset to Management Fees or performance-based compensation payable by any such other Clients or Other Blackstone Vehicles (including co-investment vehicles, permanent/supplemental capital vehicles, accounts and/or third parties). As noted in “*Co-Investment*” above, this creates an incentive for Blackstone to offer co-investment opportunities and can be expected to result in other fees being received more frequently (or exclusively) with Investments that involve co-investment.

In addition, to the extent Blackstone receives any of the fees described above in kind, instead of in cash, in whole or in part, Blackstone would, in certain circumstances, elect to become a co-investor

(or otherwise hold an interest) in such Investments alongside a Client and/or Other Blackstone Vehicles, which are expected to 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 investing vehicles, including Clients, on the other hand. Blackstone's receipt of such fees in kind generally would not be at the same time or on substantially the same terms, price and conditions as a Client and/or the Other Blackstone Vehicles, as applicable. With respect to any dispositions of securities or investments held by Blackstone resulting from receiving such fees in kind, since a Client and/or Other Blackstone Vehicles, as applicable, are not necessarily similarly situated and may have different terms affecting the timing of their respective dispositions, there may be certain situations where Blackstone would not dispose of its securities or interests at the same time and/or on substantially the same terms, price and conditions as such other funds, which would be evaluated by Blackstone on a case-by-case basis taking into account the circumstances at the relevant time. There can be no assurance that any actual or perceived conflicts will be resolved in favor of a Client or Investors.

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 Adviser will consider those relationships (including any incentives or disincentives as part of such relationship) when evaluating an investment opportunity, and such relationship can be expected to influence the Adviser's decision to make or not make a particular investment on a Client's behalf. Clients may also co-invest with clients of Blackstone in particular investments, and the relationship with such parties could influence the decisions made by the Adviser 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 Clients (e.g., investments in a competitor of a client or other person with whom Blackstone has a relationship). Clients may be required to sell or hold existing Investments as a result of investment banking relationships or other relationships that Blackstone may have or develop, or transactions or investments Blackstone may make or have made.

***Securities and Lending Activities.*** Blackstone, its Affiliates and their related parties and personnel participate in underwriting and lending syndicates and otherwise act as arrangers of financing, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by, a Client and its Portfolio Entities or advise 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 of Clients and Other Blackstone Vehicles. Blackstone's compensation for such services is expected to be paid by the applicable seller (including Clients (for example, in the case of secondary sales by 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 a Client or its Portfolio Entities, or as dealer, broker or advisor to a counterparty to a Client or a Portfolio Entity, and purchase securities from or sell securities to a Client, Other Blackstone Vehicles or Portfolio Entities of a Client or Other Blackstone Vehicles, or advise on such transactions. Blackstone will also, from time to time, on behalf of a Client or its Portfolio Entities, or other parties to a transaction involving a Client or its Portfolio Entities, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by a Client or its Portfolio Entities or the counterparty to the transaction, thereby creating a potential conflict of interest. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. Subject to applicable law, Blackstone will, from time to time, receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets fees, advisory fees, lending arrangement fees, asset/property management fees, insurance fees (including title insurance fees), incentive fees, consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, Clients, Other Blackstone Vehicle or their Portfolio Entities are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with a Client or its Investors, and the Management Fee with respect to an Investor generally will not be reduced by such amounts. The Adviser has sole discretion to approve the foregoing arrangements if the Adviser believes in good faith that such transactions are appropriate for a Client.

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

Vehicles. It could be impossible, as determined by the Adviser in its sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices will, in certain circumstances, therefore be averaged which may be disadvantageous to a Client.

When Blackstone serves as underwriter with respect to securities of a Client or its Portfolio Entities, the Client and 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 may prejudice the ability of a Client and its Portfolio Entities to dispose of such securities at an opportune time. See also “—*Related Financing Counterparties*” and “—*Portfolio Entity Relationships Generally*” herein.

Blackstone employees, including employees of the Adviser, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of Clients. The Investors 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, 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 Adviser 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 a Client and Investors. Given that PJT is no longer an Affiliate of Blackstone, the Adviser and its Affiliates are able to cause a Client 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 Clients and Other Blackstone Vehicles are and will be counterparties or participants in agreements, transactions and other arrangements with Clients, Other Blackstone Vehicles, and/or Portfolio Entities of Clients and Other Blackstone Vehicles or other Blackstone affiliates and/or any Portfolio Entities of the foregoing for the provision of goods and services, purchase and sale of assets and other matters (including information-sharing and/or consulting). In addition, certain Portfolio Entities may be counterparties or participants in agreements, transactions and other arrangements with Other Blackstone Vehicles and/or Portfolio Entities or portfolio entities of Other Blackstone Vehicles for the provision of goods and services, purchase and sale of assets and other matters. For example, from time to time, certain Portfolio Entities of Clients or Other Blackstone Vehicles will provide or recommend goods and services to Blackstone, Clients, Other Blackstone Vehicles, or Portfolio Entities of Clients and Other Blackstone Vehicles or other Blackstone affiliates (or vice versa). As another example, it can also be expected that the Client or management of one or more Portfolio Entities may consult with one another (or with one or more portfolio entities of an Other Blackstone Vehicle) in respect of seeking its industry expertise, market view, or otherwise on a particular topic including but not limited to assets and/or the purchase and /or sale thereof (and *vice versa*). Moreover, a Client and/or an Other Blackstone Vehicle may consult with a Portfolio Entity or a portfolio entity of an Other Blackstone Vehicle as part of the investment diligence for a potential investment by such Client or such Other Blackstone Vehicle (and *vice versa*). As a result of or as a part of such interactions or otherwise, personnel (including one or more members of the management team) at one Portfolio Entity may transfer to or become employed by another Portfolio Entity (or a portfolio entity of an Other Blackstone Vehicle), a Client, Blackstone or their respective Affiliates (or vice versa). Any such transfer may result in payments by the entity that such personnel is going to, to the entity such personnel is departing from, without obtaining any consent from the L.P. Advisory Committee, an Independent Client Representative or the Investors. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the Management Fees, and are not otherwise shared with Clients unless required by the Organizational Documents notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by the Adviser. Such agreements, transactions and other arrangements will generally be entered into without the consent of the L.P. Advisory Committee and the Investors (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 Clients and Portfolio Entities of Other Blackstone Vehicles are not considered affiliates of Blackstone, Clients or the Adviser under the Organizational Documents. There can be no

assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to a Client as otherwise would be the case if the counterparty were not related to Blackstone.

***Portfolio Entity Service Providers and Vendors.*** A Client, Other Blackstone Vehicles and the Portfolio Entities of each of the foregoing and Blackstone can be expected to engage Portfolio Entities of a Client and Other Blackstone Vehicles to provide some or all of the following services: (a) corporate support services (including, without limitation, accounts payable, accounting/audit (including valuation support services), account management (e.g., treasury, customer due diligence), insurance, procurement, placement, brokerage, consulting, cash management, corporate secretarial and executive assistant services, domiciliation, data management (e.g., gathering, processing, aggregating, reconciling, and delivering relevant industry and asset class specific data), directorship services, entity dissolution process oversight, finance/budgeting and forecasting, fundraising support, human resources and recruiting (e.g., the onboarding and ongoing development of personnel), communications and public affairs, information and data security support, information technology and software systems support (e.g., implementation of property technology strategy), corporate governance and entity management (e.g., liquidation, dissolution and/or otherwise end of term services), risk management and internal compliance/know-your-client reviews and refreshes, investment incentive payment documentation and recordkeeping, judicial processes, legal, environmental and/or sustainability due diligence support (e.g., review of property condition reports and clean energy consumption), climate accounting services, ESG program management services, engineering services, services related to the sourcing, development and implementation of renewable energy, ESG data collection and reporting services, capital planning services, operational coordination (*i.e.*, coordination with Joint Venture Partners and property managers), risk management, reporting (e.g. on tax, debt, portfolio or other similar topics), tax analysis and compliance (e.g., CIT and VAT compliance), transfer pricing and internal risk control, treasury and valuation services, business intelligence and data science services, fundraising support, legal/ business/ finance optimization and innovation (including legal invoice automation, legal document management and oversight, entity formation process standardization, management / team design, and identification of business efficiencies), legal support (e.g., claims and litigation oversight management and dispute resolution support, legal due diligence, environmental and engineering due diligence and post-closing support, fundraising and investor reporting support, regulatory legal compliance, data privacy, lease and contract support (including drafting and reviewing NDAs), management agreement review and negotiation, and human resources and employment related support including legal and compliance training for personnel),

and vendor selection (e.g., training, due diligence and management support)); (b) borrowing management services (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming 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), and whole loan servicing oversight (e.g., collateral management, due diligence and servicing oversight))); (c) management services (including, without limitation, management by a Portfolio Entity, Blackstone Affiliate or third party (e.g., a third-party manager or operating partner) of operational services, including personnel, operational coordination (*i.e.*, coordination with Joint Venture Partners, operating partners, and property managers), planning with respect to portfolio composition (including hold / sell analysis support), ESG-related planning (including data collection review, support and execution), revenue management support and portfolio and property reporting); (d) operational and other services (*i.e.*, general management of day to day operations, including, without limitation, construction and project management and oversight (e.g., management of development projects, management of general contractors on capital projects, project design and execution, tenant improvements, tenant space build-outs, turnkey services (such as end-to-end execution for real estate projects) and insurance support, and vendor selection (including training, due diligence and management support)), leasing services (e.g., creating and implementing standard forms, leasing strategy, incorporation of green leases, leasing dispute and litigation assistance, management of third-party brokers, negotiation of major leases, negotiation of leases, and mall income including parking, advertising, and promotional space), project management (such as management of development projects, project design and execution, vendor management, and turnkey services (such as end-to-end execution for real estate projects)) and property management (such as property-level management, cleaning, energy consumption, security, revenue management, contract management, expense management, capital expenditure projects, facility management, business plan execution, engineering, capital expenditure design and implementation, and reporting, as well as mall management services such as provision of on-site staff, rent collection, service charge accounting and operation, marketing and advertising, tenant and guest relations, maintenance of common space, selecting and engaging architects, contractors and other third parties involved in construction, supervision of on-site third-party contractors such as facilities maintenance, cleaning, and security, and, in outlets and high-end centers services, provision of retail managers to oversee tenant merchandising, promotions, and inventory), tracking Portfolio Entity employees and other advisors utilization and other metrics for fund-level reporting obligations, creating and developing strategic initiatives and road maps with

respect to ESG, consolidating and assisting with ESG and other side letter reporting); and (e) 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 including development sites and providing diligence and negotiation support during acquisition, 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), 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, assisting with due diligence, preparation of project feasibility analysis, site visits, transaction consulting and specification of technical analysis and review of (i) design and structural work, (ii) architectural, façade and external finishes, (iii) certifications, (iv) operations and maintenance manuals and (v) statutory documents). Similarly, Blackstone, Other Blackstone Vehicles, Clients and their Portfolio Entities can be expected to engage Portfolio Entities of a Client to provide some or all of these services. Certain Portfolio Entities of the Client or an Other Blackstone Vehicle are also expected to provide services to third parties (including for example, post-disposition of an investment). Some of the services performed by Portfolio Entity service providers could also be performed by the Adviser, from time to time, and *vice versa*. Fees paid by a Client or its Portfolio Entities to the Adviser, or value created by other Portfolio Entity service providers or vendors (whether to the Client, Other Blackstone Vehicles, Blackstone or any third parties engaging the services of such Portfolio Entity) do not offset or reduce the Management Fee payable by the Investors of a Client and are not otherwise shared with a Client.

One example of such a Portfolio Entity is Revantage. While Revantage currently provides corporate support services, including, without limitation, accounting, legal, tax, treasury, information technology and human resources and operational services, management services and transactional support services to each of the Client's Portfolio Entities and in certain instances, the Clients' investments directly and, as further described below, to Gryphon (see "***Captive Insurance; Gryphon***"). We are anticipating that Revantage will expand the scope of its services over time as the platform continues to be built out and could begin to provide services to the Client, Other Blackstone Vehicles (including those outside of real estate (*e.g.*, infrastructure, private equity, etc.) and their Portfolio Entities and investments, in each case, as described above), or to third parties. While certain Revantage employees are expected to be dedicated to a specific region,



others will work on a global basis. For example, there may be cases where an employee of Revantage Corporate Services provides services and assistance to the Client's investments and/or Portfolio Entities located outside the United States. Similarly, Revantage could provide services on a global basis despite each of their respective ultimate ownership and initially designated geographic focus. 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 Client 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 of multiple portfolio companies and expanding the scope of those services (and to whom those services are provided) we aimed and continue to aim to reduce costs across portfolio companies and increase the quality and efficiency of such services. Such cross-border activity and delivery of services to the Client, Other Blackstone Vehicles (including those outside of real estate) and their Portfolio Entities and investments from different organizations within Revantage is expected to continue in the future as Revantage's global capabilities grow and scale. In addition, Revantage provides and is expected to continue to provide services to the Clients, Other Blackstone Vehicles (including those outside of the Blackstone Real Estate Group) and their Portfolio Entities and investments, and may provide services to Blackstone, in each case as described above.

Certain Portfolio Entities are required to obtain certain services from Revantage due to firm-wide, fund-wide or regulatory reasons (including the Adviser's policies and procedures). Such required offerings may include data collection programs; IT security; fund accounting; fund accounting reporting; acquisition onboarding; offboard 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 Adviser recommends certain services from Revantage to its Portfolio Entities where such services are accretive in value or offer proven scale to such Portfolio Entities. For example, such recommended offerings may include human resource administration; IT infrastructure services, investment accounting and reporting services; promote administration; loan origination assistance; invoice and claims management services. Revantage also offers Portfolio Entities "optional" services which are services that certain Portfolio Entities may find valuable and helpful to their infrastructure; whereas, certain other Portfolio Entities may already have such services in-house or have otherwise established policies and procedures for such services or similar such that they need not "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.

Furthermore, in certain circumstances, Blackstone can be expected to play a substantial role in overseeing the personnel of Portfolio Entities, or other third parties, providing services to Clients, Other Blackstone Vehicles and/or their Portfolio Entities on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. Such personnel or relevant Portfolio Entity could be compensated with a salary and equity incentive plan, including a portion of profits derived from a Client or a Portfolio Entity or asset of the Client, or other long term incentive plans, and the total compensation package is likely to differ from Portfolio Entity to Portfolio Entity, even where such Portfolio Entities service the same or similar pools of assets held by the Client, Other Blackstone Vehicles and/or Blackstone or otherwise provide services to third parties, which may influence decisions by such personnel with respect to allocation of time and/or opportunities to the assets held by the Client and, in certain circumstances, encourage such personnel or Portfolio Entity to focus on assets or pools of assets they view as providing superior compensation and present a potential conflict of interest (including, for example, when a potential tenant could be considered for multiple assets and/or Investments). In addition, Blackstone has multiple business lines, which may result in competition with a Portfolio Entity for high performing executive talent and presents actual and potential conflicts of interest. For example, Blackstone may “poach” a certain Portfolio Entity executive, or such executive may interview with Blackstone during the applicable contractual period with respect to his or her existing position and later be hired by Blackstone after such period. A Portfolio Entity may want to retain such executives or other employees, and regardless, Blackstone is under no obligation to avoid interviewing or hiring such employees. For example, the Adviser expects that Revantage, as described above, with Blackstone’s oversight, will establish a team of personnel to provide support services exclusively to a particular Client and its Portfolio Entities (and/or other Clients or Other Blackstone Vehicles), including with respect to underwriting and diligence. Certain Revantage personnel directly provide services to multiple Portfolio Entities and rotate into the financial and operations teams of such Portfolio Entities. Such employees sometimes leave Revantage and have been and will continue to be hired by Portfolio Entities. Further, the Adviser may cause Revantage to establish new business lines and provide additional services than those described above, or to provide such services to more customers or clients than described above. The establishment of such business lines and addition of services and/or customers and clients could give rise to conflicts of interest and there can be no assurance that any actual or perceived conflicts will be resolved in favor of the Client or the Investors.

A Client and its Portfolio Entities will compensate one or more of these service providers and vendors owned by Clients or Other Blackstone Vehicles, and the Client and its Portfolio Entities will be charged for services provided by such service providers and vendors based on a contractually determined rate or cost that is generally consistent with those available in the market for similar goods and services, which rate or cost may be the same or different compared to rates or costs such service provider or vendor charges third parties that engage the service provider's or vendor's services. As a general matter, some Portfolio Entities are not expected to generate profit for a Client or Other Blackstone Vehicles by whom they are owned. Accordingly, Investors of a Client should have no expectation that Portfolio Entities owned in whole or in part by a Client will generate any positive returns and such Portfolio Entities could instead result in a loss to a Client. The discussion regarding the determination of market rates under “—***Blackstone Affiliate 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. Costs and expenses for services provided by service providers and vendors owned or controlled by a Client or Other Blackstone Vehicles are passed through as 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), which break-even point may occur over a period of time, including in certain circumstances over an extended period of time following engagement by a Client or such Other Blackstone Vehicle such that such service provider or vendor may realize a profit in a given year which would be expected to be applied towards the costs in subsequent periods. In certain circumstances, a Client will bear the start-up, wind-down and liquidation costs and expenses associated with work performed for the benefit of a Client and its Portfolio Entities, along with any related tax costs and an allocation of the service provider's overhead related to Portfolio Entity service providers owned by a Client or be allocated all or a portion of such costs and expenses related to Portfolio Entity service providers used by a Client and owned by Other Blackstone Vehicles. Costs and expenses associated with goods and services provided by the service providers and vendors owned by Other Blackstone Vehicles (including for the avoidance of doubt, all overhead associated with such service providers and vendors owned by Other Blackstone Vehicles) are allocated to the Client and/or Portfolio Entities. Such costs and expenses will not reduce Management Fees payable by the Investors and are expected to include 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, and equipment; insurance premiums; technology expenditures (including hardware and software costs, and servicing costs and upgrades related thereto); costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs

related to building-out, expanding and winding-down a Portfolio Entity; costs that are of a limited duration or non-recurring (such as start-up or technology build-up costs, one-time technology and systems implementation costs, employee on-boarding, ongoing training and severance payments, and IPO-readiness and other infrastructure costs); related tax costs 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). Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period (including in prior periods, such as where any such costs are amortized over an extended period), and further will, in certain circumstances, be of a general and administrative nature that is not specifically related to particular services, and therefore a Client could, to the fullest extent permitted by applicable law, pay more than its *pro rata* portion of fees for services. Similarly, certain Portfolio Entities can be expected to incur costs and expenses in connection with broken deals or transactions that are not consummated. In such circumstances, there will be Portfolio Entities that allocate such broken deal expenses to successful or signed transactions of a Client or an Other Blackstone Vehicle. As a result, Portfolio Entities will at times incur significant costs or expenses without recouping such expenses and there can be no assurances that any such broken deal expenses will in fact be recouped. In addition, the Adviser generally 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 may be greater than the sum of the quarterly estimates (or other periodic estimates where applicable) and/or accruals and therefore Clients could bear more fees, costs and expenses at year-end than had been anticipated throughout the year. The allocation of costs and expenses (including for the avoidance of doubt all 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, on the basis of “cost” as described above, “time-allocation”, “per unit”, “revenue,” “spend”, “number of units”, “per square footage”, “fixed percentage”, gross asset value, or purchase or sale price, and the particular methodology used to allocate such costs among the entities and assets to which services are provided is expected to vary depending on the types of services provided and the applicable asset class involved and could, in certain circumstances, change from one period to another. There can be no assurance that a different manner of allocation would result in a Client and its Portfolio

Entities bearing less or more or the same amount of costs and expenses. In addition, a Portfolio Entity that passes through costs and expenses on a cost reimbursement, no-profit, or break-even basis methodology may, in certain circumstances, change its allocation methodology (including with respect to one and not all of its customers or clients, including the Client and its Portfolio Entities), for example, to another methodology for the allocation of costs and expenses (including for the avoidance of doubt all overhead) described herein or otherwise, to charging a flat fee for a particular service or instance (or *vice versa*), or a contractually determined rate or cost that is generally consistent with those available in the market for similar goods and services described herein or otherwise, and such changes may increase or reduce the amounts received by such Portfolio Entities for the same services, and Investors will not necessarily be entitled to receive notice or disclosure of such changes in allocation methodology. In certain circumstances, particularly where such service providers and vendors are located in Europe or Asia, such service providers and vendors will charge a Client and its 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, a Client and its Portfolio Entities will compensate one or more of these service providers and vendors owned by Clients or Other Blackstone Vehicles 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 Clients or Other Blackstone Vehicles will vary from the incentive-based compensation paid with respect to other Portfolio Entities and assets of Clients and Other Blackstone Vehicles and is expected to vary from those charged to third party customers or clients of such service provider or vendor; 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 or third parties relative to others, and the performance of certain assets and Portfolio Entities or third parties may provide incentives to retain management that also service other assets and Portfolio Entities. Blackstone is not required to perform or obtain 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. There can be no assurance that amounts charged by Portfolio Entity service providers that are not controlled by the Client or Other Blackstone Vehicles 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 Vehicles will engage in long-term or recurring contracts with Portfolio Entity service providers, it can be expected that the Adviser will not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time. In addition,

neither the Adviser 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 Clients, Other Blackstone Vehicles and their respective Portfolio Entities and will not offset the Management Fee.

In certain circumstances, Clients and Other Blackstone Vehicles will enter into fee arrangements with Portfolio Entity 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 Portfolio Entity service providers have entered into such fee arrangements, there may be situations where the Portfolio Entity service provider's tax liabilities that are associated with the income received from a Client and/or Other Blackstone Vehicles could be passed along to the Client such that the Client would ultimately be responsible for bearing such expenses. Accordingly, the Adviser may have an incentive to structure its fee arrangements with Portfolio Entity service providers in such a manner where a Client or an Other Blackstone Vehicle may bear all or a portion of such Portfolio Entity 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 Organizational Documents.

A Portfolio Entity service provider will, in certain circumstances, subcontract certain of its responsibilities to other Portfolio Entities of Clients and Other Blackstone Vehicles. 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 Vehicles and their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of a Client to provide services, and these Portfolio Entities will generally charge for services in the same manner described above, but a Client and its 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.

Clients, Other Blackstone Vehicles and their respective Portfolio Entities are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the Joint Venture Partner may negotiate to not pay its *pro rata* share of fees, costs and expenses to be allocated as described above, in which case Clients,

Other Blackstone Vehicles and their Portfolio Entities that also use the services of the Portfolio Entity service provider will, directly or indirectly, pay the difference, or the Portfolio Entity service provider will bear a loss equal to the difference. Moreover, in certain circumstances, the Joint Venture Partner may be allocated fees, costs and expenses pursuant to a different methodology than a Portfolio Entity's standard allocation methodology, which could result in a Client or its Portfolio Entities being allocated more fees, costs and expenses than they would otherwise be allocated solely pursuant to such standard allocation methodology.

In addition, in the event of the disposition of an Investment or a Portfolio Entity (whether by way of transfer to the Client, an Other Blackstone Vehicle, a Portfolio Entity of the foregoing or Blackstone, as described below, or by way of a sale to a third party), such Portfolio Entity may continue to provide some or all of the services described herein to the Client, Other Blackstone Vehicles, Portfolio Entities of the foregoing, Joint Venture Partners or Blackstone, as applicable, even for a substantial period of time following such disposition. For example, a Joint Venture Partner may retain or continue to retain Revantage (including with respect to fees for services described herein) or continue to work with Blackstone in connection with certain arrangements when and after the Client exited its Investment therein. As such, Blackstone or a Portfolio Entity of the Client may begin to earn fees or continue to earn fees from such investment for providing services to such investment, which will not offset or reduce the Management Fee or be shared with the Investors in any way, and such fees may be the same or different compared to those charged to the Client or a Portfolio Entity of the Client for the same or similar services as described above.

Furthermore, from time to time, certain investments may become economically unviable to the point that from a reporting perspective Blackstone determines in its sole discretion that it is appropriate to consider such investment as being held for a period of time for the benefit of creditors of such investment. In particular, to the extent: (i) the net asset value of any Investment, or any asset(s) or portion thereof is zero (\$0), (ii) the indebtedness on such asset is non-recourse to the Client, and (iii) any one of the following conditions is satisfied: (a) such indebtedness is in default, (b) a deed-in-lieu agreement is signed in connection with such asset, (c) such asset is transferred to special servicing, (d) Blackstone has notified the lender that it will not continue to service the associated indebtedness, or (e) other similar action has been taken by the Client or the lender with supporting documentation, then such asset will be deemed an Impacted Asset. Impacted Assets are expected to continue receiving services by Portfolio Entities of the Client or Other Blackstone Vehicles. In such instances, the creditors or their representatives of such Impacted Asset may negotiate to not pay their pro rata share of fees, costs and expenses or to be

allocated fees, costs and expenses pursuant to a different methodology than a Portfolio Entity's standard allocation methodology as described above, in either case the Client, Other Blackstone Vehicles 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. Conversely, Blackstone may negotiate higher rates and a Portfolio Entity of the Client or Other Blackstone Vehicles may begin to earn fees or continue to earn fees from such Impacted Asset for providing services to such investment, which will not offset or reduce the Management Fee or be shared with the Investors in any way. Because of this, Blackstone may be incentivized to delay or accelerate declaring an investment as an "Impacted Asset".

Portfolio Entity service providers described in this section are generally owned and controlled by one or more Blackstone vehicles, such as Clients and Other Blackstone Vehicles. In certain instances a similar company could be owned and controlled by Blackstone directly. Blackstone could cause a transfer of ownership of one of these service providers (or the employees, leases, contracts or office assets of one service provider to another service provider) from a Client to an Other Blackstone Vehicle, or from an Other Blackstone Vehicle to a Client. The transfer of a Portfolio Entity service provider (or the employees, leases, contracts a business unit or office assets of such service provider) between a Client and an Other Blackstone Vehicle (where a Client may be, directly or indirectly, a seller or a buyer in any such transfer) will generally be consummated for minimal or no consideration, and without obtaining any consent from the L.P. Advisory Committee, the Investor Representative of a Client, if any, the Investors, or otherwise, as applicable. The Adviser may, but is not required to, obtain a third-party valuation confirming the same, and if it does, the Adviser can be expected to rely on such valuation. Portfolio Entities of a Client and Other Blackstone Vehicles are not considered "Affiliates" of Blackstone, the Adviser or a Client under the Organizational Documents and therefore are not covered by affiliate transaction restrictions included in the Organizational Documents, such as the requirement to obtain consent from the L.P. Advisory Committee, or otherwise, as applicable, in certain circumstances.

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



other relationships with, Blackstone, Clients, the Other Blackstone Vehicles and their Portfolio Entities, and Affiliates and personnel of the foregoing. Also, advisors, lenders, Investors, commercial counterparties, vendors and service providers (including any of their Affiliates or personnel) to a Client and its Portfolio Entities could have other commercial or personal relationships with Blackstone, Clients, Other Blackstone Vehicles (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 a Client or a Portfolio Entity, the cost of which will generally be borne directly or indirectly by a Client, 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 a Client and its Portfolio Entities to use other Blackstone-affiliated service providers and vendors in connection with the business of a Client, 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 to or value created in these service providers and vendors do not offset or reduce the Management Fee payable by the Investors of a Client and are not otherwise shared with a Client unless required by applicable Organizational Documents. In the case of brokers, Blackstone has a best execution policy that it updates, from time to time, to comply with regulatory requirements in applicable jurisdictions.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those it enters into on behalf of a Client and its Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discounted rate, such that if a Client and its Portfolio Entities consummate a higher percentage of transactions with a particular law firm than

Blackstone, Other Blackstone Vehicles and their Portfolio Entities, the Investors could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, other Clients, Other Blackstone Vehicles 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 a Client and its Portfolio Entities are different from those used by Blackstone, Other Blackstone Vehicles and their Portfolio Entities, and their Affiliates and personnel, a Client and its Portfolio Entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, Clients, the Other Blackstone Vehicles 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 fees) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors. See also “—**Group Procurement; Discounts**” and “—**Multiple Blackstone Business Lines**” herein.

**Outsourcing.** The Adviser is expected to outsource to third parties several of the services performed for the Clients and/or their Portfolio Entities, including services (such as administrative, legal, accounting, tax, investment diligence (including sourcing), modeling and ongoing monitoring, preparing internal templates, memos, and similar materials or other related services in connection with the Adviser's analysis of investment opportunities, or other related services) that can be and/or historically have been performed in-house by the Adviser and its personnel. For example, third parties may assist the Adviser in preparing internal templates, memos, and similar materials in connection with the Adviser's analysis of investment opportunities. The fees, costs and expenses of such third-party service providers will, when consistent with the Organizational Documents, be borne by the Clients as partnership expenses, even if the Adviser 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 partnership expenses for similar services performed by the Adviser in-house in lieu of or alongside (and/or to supplement or monitor) such third parties, subject to the terms of the 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 Organizational Documents, also be provided by the Adviser in-house at the Clients' expense. From time to time, the Adviser 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 Adviser's services are reimbursable under the Clients' Organizational Documents, the overall amount of partnership expenses borne directly or indirectly by the Investors will be greater than would be the case if only the Adviser 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 Adviser 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 Client 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 Vehicles, 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 e-mail addresses, receive administrative support from Blackstone personnel or participate in meetings and events for Blackstone personnel, even though they are not Blackstone employees or Affiliates. 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 partnership expenses (with no reduction or offset to management fees) and retaining third parties will reduce the Adviser'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 Adviser'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 Adviser's control over the outsourced functions, and the Adviser 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 Adviser, 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 Adviser, 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 Adviser, the Clients and/or their Portfolio Entities. The Adviser 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 Adviser 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 Adviser 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 the expenses that may be borne by such vehicles and accounts vary. Accordingly, certain costs could 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 Vehicles for similar services.

The Adviser could similarly determine to outsource certain services to Other Blackstone Vehicles, Portfolio Entities of the Clients and/or Other Blackstone Vehicles, Investors, investors in Other Blackstone Vehicles 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 Affiliate Service Providers*” and “*Portfolio Entity Service Providers and Vendors*” herein.

**Data Services.** Revantage is providing data services to Data Holders and Blackstone or an affiliate of Blackstone formed in the future will provide data services to Data Holders. Such services can be expected to 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 Organizational Documents and any other applicable contractual limitations, with the Clients, Other

Blackstone Vehicles, Portfolio Entities, investors in the Clients and in Other Blackstone Vehicles, and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Vehicles 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 their investors. Additionally, Blackstone is also expected to share and distribute the products from such data services within Blackstone or its affiliates (including Other Blackstone Vehicles 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.

***Blackstone Affiliate Service Providers.*** In addition to the service providers (including Portfolio Entity service providers) and vendors described above, a Client and its Portfolio Entities are expected to engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds, including the businesses described below. These businesses will, in certain circumstances, also enter into transactions with other counterparties of a Client and its Portfolio Entities, as well as service providers, vendors and Investors of a Client. 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 applicable

Organizational Documents. Furthermore, Blackstone, other Clients, the Other Blackstone Vehicles 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.

Clients, Other Blackstone Vehicles and/or Portfolio Entities are currently expected to engage in the future with relevant businesses owned by Blackstone and/or Other Blackstone Vehicles 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 Services”). Clients may make use of BX Energy Services in order to support such Client’s aim of maximizing risk-adjusted returns on investments. In particular, BX Energy Services is expected to provide (i) energy advisory services, including energy procurement strategy and contract support; (ii) energy brokering, procurement and power marketing, including purchases of energy on behalf of Portfolio Entities through a retail energy marketer or as a broker; (iii) renewable or other low-carbon energy procurement, including purchases of renewable energy and/or investment in renewable energy projects; (iv) bill management, including bill pay support, which may include paying of bills, checking for billing errors and tariff negotiation and (v) data and emissions inventories, including managing energy data and calculating emissions from energy purchases. As a centralized Blackstone platform combining purchasing power of its potential client participants (which could also include unaffiliated third parties), BX Energy Services is expected to be able to negotiate and provide pricing terms and quality of service that are more favorable than those that Clients, Other Blackstone Vehicles or the Portfolio Entities could obtain for themselves on an individual basis, or from third parties.

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

A Client 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 a Client of a service provider. In addition, before entering into any transaction with respect to any such service provider, it is anticipated that Blackstone will obtain any consents that may be required under the Advisers Act or other applicable laws or regulations.

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and other performance-based compensation in respect of Investments, which fees and compensation are expected to be substantial in some cases. Furthermore, Blackstone-affiliated service providers can be expected to charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), *provided* that these amounts will not exceed market rates as determined by the Adviser to be appropriate under the circumstances.

The Adviser will generally, except in those instances where a market comparable cannot be determined, make determinations of certain market rates (*i.e.*, rates that fall within a range that the Adviser has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms), and, in certain circumstances, is expected to be in the top of the range, based on its consideration of a number of factors, which are generally expected to include the Adviser's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Adviser to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone Affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (*e.g.*, within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset-by-asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired by a Client (such as location or size), 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. For these reasons,

such market comparisons may not result in precise market terms for comparable services. To the extent the Client or Other Blackstone Vehicles engage in a long term or recurring contract with a Blackstone affiliated service provider, the Adviser may not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time. Expenses to obtain benchmarking data will be borne by Clients, Other Blackstone Vehicles and their respective Portfolio Entities and will not offset the Management Fee. Finally, in certain circumstances the Adviser 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 states) 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 Clients, Other Blackstone Vehicles 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 Adviser, from time to time, and *vice versa*. Fees paid by a Client or its Portfolio Entities to Blackstone-affiliated service providers do not offset or reduce the Management Fee payable by the Investors of a Client and are not otherwise shared by a Client, unless otherwise required by the Organizational Documents. These conflicts related to Blackstone-affiliated service providers will not necessarily be resolved in favor of a Client, and Investors may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

***Transactions with Clients of Blackstone Insurance Solutions.*** Blackstone has formed BIS. BIS Clients will engage in a variety of activities, including participating in transactions related to a Client and/or its Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Under certain circumstances (e.g., where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client will not be an “Affiliate” under the Organizational Documents of a Client, in which case any limitations or obligations pursuant to such Organizational Documents with respect to transactions with Affiliates will not apply.

***Transactions with Portfolio Entities.*** Blackstone and Portfolio Entities of Clients and Other Blackstone Vehicles operate in multiple industries, including the real estate related information technology industry, and provide products and services to or otherwise contract with a Client and



its Portfolio Entities, among others. In connection with any such operations, Blackstone, Clients and Other Blackstone Vehicles and their respective Portfolio Entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to a Client and its Portfolio Entities 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 and/or Investments, accruing to the party making the introduction. Furthermore, such introductions or referrals may involve the transfer of certain personnel or employees among Blackstone and Portfolio Entities of a Client and Other Blackstone Vehicles which may result in a termination fee or similar payments being due and payable from one such entity to another. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a Portfolio Entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, ongoing account services (e.g., interacting and coordinating with banks generally and with regard to any related “know your client” requirements), risk management services, data management services, consulting services, brokerage services, sustainability and clean energy consulting services, insurance procurement, placement, brokerage and consulting services, and other services) to such Portfolio Entities that are referred to the joint venture or business by Blackstone. Such 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 Vehicles) 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 Vehicles, accruing to the party making the introduction (e.g., personnel of Blackstone, including Adviser investment professionals). Such joint venture or business could use data obtained from such Portfolio Entities (See also “—*Data*” and “—*Data Services*” herein.) A Client and the Investors typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, other Clients, Other Blackstone Vehicles and their Portfolio Entities as a result of the introduction of a Client and its Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that a Client or its 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) may be similarly shared with the participating other Clients, Other Blackstone Vehicles 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 (i) FGL, (ii) Everlake, (iii) Corebridge and (iv) Resolution Life. As of the date hereof, Blackstone owns a 9.9% equity interest in the parent company of Everlake and Other Blackstone Vehicles own the remaining equity interests in the parent company of Everlake, and Blackstone owns a 9.9% equity interest in the parent company of Corebridge. The foregoing insurance company investment management arrangements will involve investments by such insurance company clients across a variety of asset classes (including investments that may otherwise be appropriate for a Client). 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 Vehicle 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 Vehicles. In the future Blackstone will likely enter into similar arrangements with other Portfolio Entities of the Clients, Other Blackstone Vehicles or other insurance companies. Such arrangements may reduce the allocations of investments to a Client, and Blackstone may be incentivized to allocate investments away from a Client to such insurance company clients 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 a Client.

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

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

***Related Party Leasing.*** Certain assets related to a Client's Investments, owned by a Client and/or an Other Blackstone Vehicle will, in certain circumstances, lease property to or from Blackstone, other Clients, Other Blackstone Vehicles and their Portfolio Entities and Affiliates and other related parties. The leases are generally expected to, but may not always be at market rates. Blackstone may 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 nonetheless have conflicts of interest in making these determinations, and with regard to other decisions related to such assets and investments. For example, a Client may have consent rights over or be asked to approve leases, sales or evictions related to Other Blackstone Vehicles, their Portfolio Entities and affiliates and other related parties. There can be no assurance that a Client and its Portfolio Entities will lease to or from any such related parties on terms as favorable to a Client and its Portfolio Entities as would apply if the counterparties were unrelated.

***Cross-Guarantees and Cross-Collateralization.*** It can be expected that a Client and its Portfolio Entities will enter into cross-collateralization or cross-guarantee or similar arrangements with other

Clients, Other Blackstone Vehicles and their Portfolio Entities, particularly in circumstances in which more attractive financing terms are available through a cross-collateralized or cross-guarantee arrangement, 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 Clients and Other Blackstone Vehicles 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 a Client for obligations that are not recourse to a Client except in limited circumstances such as “bad boy” events. Clients also expect to form certain alternative investment vehicles, special purpose vehicles and holding vehicles, which may involve cross-guarantees or other cross-collateralization arrangements. While cross-collateralization of Investments may enable a Client 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 or are a part of a larger portfolio) on a modest scale, any cross-collateralization arrangements with other Clients or Other Blackstone Vehicles could result in a Client losing its interests in otherwise performing Investments or other assets due to poorly performing or non-performing Investments or other assets of other Clients or Other Blackstone Vehicles in the collateral pool or such persons otherwise defaulting on their obligations under the terms of such arrangements (and, for the avoidance of doubt, a Client’s obligations under such cross-collateralization arrangements are expected to apply to investments in which the Client has not participated). The Investors may 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 or Other Blackstone Vehicles when such other entities are not in turn exposed to risks associated with the 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 the Client and Other Blackstone Vehicles. Through cross-collateralization, cross-guarantees or similar arrangements, a Client may nevertheless be indirectly exposed to risks associated with leverage on fees, expenses and/or other obligations of the Client. See also “—*Liability Arising From Transactions Entered into Alongside Other Blackstone Vehicles*” herein.

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

***BXMT.*** As part of Blackstone's December 2012 acquisition of CTIMCO, the investment management business of Capital Trust, a publicly-traded real estate investment trust that specializes in real estate-related debt investments with a focus on mortgage loans that are backed by commercial real estate assets, Blackstone now manages Capital Trust, which was renamed Blackstone Mortgage Trust (NYSE: BXMT) in May 2013, and three private investment funds and certain managed accounts that invest in commercial real estate debt and related investments. The loan servicing and special servicing business acquired in this transaction was formerly associated with the investment management business of BXMT and is now operated as part of the BREDS Funds. Such loan servicing business may, in certain circumstances, enter into loan servicing arrangements and receive fees with respect to the financing activities of Clients and their Portfolio Entities. BXMT is managed by its manager in conformity with BXMT's investment guidelines and other policies that are approved and monitored by BXMT's board of directors; at least a majority of BXMT's board is comprised of independent directors. BXMT's manager and its board of directors have certain contractual and other duties that prevent them from considering the interests of applicable Clients in situations in which BXMT has interests adverse to such Clients, such as would occur if BXMT participated in debt financing an asset owned by a Client.

***Joint Venture Partners.*** A Client has and will, from time to time, enter into one or more JV Arrangements with 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 Adviser in its sole discretion. The Joint Venture Partners could provide services similar to those provided by the Adviser to a Client. Yet, no compensation or fees paid to the Joint Venture Partners would reduce or offset Management Fees or performance-based compensation payable to the Adviser. Additional conflicts would arise if a Joint Venture Partner

is related to Blackstone in any way, such as an Investor in, lender to, a shareholder of, or a service provider to Blackstone, Clients, Other Blackstone Vehicles, or their respective Portfolio Entities, or any Affiliate, personnel, officer or agent of any of the foregoing.

Investments made with Joint Venture Partners involve risks and potential conflicts of interest not present in investments without a Joint Venture Partner, including related to the following:

- the Joint Venture Partner could have economic or other interests that are inconsistent with or different from the interests of the Client, including interests relating to the financing, management, governance, operations, leasing or sale of the assets in the JV Arrangement;
- tax considerations, or 1940 Act and other regulatory requirements applicable to the Joint Venture Partner could cause it to want to take actions that are contrary to the interests of the Client. For example, if the Joint Venture Partner conducts its operations so as to not be an investment company by complying with the requirements under Section 3(a)(1)(C) of the 1940 Act or seeks to have some or all of its investments in majority-owned subsidiaries that qualify for the exemption pursuant to Section 3(c)(5)(C) of the 1940 Act, such Joint Venture Partner could seek to dispose of or continue to hold joint venture investments for reasons other than the business case of particular assets, which could be at odds with the Client;
- the Joint Venture Partner could have joint control or joint governance of the joint venture or certain veto rights even though its economic stake in the joint venture is significantly less than that of the Client;
- under the applicable JV Arrangement, it is possible that neither the Client nor Joint Venture Partner unilaterally controls the joint venture, in which case deadlocks may occur. Such deadlocks could adversely impact the operations and profitability of the joint venture, including as a result of the inability of the joint venture to act quickly in connection with a potential acquisition or disposition;
- in the case of a governance impasse under the JV Arrangement or other circumstance that results in an acquisition or disposition, the Client could be forced to sell its interest in the JV Arrangement and its asset(s), or buy the Joint Venture Partner's share of such assets, at a time when it would not otherwise be in the Client's best interest to do so;
- if the Joint Venture Partner charges fees or performance-based compensation to the JV Arrangement, the Joint Venture Partner could have an incentive to hold assets longer or otherwise behave to maximize fees and performance-based compensation paid, even when doing so would not be in the best interests of the Client;

- the Joint Venture Partner could have authority to remove the Blackstone affiliated investment manager of the joint venture. If such removal were to occur, the Client would be joint venture partners with a third-party manager, in which case it could be significantly more difficult for the Client to implement its investment objective with respect to any of its Investments held through such joint ventures;
- under the applicable JV Arrangement, the Joint Venture Partner and the Client could each have preemptive rights in respect of future issuances by the joint venture entities, which could limit a joint venture's ability to attract new third-party capital;
- under the applicable JV Arrangement, the Client and the Joint Venture Partner could be subject to lock-ups, which could prevent the Client from disposing of its interests in an Investment at a time it determines it would be advantageous to exit from such Investment; and
- the Joint Venture Partner could have a right of first offer, tag-along rights, drag-along rights, consent rights or other similar rights in respect of any transfers of the ownership interests in the joint venture entities to third parties, which could have the effect of making such transfers more complicated or limiting or delaying the Client from selling its interest in the applicable investment.

**Valuation Matters.** The fair value of all Investments (or of any assets received in exchange for any Investments or interests in a Client, as applicable) will ultimately be determined by the Adviser in accordance with the Organizational Documents and a Client's valuation policy and procedures. 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 Adviser in accordance with procedures set forth in the Organizational Documents and the Adviser's valuation policy for the applicable Client, and will generally be valued on a quarterly basis. The Adviser 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. In making its determination in respect of an Investment's valuation, the Adviser is entitled to take into account all facts and circumstances it deems relevant, subject to the provisions of the Organizational Documents, and there can be no assurance that a third party or Investor would agree with one or more of the factors, assumptions or inputs used by the Adviser in making any such determination. Valuation methodologies will also involve assumptions and opinions about future

events, which could turn out to be incorrect. Ultimate realization of the value of an Investment depends to a great extent on economic, market and other conditions beyond the Adviser's control. Generally, there will be no retroactive adjustment in the valuation of any Investment or the performance-based compensation or Management Fees paid to the Adviser to the extent any valuation proves to not accurately reflect the realizable value of an asset in an Investment.

For purposes of the Organizational Documents, a disposition will only be deemed to have occurred as a result of a reduction in the fair value of an investment if the Adviser determines that the investment has been written off completely (*i.e.*, the adjusted cost of the investment has been reduced to zero in accordance with the terms of the Organizational Documents). For the avoidance of doubt, the invested capital with respect to an Investment (or its adjusted cost) will not be written off (or reduced to zero) merely because the balance of probabilities indicates that such investment, more likely than not, has a fair market value of zero; rather, a write off will only occur for purposes of the Organizational Documents where the Adviser determines that the fair market value of such investment has been reduced to zero.

The valuation of Investments, as well as the determination of whether and when an Investment has been disposed of or written off (which determination remains in the sole discretion of Blackstone), will affect the amount and timing of the Adviser's performance-based compensation and, under certain circumstances, the amount of Management Fees and Servicing Fees (if any) payable to the Adviser. In addition, the valuation of partially realized or unrealized Investments where a Client has a residual interest in such Investment will, in certain circumstances be zero or close to zero, and to the extent such Investments are unrealized, the Management Fees payable to the Adviser will be based on the invested capital relative to such Investment. See also “—*Management Fee*” herein.

Although the Adviser and its affiliates intend to operate in accordance with the Organizational Documents, as well as valuation and other policies, practices and procedures, in order to mitigate the potential for subjectivity in making valuation determinations, there can be no assurance that such policies, practices and procedures will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations, or that any such conflicts will be resolved in favor of a Client or the Investors.

In addition, in the event that the Clients make any distribution in-kind to their limited partners, the fair market value of such securities distributed in-kind is expected to be determined by the Adviser



(who at times could, but is not required to, receive input from a third-party valuation expert), subject to the terms and conditions of the Organizational Documents. As there is no guarantee that such valuations will reflect the value for such assets that would be achieved if such assets were sold to a third party rather than distributed in-kind, it is possible Investors will 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 the Adviser 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 performance-based compensation received by the Adviser, or the timing of receipt of such compensation, 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 Client Investors are deemed to receive in connection with distributions in-kind of marketable securities (including for purposes of calculating the Adviser's performance-based compensation) is based on an average of the trading prices both prior to and after the date of distribution (as more fully described in the Organizational Documents), the Adviser's performance-based compensation 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 the Adviser would have received had such securities been sold for cash at such time.

The valuation of Investments of other Clients or Other Blackstone Vehicles will, in certain circumstances, affect the decision of potential Investors to subscribe for interests in a Client. Similarly, the valuation of Investments of a Client will, in certain circumstances, affect the ability of Blackstone to form and attract capital to other Clients and/or Other Blackstone Vehicles or to raise a successor fund to the Clients. As a result, the valuation of Investments of Clients and Other Blackstone Vehicles, which generally remains in the sole discretion of Blackstone, involves conflicts, in which the Adviser is incentivized to defer realization of investments or hold them longer, make more speculative investments, seek to deploy the Clients' capital in investments at an accelerated pace, determine valuations that are higher (or lower) than the actual fair value of investments, and/or avoid or delay writing off an investment.

**Group Procurement; Discounts.** A Client and its Portfolio Entities will enter into agreements regarding group procurement, benefits management and purchase of title and other insurance policies (which can be expected to include brokerage or placement thereof) and will otherwise enter into operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among Clients, Other

Blackstone Vehicles and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone and its Affiliates and personnel, or other Clients and Other Blackstone Vehicles and their Portfolio Entities, including as a result of transactions entered into by a Client and its Portfolio Entities, and such commissions or payment will not be subject to the Management Fee offset provisions. Blackstone can be expected to also receive consulting, usage or other fees from the parties to these group procurement arrangements. To the extent that a Portfolio Entity of another Client or Other Blackstone Vehicle is providing such a service, such Portfolio Entity and such other Client or Other Blackstone Vehicle will benefit. Further, the benefits received by the particular Portfolio Entity providing the service will, in certain circumstances, be greater than those received by a Client and its Portfolio Entities receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, and Investors rely on the Adviser to handle them in its sole discretion.

***Diverse Investor Group.*** Investors in a Client have conflicting investment, tax and other interests with respect to their investments in a Client and with respect to the interests of Investors in other Clients and Other Blackstone Vehicles that participate in the same investments as a Client. The conflicting interests of Investors relate to, among other things, the nature, structuring, financing, tax profile and timing of disposition of Investments. The Adviser will, in certain circumstances, as a result have conflicts in making these decisions, which can be expected to be more beneficial for one or more (but not all) Investors than for other Investors. In addition, a Client can be expected to make Investments that will, in certain circumstances, have a negative impact on related investments made by the Investors in separate transactions. In selecting and structuring Investments appropriate for a Client, the Adviser will consider the investment and tax objectives of a Client and its Investors as a whole (and those of Investors in other Clients and Other Blackstone Vehicles that participate in the same Investments as a Client), not the investment, tax or other objectives of any Investor individually. As a result of disparate tax considerations applicable to certain investors of the Clients and Other Blackstone Vehicles, 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) may differ as a result of the foregoing, and there can be no assurance that the foregoing considerations will not impact (positively or negatively) the returns achieved by any investor, as compared to other investors. Additionally, in respect of certain Clients, the Adviser will, in certain circumstances, elect to exclude certain Investors from particular Investments for legal, regulatory or other considerations (including established investment policies of an Investor) applicable to any such Investment, in which case non-excluded

Investors will be allocated a greater proportionate interest in such Investment. In addition, reduction in unused capital commitments for capital contributions in respect of Management Fees are based on the actual amounts paid by the Investors. Therefore, to the extent an Investor is entitled to a discounted or reduced Management Fee arrangement (including as set forth in the Organizational Documents, Advisory Agreement or one or more side letters or other agreements (including any agreement governing a Strategic Relationship)) such Investor's capital contributions in respect of Management Fees will be disproportionate as compared to any Investor without such arrangement, and as a result such Investor's unused capital commitment will be proportionately higher than other Investors, which among other things, will cause such Investor to have a greater proportionate interest in Investments made (and expenses incurred) than would be the case absent such Management Fee arrangement. Further, certain Investors can be expected to also be Investors in other Clients and Other Blackstone Vehicles, including supplemental capital vehicles and co-investors that invest alongside a Client in one or more Investments, which could create conflicts for the Adviser in the treatment of different Investors.

In addition, certain Investors can be expected to also be Investors in Other Blackstone Vehicles, including supplemental capital vehicles and co-investment vehicles that invest alongside the Clients in one or more investments, which will create conflicts for the Adviser in the treatment of different Investors.

Investors can be expected to also include Affiliates of Blackstone, such as other Clients, Other Blackstone Vehicles (including strategic partners investment via a primary investment or secondary acquisition), Affiliates of Portfolio Entities of Clients or Other Blackstone Vehicles, charities or foundations associated with Blackstone personnel and current or former Blackstone personnel, Blackstone's senior advisors and operating partners, and any such Affiliates, funds or persons can be expected to also invest in a Client 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 performance-based compensation (or otherwise on more favorable terms) and the Investors 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 a Client as Investors. The Blackstone related sponsors of feeder vehicles generally charge their Investors additional fees, including performance-based fees, which could provide Blackstone current income and increase the value of its ownership position in them. Blackstone will therefore have incentives to refer potential Investors to these feeder vehicles. All of these Blackstone related Investors will have equivalent rights to vote and withhold consents as nonrelated Investors, unless otherwise provided

by the terms of the Organizational Documents. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related Investors.

It is also possible that a Client or a Client's 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 an Investor or its Affiliates (which may occur in connection with such Investor or its Affiliates making a capital commitment to Clients or Other Blackstone Vehicles), including with respect to one or more Investments (or types of Investments). Such arrangements may take the form of direct transactions with an Investor or its Affiliates and/or may include indirect transactions and arrangement with other counterparties in which such Investor or its Affiliates hold an interest (whether minority or controlling). Such transactions may include agreements to pay performance fees to a management team and other related persons in connection with a Client's Investment therein, which will reduce a Client's returns and will not necessarily be subordinated to the return of the Investors' capital contributions. Such Investors described in the previous sentences can be expected to therefore have different information about Blackstone and a Client than Investors not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealing with any such Investors, and the Adviser and its Affiliates may be motivated to enter into agreements, transactions or arrangements with Investors or their Affiliates in order to secure capital commitments from Investors to a Client or Other Blackstone Vehicles and may otherwise be motivated by factors other than the interests of the Client. (See also "**Other Blackstone Business Activities**" herein.) Similarly, not all Investors monitor their investments in vehicles such as a Client in the same manner. For example, certain Investors can be expected to periodically request from the Adviser information regarding a Client and its Portfolio Entities and Investments that is not otherwise included in the reporting and other information delivered to all Investors—for instance, pre-quarterly reporting valuation. In such circumstances, the Adviser may provide such information to such Investor and not to other Investors. As a result, certain Investors can be expected to receive more information from the Adviser about a Client and its Portfolio Entities or can be expected to receive information about a Client and its Portfolio Entities at an earlier time than other Investors, and the Adviser will have no duty to ensure all Investors receive the same information regarding a Client and its Portfolio Entities. In addition, investment banks or other financial institutions, as well as Blackstone personnel, can be expected to also be Investors. These institutions and personnel are a potential source of information and ideas that could benefit a Client, and can be expected to receive information about a Client and its Portfolio Entities in their capacity as a service provider or vendor to a Client and its Portfolio Entities.

Further, Investors with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a Client.

***Secondary Transfers.*** To the extent the Adviser has discretion over a secondary transfer of interests in a Client pursuant to such Client’s Organizational Documents, or is asked to identify potential purchasers in a secondary transfer (pursuant to a side letter or other agreement), the Adviser will do so in its sole discretion, taking into account the following factors, among others:

- The Adviser’s evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser’s perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Clients and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser’s investment;
- Whether the potential purchaser would subject the Adviser, 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 Vehicle and/or other Client);
- Requirements in such Client’s Organizational Documents and, if applicable, side letters; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

***Affiliated Investors.*** Certain Investors in a Client, including Blackstone Employee Investors, will receive preferential terms in connection with their investment in or alongside a Client. Specific examples of such preferential terms received by certain affiliated Investors include, among others, waiver of Management Fees and/or performance-based compensation. For the avoidance of doubt, in the case of an affiliated Investor that is an Other Blackstone Vehicle with its own underlying

investors, such underlying investors are generally subject to performance-based compensation and/or management fees in connection with their investment in such Other Blackstone Vehicle. Notwithstanding the foregoing, such Investors will either directly pay for their *pro rata* share of certain partnership expenses, or the *pro rata* amount of such expenses will be allocated to the Adviser or its Affiliates. Such *pro rata* allocation of partnership expenses will, in certain circumstances, be calculated based on Commitments, invested capital, available capital or other metrics as determined by the Adviser in good faith. 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, by virtue of their affiliation with the Adviser, affiliated Investors will have more information about a Client and Investments than other Investors and will have access to information (including, but not limited to, valuation reports) in advance of communication to other Investors. As a result, such affiliated Investors will be able to take actions on the basis of such information which, in the absence of such information, other Investors do not take. (See also “—**Diverse Investor Group**” herein.) Additionally, in case of an Investor that is an Other Blackstone Vehicle with its own underlying investors, such underlying investors may have received preferential or different terms in connection with their investment in such Other Blackstone Vehicle (including, but not limited to, liquidity rights) as compared to the other Investors. While such affiliated Investors and/or Clients will seek to adopt policies and procedures to address such conflicts of interest, there can be no assurance that the conflicts of interest described above will be resolved in favor of the Client or other Investors.

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

**Credit Facilities.** As described herein, one or more Clients have entered into and utilized a subscription, NAV and/or other similar credit facility, which involves potential conflicts of interest. Subject to the limitations in the Organizational Documents, the use of a subscription credit facility by a Client is within the Adviser’s discretion, and can occur prior to the Clients’ investment

activities including to cover organizational expenses and partnership expenses, which use will incur interest expenses and fees calculated based on available, unused capacity under such facility, each of which can be significant. Subject to the limitations set forth in the Organizational Documents and the availability and the terms of any subscription-based credit facility for a Client, the Adviser has adopted, and may update, from time to time, a policy related to the use of such credit facilities. Generally and without limiting the foregoing, a Client can be expected to seek to utilize a subscription and/or NAV credit facility for the purpose of, among other things, financing any Investment-related activities of a Client (such as for assets that a Client does not intend to hold for a long term period or for an acquisition), covering partnership expenses, organizational expenses, Management Fees and any other costs of a Client, making distributions to Investors, providing permanent financing or refinancing or providing interim financing to consummate the purchase of Investments or repayment of a subscription credit facility used by a Client with proceeds from a net asset credit facility used by such Client. The amount of credit available to a Client under a subscription credit facility is determined by the credit quality of the Investors (and Investors in Other Blackstone Vehicles joined to the same facility) as determined by the lender whereas the amount of credit available under a NAV credit facility is tied to the value of the underlying assets pledged to such facility. Moreover, the credit quality of an Investor (or Investor in an Other Blackstone Vehicle joined to the same facility) may be negatively impacted (or disregarded completely by a lender) as a result of contractual agreements (including side letters) between such Investor (or Investor in an Other Blackstone Vehicle joined to the same facility) and Blackstone. For this reason, Investors (and Investors in Other Blackstone Vehicles joined to the same facility) with a higher credit quality, as determined by the lender, generate more credit for a Client (and such Other Blackstone Vehicles) than Investors (and Investors in Other Blackstone Vehicles joined to the same facility) with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality Investors (and investors) to the others.

Calculations of net and gross IRRs, if applicable, in respect of Investment and performance data as reported to Investors from time to time, are based on the payment date of capital contributions from Investors. This treatment also applies in instances where a fund utilizes borrowings under a fund's subscription credit facility in lieu of, or in advance of receiving capital contributions from Investors to repay any such borrowings. As a result, use of a subscription credit facility (or other long-term leverage) will impact calculations of returns and will result in a higher or lower reported IRR than if the amounts borrowed had instead been funded through capital contributions made by the Investors to a Client. If the use increases the IRR, as it normally does where an Investment increased in value, Blackstone will have various incentives to use the subscription credit facility,

including marketing efforts of Clients and Other Blackstone Vehicles. 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 performance-based compensation to the Adviser, providing an economic incentive to fund Investments through long-term borrowings in lieu of capital contributions. In addition, the Adviser can be expected to receive a greater amount of Management Fees if, following the investment period, borrowings under the facility utilized in lieu of a combination of investors' capital and non-recourse financing for Investments remain outstanding.

Clients can expect to utilize a subscription, a NAV and/or other similar credit facility and enter into other similar arrangements, financings and extensions of credit for the benefit of co-investors, Joint Venture Partners and other Clients and Other Blackstone Vehicles, including Blackstone side-by-side arrangements, which invest alongside a Client in one or more Investments. For example, a Client can be expected to draw from a borrowing to fund a Joint Venture Partner's or co-investor's *pro rata* share of an Investment or expense related to an Investment. In such circumstances, the Adviser generally intends to disclose such arrangements as part of the periodic reporting or other appropriate communications relating to a Client and to cause any such co-investors, Joint Venture Partners and other Clients and Other Blackstone Vehicles to bear (or reimburse a Client for) their *pro rata* share of any interest expenses (but not necessarily origination and other costs) allocable to such extensions of credit. However, any such co-investors, Joint Venture Partners and Other Blackstone Vehicles, although they benefit from such Client's subscription credit facility, will not bear any portion of the costs of establishing and maintaining such Client's subscription credit facility, which will be borne entirely by such Client. Additionally, conflicts of interest also have the potential to arise to the extent that a subscription credit facility is used to make an investment that is later sold in part to Joint Venture Partners, co-investors or Other Blackstone Vehicles, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription credit facility (or other financing) and neither the relevant Client nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities. The Adviser will, in certain circumstances, receive direct and indirect benefits from such uses as well, including as a result of the facilitation of co-investment by other Clients and Other Blackstone Vehicles. A Client will pay interest expenses and other expenses incurred in relation to the line of credit.



**Insurance.** A Client will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure the Client, Portfolio Entities, the Adviser, Blackstone and their respective directors, officers, employees, agents, representatives and members of the L.P. Advisory Committee, or otherwise, as applicable, against liability in connection with the activities of the Client. 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 Clients and Other Blackstone Vehicles, the Adviser and/or Blackstone (including their respective directors, officers, employees, agents and representatives, and representatives and members of the L.P. Advisory Committee, or otherwise, as applicable, or the Investor Representative of the Client, if any, and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella”, group or other insurance policies among one or more Clients and Other Blackstone Vehicles, the Adviser and/or Blackstone on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. For example, some property insurance could be allocated on a property-by-property basis in accordance with the relative values of the respective properties that are insured by such policies.

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

In respect of such insurance arrangements, Blackstone can be expected to make corrective allocations, from time to time, should it determine subsequently that such adjustments are necessary or advisable. There can be no assurance that different allocations or arrangements than

those implemented by Blackstone as provided above would not result in a Client and its Portfolio Entities bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

***Captive Insurance; Gryphon.*** Certain Clients and Other Blackstone Vehicles (and their Portfolio Entities) will also, in certain circumstances (including with respect to property insurance and terrorism insurance), self-insure through a captive insurance company (the “Captive” or “Gryphon”), owned entirely by its participants (including such Clients and such Other Blackstone Vehicles). An Affiliate of the Adviser provides oversight of the Captive’s management, sits on the boards of the Captive’s cells, provides a guarantee for a letter of credit to help capitalize the Captive and receives a fee based on a percentage of the premiums (subject to the benchmarking process described above), and a third-party insurance services firm provides brokerage, administration and insurer management services to Captive. Blackstone provides a guarantee for a letter of credit to help capitalize Gryphon. In exchange for such services, Blackstone receives a fee based on a percentage of the premiums (subject to the benchmarking process described above), and a third-party insurance services firm provides brokerage, administration and insurer management services to the Captive. The fees and expenses of the Captive, including insurance premiums and fees paid to its manager, will be borne by such Clients and Other Blackstone Vehicles pro rata based on estimates of insurance premiums that would have been payable for each party’s respective properties, as benchmarked by third parties, and are paid by each participant annually. While Clients do not expect to provide any funding in addition to such annual contribution, it is possible that each member of the Captive, including each such Client, is required to make additional capital contributions in certain circumstances. This arrangement is expected to provide such Clients with greater control over their property insurance and terrorism insurance programs and reduce overall costs of insurance through lower premiums and reduction or elimination of insurance brokerage costs. Such Clients may, however, be negatively affected to the extent there are disproportionate losses incurred on properties held by Other Blackstone Vehicles participating in the Captive, including through increased future premiums or the lost ability to recoup capital contributions, and there can be no assurance that the arrangement will not result in under- or over-allocation of costs to such Clients relative to Other Blackstone Vehicles or that different allocations or arrangements than those provided above would not result in such Clients and its Portfolio Entities bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies. (See also “—***Blackstone Affiliate Service Providers***” herein.) Gryphon currently engages, and is expected to continue to engage Revantage to provide corporate support services in respect of Gryphon’s activities (including assisting with Captive structuring,

related insurance placement and oversight and administration of claims). In connection therewith, Revantage is expected to earn commissions for such services related to the Gryphon property program placement, terrorism insurance, casualty program and other lines of coverage and may earn additional commissions during each such policy year. Such commissions will initially be used to offset costs of the Captive (which may include fees to Blackstone and allocated costs associated with Revantage's account payroll, professional services, travel and entertainment, employee development, technology costs and facilities and office services), with any excess funds being returned to or used for the benefit of participating funds in a reasonable manner, which may include reserving for (or advance payment of) additional anticipated costs or direct reimbursement in accordance with a reasonable allocation. Any such services and fees are in addition to the services provided and fees received by the Adviser. See also "*—Portfolio Entity Service Providers and Vendors*" and "*—Group Procurement; Discounts*" herein.

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

To the fullest extent permitted by applicable laws, a Portfolio Entity and/or, less commonly, a Client on behalf of a Portfolio Entity may, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in U.S. or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. Portfolio Entities are not considered Affiliates of the Adviser (and in some cases are not controlled by the Adviser), and therefore such activities are not subject to relevant policies of the Adviser and such activities may be undertaken by a Portfolio Entity without the knowledge or direction of the Adviser. In other circumstances, there may be initiatives where such activities are coordinated by Blackstone for the benefit of one or more Portfolio Entities. In certain circumstances, interests of a Portfolio Entity may not align with or be adverse to the interests of other Portfolio Entities, the applicable Client, Other Blackstone Vehicles or its Investors. The costs of such activities may be allocated among those Portfolio Entities (and borne indirectly by the Investors). While the costs of such activities will typically be borne by the Portfolio Entity (and indirectly the Client) undertaking such activities, such activities could also directly or indirectly benefit other Portfolio Entities, other Clients, Other Blackstone Vehicles or Blackstone (it being understood that to the extent the Adviser determines that such activities are in the best interests of an Investment, the Client, other Clients and/or Other Blackstone Vehicles, then such vehicle, as applicable, is expected to bear its pro rata share of such costs as partnership expenses). There can be no assurance that any such activities will be successful in advancing the interests of a Portfolio Entity or otherwise benefit such Portfolio Entity or the Client.

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

**Other Conflicts.** In addition, other present and future activities of Blackstone, Clients, Other Blackstone Vehicles and their Portfolio Entities, Affiliates and related parties will, from time to time, give rise to additional conflicts of interest relating to a Client and its investment activities. The Adviser generally attempts to resolve conflicts in a fair and reasonable manner, but conflicts will not necessarily be resolved in favor of a Client's interests. In addition, pursuant to the Organizational Documents, an L.P. Advisory Committee, as applicable, will be established and

authorized to give consent on behalf of a Client with respect to certain matters and, in certain circumstances, the Adviser may retain or cause a Client to retain an Investor Representative to review and consent to certain transactions or matters presenting actual or potential conflicts of interest involving a Client and one or more Affiliates of the Adviser. If the L.P. Advisory Committee, or otherwise, as applicable, consents to a particular matter and the Adviser acts in a manner consistent with, or pursuant to the standards and procedures approved by, the L.P. Advisory Committee or otherwise as provided in the Organizational Documents, then the Adviser and its Affiliates will not have any liability to a Client or the Investors for such actions taken in good faith by them. However, the L.P. Advisory Committee, or otherwise, as applicable, will not represent the interests of all the Investors, each member of the L.P. Advisory Committee, or otherwise, as applicable, may act in the interests of the Investor with which it is associated, and the members of the L.P. Advisory Committee, or otherwise, as applicable, may themselves be subject to various conflicts of interest. In general, the Investors will not be entitled to control the selection or removal of members of the L.P. Advisory Committee, or otherwise, as applicable, which shall be determined by Blackstone in its sole discretion (including based on an Investor's aggregate Commitment to the Blackstone, provided that the Blackstone may remove a member from the L.P. Advisory Committee and revoke an Investor's right to appoint a member of the L.P. Advisory Committee, subject to any side letter obligations or restrictions, at any time and for any reason, including if such Investor does not maintain a certain aggregate Commitment to the Partnership (including as a result of withdrawals)) or to review the actions or deliberations of the L.P. Advisory Committee, or otherwise, as applicable. Furthermore, some or all of the members of the L.P. Advisory Committee, or otherwise, as applicable, may also be on the advisory committee of Other Blackstone Vehicles with which there is a potential conflict or may represent Investors that have an interest in both a Client and such Other Blackstone Vehicle. Such L.P. Advisory Committee members, or otherwise, as applicable, will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve actual or potential conflicts of interest. Furthermore, in situations where a Client makes an Investment alongside an Other Blackstone Vehicle, it is possible that while a Client may require approval of the L.P. Advisory Committee, or otherwise, as applicable, to participate in such Investment, such Other Blackstone Vehicle may not require approval from its respective advisory body (and *vice versa*).

In the case of an appointment of an Investor Representative of a Client, to the extent that the Investor Representative of a Client is to review a proposed transaction or other conflict, the Investor Representative of a Client shall consist of one or more persons with substantial experience

in, and knowledge of, the relevant market and related investment arenas who are independent of the Adviser and Blackstone. The Adviser shall have the right to remove or replace an Investor Representative of a Client at any time or appoint more than one Investor Representatives of a Client to address separate conflicts in its discretion. An Investor Representative of a Client may be paid a fee by such Client to be determined by the Adviser. To the fullest extent permitted by applicable law, an Investor Representative of a Client shall not owe any fiduciary (or other similar) duty to the Client, any Investor or the Investors as a group in connection with the activities of such Investor Representative, and an Investor Representative shall not have any obligation to act in the interests of the Client, any Investor, or the Investors as a group or have any other duty to the Client, any Investor, or the Investors as a group, other than a duty to act in good faith.

***Additional Potential Conflicts of Interest.*** The officers, directors, members, managers and personnel of the Adviser can be expected to trade in securities and make personal investments for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies or as otherwise determined, from time to time, by the Adviser. 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 a Client holds or acquires 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 a Client or pursue similar investment opportunities as a Client. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of the Adviser can be expected to take into account certain considerations and other factors in connection with the management of the business and affairs of a Client and its Portfolio Entities that would not necessarily be taken into account if Blackstone were not a public company. The directors of Blackstone have fiduciary duties to Blackstone Inc. that may conflict with their duties to a Client. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to a Client and Other Blackstone Vehicles, the Adviser could decline to undertake investment activity or transact with a counterparty on behalf of a Client for reputational reasons, and this decision could result in a Client foregoing a profit or suffering a loss. See also “—***Outside Activities of Principals and Other Personnel and their Related Parties***” above.

***Side Letters and Agreements.*** The Adviser will enter into side letters or other similar agreements with certain Investors in connection with their admission to the partnership without the approval of any other Investor, which will have the effect of establishing rights (other than as set forth in

the PPM and the Organizational Documents as a general matter) under or altering or supplementing the terms of the Organizational Documents with respect to such Investors in a manner more favorable to such Investors than those applicable to other Investors. Such rights or terms in any such side letter or other similar agreement typically include, without limitation, (i) the Adviser's agreement to extend information rights or reporting to such Investor, including, without limitation, to accommodate special tax, regulatory, policy or other circumstances of such Investor, (ii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the Adviser for the benefit of lenders or other persons extending credit to or arranging financing for the Client, (iii) consent of the Adviser to certain transfers by such Investor or other exercises by the Adviser of its discretionary authority under the Organizational Documents for the benefit of such Investor, (iv) restrictions on, or special rights of, such Investor with respect to, the activities of the Adviser, (v) withdrawal rights (subject to the consent of the Adviser) due to legal, regulatory, tax, accounting or policy matters, including matters related to political contributions, gifts, disclosure of identity, internal investments guidelines and other such policies, (vi) other rights or terms necessary in light of particular legal, regulatory, tax, accounting or public policy characteristics of an Investor, (vii) economic arrangements (including, for example, with respect to the amount of any Servicing Fees and/or Management Fees charged to a limited partner and/or full or partial waiver thereof, which waiver may be determined in the Adviser's sole discretion), (viii) matters regarding such Investor's right to participate in co-investment opportunities, (ix) matters regarding such Investor's (or its affiliates') interest in providing debt financing to the Client or its Portfolio Entities, (x) additional obligations, and restrictions of the Client with respect to the structuring of any investment (including with respect to alternative investment vehicles) or (xi) waiver or modification of the default remedies that can be enforced against such limited partner, or (xii) excuse or exclusion rights applicable to particular Investments, including the application of excuse rights on an "automatic" basis (which may increase the percentage interest of other Investors in, and contribution obligations of other Investors with respect to, such Investments). Such side letters may permit such Investors to take actions on the basis of information not available to other Investors that do not have the benefit of such agreements. Any rights or terms established in a side letter with an Investor (including, for example, with respect to Management Fees, Servicing Fees and performance-based compensation to be charged to such investor as determined in the Adviser's sole discretion) will govern solely with respect to such Investor (and any of such Investor's assignees or transferees if so specified in the side letter) and will not require the approval of any other Investor notwithstanding any other provision of the Organizational Documents and, for the avoidance of doubt, matters arising under

any such side letter are considered matters contemplated in the Organizational Documents and the limitation on liability provisions therein shall apply equally to any such side letter.

Notwithstanding the fact that an Investor has a most-favored-nations provision in its side letter, such Investor will not, notwithstanding the terms of such side letter provision, have the right to elect any rights or benefits: (a) unless such Investor agrees to be bound by any obligations, restrictions or other terms related to such rights or benefits that have been agreed to with the investor initially granted such rights or benefits and satisfies any conditions upon which such rights and benefits are expressed to be granted; (b) contained in any side letter entered into in connection with the admission of an investor and its affiliates to the partnership and Other Blackstone Vehicles pursuant to an overall arrangement with Blackstone (such as a Strategic Relationship), which side letter, for greater certainty, may remain confidential and not shared with any other investors; (c) in respect of any supplemental capital vehicle (including any Supplemental Account described in “*Other Blackstone Vehicles; Allocation of Investment Opportunities*” herein) established through which one or more Investors could co-invest alongside the Client and/or certain Other Blackstone Vehicles; (d) that relate to appointing (or removing) a representative or non-voting observer to an advisory board or board of directors established in respect of an Investment; (e) that relate to a waiver of the Servicing Fee, in whole or in part, with respect to an Investor (any such waiver being made by the General Partner in its sole discretion, for any reason, such as an Investor’s relationship with Blackstone, or no reason at all); (f) established in favor of another investor by reason of the fact that such other investor is subject to any laws, rules, regulations or policies to which the Investor is not also subject; (g) that are personal to another investor based solely on the place of organization or headquarters of, organizational form of, or other particular restrictions or considerations applicable to, such investor (including with respect to percentage ownership of the Client, placement fees or anti-money laundering representations); (h) relating to the provision to, or disclosure by, an Investor or agent thereof of information concerning the Client, any parallel fund, any alternative vehicle, the Adviser or any of their affiliates, any Portfolio Entity and/or an Investment; (i) granted to an affiliate of Blackstone (including, for this purpose, any Other Blackstone Vehicle and/or charity, foundation or endowment or other similar program (including any related entities, vehicles and/or accounts) associated with Blackstone), Blackstone’s senior and/or key advisors and relationships, operating partners and/or its current or former employees, professionals, partners and affiliates, among other items; and/or (j) granted to any employees and/or other professionals of a Portfolio Entity or an Investment. Moreover, such most-favored-nations provisions do not require the Adviser to disclose to any Investor provisions provided to other Investors that such Investor is not eligible to elect as determined in the General



Partner’s discretion, and therefore an Investor may not be made aware of certain provisions to other Investors.

It is also expected that Blackstone will from time to time confirm factual matters to incoming Investors, make statements of intent or expectation to such Investors or acknowledge statements by such incoming Investors that relate to the Client and/or Blackstone’s activities pertaining thereto in one or more respects. In addition, Blackstone may from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more 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 therefore will not be subject to the “most favored nations” process or election by the Investors, and as a result Investors will not typically receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on the Client or that such arrangements will not influence Blackstone’s activities or the operations of the Client.

It is expected that an Investor’s excuse or exclusion right otherwise applicable to one or more Investments will be limited or unavailable in respect of follow-on investments relating to such Investments, particularly where a follow-on investment results from decisions in respect of subsequent acquisitions made by management of the relevant Portfolio Entity, or the follow-on investment is made as part of a platform investment or in the same Portfolio Entity as the initial Investment (and therefore is not segregated from the initial Investment).

#### **Other Financial Industry Affiliations**

The Adviser is an Affiliate of the following entities:

<b>Bank Entity</b>	
Luminor Bank AS*	A Baltic bank purchased by Blackstone Capital Partners
<b>Broker-Dealer Entities</b>	
Assetpoint Financial, LLC*	Operates a service that facilitates the entry by banks and other financial institutions in to repurchase agreement transactions for themselves or as agent for their customers

Blackstone Securities Partners L.P.	Provides a variety of limited investment banking services
Currencies Direct Ltd.**	Provides money transfer services to individuals and businesses on a global basis
Everlake Distributors LLC*	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
<b>Investment Advisor Entities</b>	
Blackstone Alternative Asset Management L.P.	Manages a series of private funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Credit Advisors LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
Blackstone Alternative Investment Advisors L.L.C.	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 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 Investments Advisors L.L.C.	Provides investment advisory services to multi-strategy private equity funds
Blackstone Private Credit Strategies LLC	Provides investment advisory services to a number of debt-focused private investment 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 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
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
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>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
Napier Park Global Capital (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*	A life insurance company domiciled in the State of Illinois
Everlake Life Insurance Company*	A life insurance company domiciled in the State of Illinois specializing in life insurance and annuities
Everlake Reinsurance Limited*	An exempted reinsurance company organized under the laws of the Cayman Islands
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 Entity of affiliated private equity fund

\*\*Portfolio Entity of affiliated tactical opportunities funds

\*\*\*Portfolio Entity 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 Entity of Blackstone Credit funds

Note: The Adviser manages a number of private Clients which are listed in ADV Part 1, Schedule D, Section 7.B (1).

Various management personnel are registered with the Blackstone broker-dealer, BSP, which serves as placement agent to Clients. Blackstone does not believe these registrations, in and of themselves, create conflicts for our Investors.

In addition, the Blackstone Real Estate Group has formed a special entity to serve as a counterparty to contracts with third parties, including but not limited to service providers to the Real Estate Vehicles.

Finally, other present and future activities of Blackstone will, from time to time, give rise to additional conflicts of interest. In the event that any such conflict of interest arises, Blackstone will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of a Client's interests.

**A more detailed description of applicable conflicts of interest is set forth in the Offering Documents of each Client, which Investors are encouraged to consult.**

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## Item 11 – Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

The Adviser is governed by the Code of Ethics. The Code of Ethics governs a number of potential conflicts of interest which exist when providing advisory services to the Investors in the Clients it manages. The Code of Ethics is reasonably designed to ensure that the Adviser meets its fiduciary obligation to the Adviser's Clients (or prospective clients) and to instill a culture of compliance within the Adviser. An additional benefit of the Code of Ethics is to detect and prevent violations of securities laws.

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

The Code of Ethics includes, among other items, the following:

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

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

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

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The Adviser and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that such trading be conducted for investment rather than speculative purposes (including by having minimum holding periods) and that all such personal securities transactions receive pre-clearance from the Blackstone Legal and Compliance Department. As a policy matter, Blackstone personnel are generally prohibited from purchasing single-name public securities in their self-directed personal securities brokerage accounts. These guidelines are reasonably designed to comply with SEC requirements that registered investment advisers have a Code of Ethics, and are intended to assist Blackstone with identifying and mitigating actual or potential conflicts of interest with Clients or Other Blackstone Vehicles that may arise as a result of such transactions. In addition, Blackstone has implemented certain policies and procedures (*e.g.*, information walls) to restrict access to material non-public information. The Blackstone Legal and Compliance Department is responsible for overseeing compliance with the requirements of the Code of Ethics, which requirements include, but are not limited to, reporting of personal investment activities, accounts, pre-clearance of personal securities transactions, reporting of certain investment transactions and periodic compliance certifications. The Code of Ethics is available for review upon request.

You may request a copy of Blackstone's Code of Ethics by contacting the Adviser's Chief Compliance Officer, Madeleine Russo, at (212) 583-5000.

The Adviser does not participate in principal trading generally; however, the Adviser is permitted to if the Adviser obtained appropriate Investor (or Investor Representative, if applicable) approvals.

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## Item 12 – Brokerage Practices

In the event the Adviser executes a brokerage transaction for the Clients, the Adviser will generally consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, and the broker's reputation and responsiveness to requests for trade data and other financial information.

The Real Estate Group has established a Brokerage Review and Best Execution Committee that meets on a quarterly basis to review a schedule of the executing brokers and dealers utilized by the Adviser during the preceding quarter and the commissions paid to, and services received from, such brokers and dealers, to evaluate reasonableness in light of services received and consistency with the Adviser's policies and procedures.

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## Item 13 – Review of Accounts

### *Review of Accounts*

Currently, the only accounts under the supervision of the Adviser are the accounts of the Clients. The Clients' accounts and Investment positions are monitored by the Adviser's personnel on a regular and current basis. The Adviser might periodically review on an expedited basis the assets of a Client following a unique occurrence in the financial industry or market generally.

The Blackstone Real Estate Group Investment Committee generally meets weekly to carefully review and challenge Investments and dispositions around the world. Discussions are led by the Global Co-Heads of Real Estate. In addition to its Chairman, who is also the President and Chief Operating Officer of Blackstone, the Blackstone Real Estate Group Investment Committee also includes the Chairman and CEO of Blackstone, the CFO of Blackstone, and all Senior Managing Directors in the Blackstone Real Estate Group. Blackstone manages its Investments through proactive day-to-day asset management, as well as regular global asset reviews and quarterly valuation meetings. Certain significant Investments of the Clients are reviewed and approved by the Blackstone Real Estate Group Investment Committee. Smaller Investments are reviewed by a prescribed subset of the Blackstone Real Estate Group Investment Committee. The Blackstone Real Estate Group Investment Committee utilizes a consensus-based approach to decision-making among the members.

### *Reports to Clients*

Investors in the Clients generally will receive written periodic reports which will include capital balance and applicable Client performance statistics. Investors in the Clients will also receive written annual audited financial statements for the Client in which they are invested. The Adviser makes use of a website, BXAccess, available at [www.bxaccess.com](http://www.bxaccess.com), for the distribution of reports and other information to Investors in the Clients.

The Adviser generally will provide information that certain Investors in the Clients may request, including additional information relating to the Clients and/or Portfolio Entities, to the extent such information is readily available or may be obtained without unreasonable effort or expense. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Clients that may not be known to other Investors. As a result, certain Investors can be expected to be able to take actions on the basis of such information

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which, in the absence of such information, other Investors do not take. Furthermore, at certain times the Adviser may be restricted from disclosing to Investors material non-public information regarding any assets in which a Client invests, particularly those investments in which an Other Blackstone Vehicle or Portfolio Entity that is publicly registered co-invests with a Client. See also “—*Affiliated Investors*” herein.



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## Item 14 – Client Referrals and Other Compensation

While not an arrangement for client referrals, the Adviser 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 Client to certain potential investors. Such placement agents, or their affiliates, in certain cases form investment vehicles for the purpose of investing in a Client 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 Client.

Typically, third-party solicitors will receive compensation based on the commitment amounts of the Investors they solicited (although other payment arrangements could exist). Other forms of compensation for placement agent include a form of a retainer and/or a portion of Management Fees or performance-based compensation (although other payment arrangements could exist). Such compensation may also be in the form of a reduction of the Management Fee.

The Adviser also typically reimburses the placement agents for expenses incurred in connection with soliciting investors. A placement agent may directly charge investors additional placement fees (or other fees) in connection with their investment in the Clients, and such fees generally do not reduce fees such as Management Fees paid in connection with an investment a Client. The Clients may agree to 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**.

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

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## Item 15 – Custody

The Custody Rule defines custody as holding client securities or funds or having any authority to obtain possession of them. The Clients generally have an Affiliate of the Adviser acting as General Partner and, as such, the Adviser is deemed to have custody of the Clients' funds. The Adviser generally complies with the Custody Rule by, among other things, providing all Investors in a Client with audited financial statements.

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## Item 16 – Investment Discretion

The Adviser maintains the authority to manage or advise the Clients on a discretionary basis, subject to the overall supervision of the applicable General Partner (or the board of directors (as applicable)), in accordance with the investment guidelines, objectives, limitations and other provisions and terms set forth in the Organizational Documents and the Advisory Agreements, as applicable.

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

### Proxy Policy

The Proxy Rule requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because the Adviser will generally be deemed to have authority to vote Proxies relating to the companies in which its clients invest, the Adviser has adopted the Proxy Voting Policy in compliance with the Proxy Rule. To the extent that the Adviser exercises or is deemed to be exercising voting authority over its clients' securities, the Proxy Voting Policy is reasonably designed and implemented in a manner reasonably expected to ensure that voting with respect to Proxies is exercised in a manner that serves the best interest of its clients, as determined by the Adviser in its sole discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, the Adviser may not always vote Proxies in accordance with the Proxy Voting Policy. In addition, many possible proxy matters are not covered in the Proxy Voting Policy. Generally, the Adviser will vote Proxies (i) in favor of management's recommendation for the election of the board of directors and (ii) to approve the financial statements as presented by management.

From time to time, conflicts can be expected to arise between the interests of the Investor, on the one hand, and the interests of the Adviser or its Affiliates, on the other hand. If a material conflict is identified by the Chief Compliance Officer, Head of Asset Management and/or one or both of the Global Co-Heads, the Blackstone Real Estate Group will determine whether voting in accordance with the Adviser's Proxy Voting Policy is in the best interests of its Clients. The Adviser, in its sole discretion, may elect not to vote a Proxy if unduly burdensome.

Investors may request a copy of the Proxy Voting Policy and the voting records relating to Proxies as provided by the Proxy Rule by contacting the Adviser's Chief Compliance Officer, Madeleine Russo, at (212) 583-5000.

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## Item 18 – Financial Information

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Investors.

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## Item 19 – Requirements for State Registered Advisers

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