

## Item 1: Cover Page

# CLOVER CREDIT MANAGEMENT, LLC

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as of March 28, 2024

Part 2A of Form ADV (the “**Disclosure Brochure**” or “**Brochure**”), as required by the Investment Advisers Act of 1940 (the “**Advisers Act**”), provides important information about Clover Credit Management, LLC, a registered investment adviser with the United States Securities and Exchange Commission (the “**SEC**”), and its relying adviser, Clover CLO Advisors, LLC (together, the “**Registrant**” or “**CCM**”).

This Brochure provides information about the Registrant’s qualifications and business practices. If you have any questions about the contents of this Brochure, please contact the Registrant at +1 (212) 503-2100. Additional information about the Registrant is also available on the SEC’s website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search,” select “Firm” and type in the Registrant’s name). Results will provide you with Parts 1 and 2A of the Registrant’s Form ADV.

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. The Registrant’s registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications the Registrant provides to you, including this Brochure, serve as information for you to use to evaluate the Registrant and should be considered in your decision whether to invest in an investment vehicle advised by the Registrant.

## Item 2: Material Changes

This Brochure contains important information about the Registrant. This Brochure is intended to provide potential and existing clients with an overview of the Registrant (together with its affiliated advisory entities, including but not limited to investment advisers, General Partners (as defined herein) or similar entities, that operate as part of the credit and asset-based finance business segment of Blackstone Inc., “**Blackstone Credit**” (formerly known as “**GSO**”) and together with its affiliated advisory entities that operate as part of the business of Blackstone Inc., “**Blackstone**”). It also contains important disclosures such as certain practices of the Registrant, potential material conflicts that could arise and key potential investment risks. The Registrant can, at any time, update this Brochure and either send or offer to send a copy to you (either by electronic means (email) or in hard copy form).

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

Item 4 has been updated to reflect the newly formed Blackstone Credit and Insurance platform. Otherwise, while there have been no material changes to this Brochure, please read Items 8, 10 and 12 as they also contain important disclosures such as certain practices of the Registrant, potential conflicts that could arise and key potential investment risks, respectively.

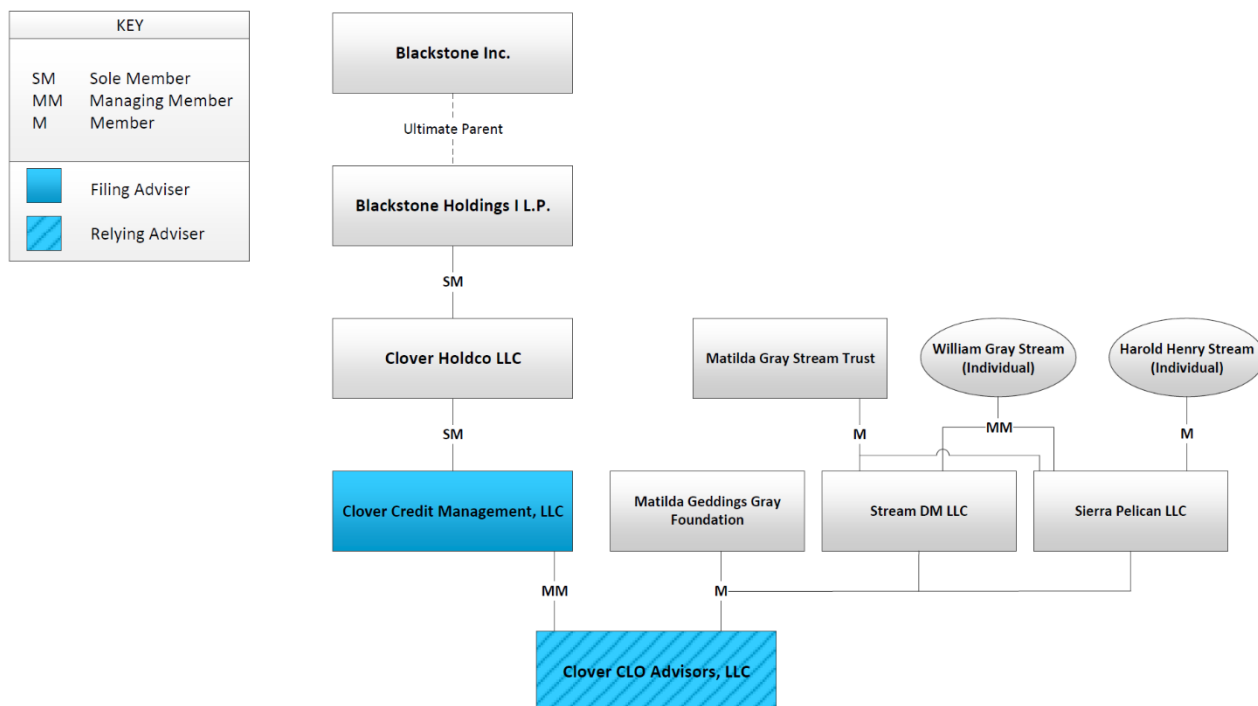
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## Item 4: Advisory Business

Blackstone Credit manages (i) pooled investment vehicles operating as private investment funds, including collateralized loan obligation (“**CLO**”) vehicles, open-ended funds, closed-ended funds, and funds in which affiliates or employees of Blackstone Credit invest alongside such other private investment funds and (ii) registered investment companies (collectively, the “**Funds**”). In addition, Blackstone Credit provides sub-advisory services to other investment advisers (the “**Adviser Clients**”) who in turn advise their clients. Also, Blackstone Credit provides investment advisory services to individually-managed accounts (the “**Managed Accounts**”). The Funds, Adviser Clients, and the third party investors in or owners of such Managed Accounts shall be referred to herein as the “**Clients**.” CCM generally serves as investment manager for various CLOs. Affiliates of the Registrant serve as general partner (each, a “**General Partner**”) of certain of the Funds. Blackstone Credit also provides investment management or sub-advisory services to other clients, other investment funds, client accounts (including managed accounts), and proprietary accounts and/or similar arrangements (including arrangements in which one or more Clients or one or more Other Clients (defined herein) own interests) in each case including any related vehicles (such other clients, funds and accounts, collectively the “**Other Blackstone Credit Clients**” (as further defined below)). In addition, Blackstone provides investment management or sub-advisory services to other clients, other investment funds, client accounts (including managed accounts), and proprietary accounts and/or other similar arrangements (including arrangements in which one or more Clients or one or more Other Clients own interests), in each case including any related vehicles (such other clients, funds and accounts, other than Clients and the Other Blackstone Credit Clients, collectively the “**Blackstone Clients**” (as further defined below), and together with the Other Blackstone Credit Clients, the “**Other Clients**”).

Blackstone Credit (formerly known as GSO) was founded in July 2005. On March 3, 2008, Blackstone acquired a controlling stake in the business. The ultimate parent of the Registrant is Blackstone Inc., which is a publicly held corporation listed on the New York Stock Exchange that trades under the ticker symbol “BX.” Effective as of July 1, 2019, Blackstone Inc. (formerly known as The Blackstone Group Inc.) converted from a Delaware limited partnership named The Blackstone Group L.P. to a Delaware corporation. Please see the structure chart below. Blackstone is a leading global alternative investment manager with investment vehicles focused on real estate, private equity, hedge fund solutions, credit, infrastructure, secondary funds of funds and other multi-asset class strategies. Effective as of January 1, 2024, Blackstone Credit, Blackstone Insurance Solutions and Blackstone’s Asset Based Finance platform were integrated into a single new unit, “**Blackstone Credit & Insurance**” or “**BXCI**”. For the avoidance of doubt, references to Blackstone Credit throughout this brochure exclude any insurance-focused asset management affiliates in BXCI. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



Blackstone Credit provides investment advice to Clients primarily in respect of investments in first lien loans, second lien loans, high yield bonds, distressed securities, mezzanine securities, public and private equity, and derivatives in respect of the foregoing. Blackstone Credit provides advice with respect to direct lending loan origination and with respect to trading of syndicated and actively traded loans or securities.

In certain situations, the Registrant is able to tailor its advisory services and investments based on specific Client objectives and/or investment strategies as discussed with the applicable Client.

CCM's regulatory assets under management were approximately \$3.5 billion as of December 31, 2023, all of which are managed on a discretionary basis.

## Item 5: Fees and Compensation

### Management Fees

For its investment advisory services provided to CLOs, the Registrant will typically receive a “base management fee” and a “subordinated management fee,” each as a percentage of the gross value of assets held by the CLO, which may include capital borrowed from leverage providers, pursuant to the Offering and/or Governing Documents (as defined below), which are provided to prospective investors. Fees for the CLOs are disclosed in the collateral management agreement, to which the relevant CLO is a party, and in the relevant offering documents. Such offering and/or governing documents, including the collateral management agreement, offering circular and indenture in the case of a CLO and private placement memoranda, limited partnership agreements, investment management agreements and similar for other types of Funds, will be referred to herein as the **“Offering and/or Governing Documents.”** Notwithstanding this **Item 5** and **Item 6** below, a Client’s Offering and/or Governing Documents can provide for a fee structure pursuant to which the Registrant is compensated on the basis of entirely different criteria, metrics, or circumstances than those described herein.

While the Registrant’s policy is that its fees are not negotiable, the Registrant reserves the right to determine, in its discretion, to waive or reduce its fees for certain investors, including, certain affiliates of Blackstone, current or former senior advisors, officers, directors and personnel of Blackstone, portfolio companies of Clients and Other Clients, BIS Clients (as defined below) and **“ABF Clients”** (i.e., certain funds and accounts advised by BXCI and focused on asset-based finance, including insurers and other types of investors), personnel of PJT (as defined below), and investment funds advised by Blackstone Multi-Asset Advisors L.L.C. (including, among other investment funds, side-by-side vehicles sponsored by Blackstone), and/or charitable programs, endowment funds and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants and other related persons or entities) and other persons related to Blackstone (collectively, **“Blackstone Credit Investors”**). For the avoidance of doubt, in the case of an affiliated investor that is an Other Client with its own underlying investors, such underlying investors are generally subject to performance-based fees and/or management fees in connection with their investment in such Other Client.

Further, the existence of differing management fees for Clients of Blackstone Credit or its affiliates investing side-by-side will create a conflict of interest for Blackstone Credit and its affiliates with respect to the allocation of investment opportunities because it incentivizes Blackstone Credit to allocate investment opportunities that could be appropriate for multiple CLOs to those CLOs who pay management fees (including on net assets or invested capital) at higher rates. Blackstone Credit’s investment allocation policy (see **Item 16 – Investment Discretion**) addresses this conflict of interest. Any such methodology (including the choice thereof) involves inherent conflicts because certain methods of expense allocations when compared to other available methods of expense allocation, benefit or impose expenses on Blackstone Credit Investors, and might not result in perfect attribution and allocation of expenses. In addition, by virtue of their affiliation with Blackstone Credit, affiliated investors will have more information about the applicable Client and

its 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. Additionally, in case of an investor that is an Other Client with its own underlying investors, such underlying investors receive, in certain circumstances, preferential or different terms in connection with their investment in such Other Client as compared to the other investors. While such affiliated investors and/or applicable 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 Clients or other investors.

Blackstone Credit from time to time enters into economic and/or other fee sharing arrangements with respect to one or more Clients and/or certain limited partners thereof and/or more third parties (including, without limitation, one or more third party investment funds or investment accounts for which Blackstone may provide administrative, valuation or similar non-advisory services and/or receive transaction or other fees with respect to investments), the rights of which will not generally be made available to other limited partners.

Subject to the applicable Offering and/or Governing Documents, each CLO will generally be responsible for such CLO's organizational expenses, including, without limitation, legal, accounting, filing, travel, meals, accommodations, capital raising, marketing, advertising and wholesaling and other organizational expenses.

Blackstone Credit, on behalf of certain Clients and/or their portfolio companies, enters into agreements regarding group procurement (including, but not limited to CoreTrust), benefits management, purchase of title and other insurance policies (which can be expected to include brokerage or placement thereof), and will from time to time be pooled across portfolio companies and discounted due to scale, including through sharing of deductibles and other forms of shared risk retention from a third party or an affiliate of Blackstone Credit and/or Blackstone, and other operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among the relevant Clients, Other Clients and their portfolio companies. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone Credit and/or Blackstone or their affiliates (including personnel), Clients and their portfolio companies, Other Clients and their portfolio companies, including as a result of transactions entered into by a Client and its portfolio companies and/or related to a portion of the savings achieved by the portfolio companies. Such commissions or payment will not be subject to management fee offset provisions. Blackstone and/or Blackstone Credit 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 company of an Other Client is providing such a service, such portfolio company and such Other Client will benefit. Further, the benefits received by a particular portfolio company providing the services could be greater than those received by certain Clients and their portfolio companies receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, as Blackstone Credit's economic benefit incentivizes it to maintain such arrangements and certain Clients might receive greater benefits for the same or lesser cost than other Clients receiving the same service, and Blackstone Credit handles them in its sole discretion. Blackstone Credit and its affiliates receive referral fees in connection with the services provided to the Clients and/or their portfolio companies by CoreTrust. These

referral fees do not offset management fees payable by investors. See “Service Providers, Vendors and Other Counterparties Generally” in **Item 10 – Other Financial Industry Activities and Affiliations** below.

Blackstone Credit or its portfolio companies will also engage and retain certain Blackstone affiliates (including, for example, Equity Healthcare (defined in **Item 10 – Other Financial Industry Activities and Affiliations**)) that will receive fees from the Clients and/or their portfolio companies for providing administrative, management or other services. See “Service Providers, Vendors and Other Counterparties Generally” in **Item 10 – Other Financial Industry Activities and Affiliations** below. These fees will be borne by the Clients and will not result in any offset to the management fee payable by a Client.

Blackstone Credit engages and retains on behalf of the Clients and/or their portfolio companies, strategic advisors, senior advisors, consultants and other similar professionals who are not employees or affiliates of Blackstone and who will, from time to time, receive payments from, or performance-based compensation with respect to, portfolio companies (as well as from Blackstone or the Clients), and such amounts will not offset the management fees payable by the investors. See “Advisors, Consultants and Operating Partners” in **Item 10 – Other Financial Industry Activities and Affiliations** below.

In addition, Blackstone Credit will from time to time receive fees associated with capital invested by co-investors relating to investments in which Clients participate. These fees do not offset management fees payable by Fund investors.

### **Timing of Fee Payments**

Base management fees and subordinated management fees generally are payable quarterly in arrears, subject to the applicable Offering and/or Governing Documents. The Registrant can elect to defer payment of all or part of the management fee payable by a CLO. Management fees payable by a CLO are paid as part of each respective CLO’s distribution waterfall, and generally assessed quarterly.

### **Additional Fees and Expenses**

The Offering and/or Governing Documents of each CLO provide a description of any additional fees and expenses for which such Client would be responsible in addition to the management fees and any performance-based allocations or fees (see **Item 6 – Performance-Based Fees and Side-By-Side Management** below).

In addition, each Client will typically be responsible for all expenses related to its operation, including all costs and expenses of maintaining the operations of the Client and its investments paid by or on behalf of the Client, including, without limitation:

- (i) All taxes, fees, costs, and expenses, retainers and/or other payments of accountants, legal counsel, advisors (including compensation costs specifically allocated or attributed by the Registrant or its affiliates with respect to in-house attorneys to provide advice and/or



services on matters related to potential or actual investments and the ongoing operations of the Clients, and with respect to CLOs, matters related to (i) the organization and maintenance of issuers, co-issuers and any issuer subsidiaries, (ii) the issuances of CLO notes and documentation relating thereto and (iii) potential or actual investments in CLO collateral obligations and potential or actual investments in the CLO notes), independent representatives, administrators, auditors (including with respect to any additional auditing required under the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers (“AIFMD”)), investment bankers, administrative agents, paying agents, depositaries, broker-dealers, custodians, trustees, sub-custodians, consultants (including individuals consulted through expert network consulting firms, senior and other advisors and ESG (defined herein) consultants), engineers, geologists, landmen, industry experts, senior advisors, industry experts, operating partners, deal sourcers (including personnel dedicated to but not employed by Blackstone Credit or Blackstone), and other professionals (including, for the avoidance of doubt, the costs and charges allocable with respect to the provision of internal legal, tax, accounting, technology or other services and professionals related thereto as deemed appropriate by the Registrant where such internal personnel perform services that would be paid by a Client if outside service providers provided the same services); fees, costs, and expenses herein include (a) costs, expenses and fees for hours spent by its in-house attorneys and tax advisors that provide transactional legal advice and/or services to a Client or its portfolio companies on matters related to potential or actual investments and transactions and the ongoing operations of such Client and (b) expenses and fees to provide administrative, accounting, technology and/or technology-related services to a Client or its portfolio companies (including any overhead related thereto), and expenses, charges and/or related costs incurred directly by a Client or Blackstone Credit or its affiliates in connection such services (including overhead related thereto), in each case, (x) that are specifically charged or specifically allocated or attributed by Blackstone Credit or its affiliates to a Client or its portfolio companies and (y) provided that any such amounts shall not be greater than what would be paid to an unaffiliated third party for substantially similar advice and/or services;

- (ii) all fees, costs and expenses (including compensation costs) associated with a Client’s information, obtaining and maintaining technology (including the costs of any professional service providers), hardware/software (including hardware/software that analyze operational improvements as a part of due diligence or otherwise utilized in connection with a Client’s investments), data-related, communication, market data and research utilized in connection with a Client’s investment and operational activities, portfolio management, accounting systems, reporting (which could include internally allocated charges), information service subscriptions and research (including news and quotation equipment and services and including costs allocated by Blackstone’s internal and third-party research group (which are generally based on time spent, assets under management, usage rates, proportionate holdings, or a combination thereof) and expenses and fees (including compensation costs) charged or specifically attributed or allocated by Blackstone Credit and/or its affiliates for data and/or data science-related services (*e.g.*, data analytics and statistical modeling) provided to a Client and/or its portfolio companies (including in connection with prospective investments), each including expenses, charges, fees and/or related costs of an internal nature; provided,

- that any such expenses, charges or related costs shall not be greater than what would be paid to an unaffiliated third party for substantially similar services);
- (iii) all fees, costs and expenses of any loan servicers, asset services (for example, in connection with the management or administration of a pool of assets that is held directly or indirectly by Clients) and asset/property management and other service providers and of any custodians, lenders, investment banks and other financing sources;
  - (iv) all fees, costs and expenses, if any, incurred by or on behalf of a Client in developing, negotiating and structuring prospective or potential investments that are not ultimately made, including, without limitation, any legal, tax, administrative, accounting, travel, meals, accommodations, advisory, financing and consulting costs and expenses, printing expenses, reverse termination fees and any liquidated damages, commitment fees that become payable in connection with a proposed investment that is not ultimately made, forfeited deposits or similar payments ("**Broken Deal Expenses**"), to the extent a General Partner or Blackstone Credit does not elect to bear such costs and expenses;
  - (v) all fees, expenses, charges and/or related costs incurred in sourcing, discovering, investigating, evaluating, analyzing, developing, negotiating, structuring, acquiring, trading (including trading errors), hedging, settling (including any delayed compensation expenses), monitoring, holding and disposing of prospective, actual or potentially un consummated investments or investment strategies including, without limitation, any financing, legal, filing, auditing, tax, accounting, compliance, loan administration, travel, meals, accommodations and entertainment, advisory, consulting, engineering, data-science and/or data-related service (*e.g.*, data analytics and statistical modeling), and other professional fees, costs and expenses in connection therewith (to the extent a General Partner or Blackstone Credit is not reimbursed by a prospective or actual portfolio company or other third parties or capitalized as part of the acquisition price of the transaction) and any fees, costs and expenses related to the organization or maintenance of any vehicle through which a Client or any investor directly or indirectly participates in the acquisition, holding and/or disposition of investments or which otherwise facilitate a Client's investment activities, including without limitation any meals, travel and accommodations expenses related to such vehicle and the salary and benefits of any personnel (including personnel of Blackstone Credit or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such vehicle, or other overhead expenses (including any fees, costs and expenses associated with the leasing of office space (including, without limitation, rent and refurbishment costs) for such entities in Luxembourg (which could be made with one or more affiliates of Blackstone as lessor)) in connection therewith;
  - (vi) all brokerage costs, hedging costs, prime brokerage fees, transfer agent fees, recordkeeping and other administrative fees and expenses, custodial expenses, clearing and settling charges, agent bank and other bank service fees, private placement fees, syndication fees, solicitation fees, arranger fees, commissions, pricing and valuation fees (including, without limitation, appraisal fees), ratings service fees, origination fees, commitment fees and underwriting costs, collateral management fees, facility fees, float fees or other similar fees, interest expenses, transaction fees, break-up fees, costs and expenses of any lenders, investment banks and other financing sources, and other investment costs, fees and expenses actually incurred in connection with evaluating, making, holding, settling, clearing, monitoring or disposing of actual investments

- (including, without limitation, travel, meals, accommodations and entertainment expenses, and any expenses related to attending trade association and/or industry meetings, conferences or similar meetings, any costs or expenses relating to currency conversion) and expenses arising out of trade settlements (including any delayed compensation expenses);
- (vii) interest and fees and expenses arising out of all borrowings, guarantees and other financings (including, without limitation, any credit facility, letter of credit, or other credit support) or derivative transactions (including interest, fees and related legal expenses) made or entered into by a Client, including, but not limited to, the arranging thereof and related legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender);
  - (viii) all fees, costs and expenses of any litigation, arbitration, examination, investigation, settlement review, tax audit or other proceeding involving a Client, any vehicle or a portfolio company and the amount of any judgments, assessments, fines, remediations or settlements paid in connection therewith, directors and officers, liability or other insurance (including costs of title insurance) and indemnification (including advancement of any fees, costs or expenses to persons entitled to indemnification) or extraordinary expense or liability relating to the affairs of a Client;
  - (ix) all fees, costs and expenses of liquidating a Client and liquidating its assets;
  - (x) all fees, costs and expenses associated with the preparation and issuance of a Client's periodic reports and related statements (*e.g.*, financial statements, tax returns and, if applicable, Schedules K-1, Form 200 or 205 and other communications or notices relating to the Clients, including periodic investor notices and communications), as well as the tax matters partner (or partnership representative) representation of such Client or its investors, and other internal and third-party printing (including a flat service fee), publishing (including time spent performing such printing and publishing services), subscriptions and reporting (including Luxembourg Form 200 or 205, if applicable) related expenses (including other notices and communications) in respect of a Client and its activities (including internal expenses, charges and/or related costs incurred, charged or specifically attributed or allocated by a Client, Blackstone Credit or their affiliates in connection with such provision of services thereby);
  - (xi) any taxes (except to the extent a Client is reimbursed or as otherwise provided in applicable Offering and/or Governing Documents) and/or tax-related interest, fees or other governmental charges (including any penalties incurred where Blackstone Credit lacks sufficient information from third parties to file a timely and complete tax return) levied against or payable by a Client or its subsidiaries and all expenses incurred in connection with any tax audit, investigation, litigation, settlement or review of a Client (including any expenses of the Client's partnership representative or its designated individual, if applicable) and the amount of any judgments, fines, remediation or settlements paid in connection therewith;
  - (xii) expenses of (a) an investor advisory committee, including non-voting observers thereto, if any (including, for the avoidance of doubt, travel, meals, accommodations, entertainment and other similar expenses in connection with any meetings of the investor advisory committee and the fees, expenses and costs of any legal counsel or other professionals retained by, or at the direction or for the benefit of, the investor

- advisory committee), (b) the independent client representative (if appointed) and any meetings with one or more Client investors (including any meals, travel, accommodation and entertainment costs incurred in connection therewith) but excluding expenses of individual investors, provided, that any fees and expenses of the independent client representative shall be specially allocated to certain investors, (c) third party advisory committees of a Client, (d) board of directors meetings, including directors' fees and (e) any meetings with one or more investors or potential investors (including travel, meals, accommodations, entertainment and other similar expenses but excluding expenses of individual investors);
- (xiii) expenses relating to U.S. Freedom of Information Act requests, all fees, costs and expenses related to compliance-related matters (such as developing and implementing specific policies and procedures in order to comply with certain regulatory requirements), including diligencing placements agents and administering and monitoring compliance with 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 regulatory filings related to a Client's activities (including, without limitation, expenses relating to the preparation and filing of Form PF, filings required under the U.S. Securities Act of 1933, TIC Form SLT filings, Internal Revenue Service filings under the Foreign Account Tax Compliance Act provisions of the Code and related U.S. Treasury guidance and annual Report of Foreign Bank and Financial Accounts reporting requirements applicable to a Client, or reports to be filed with the U.S. Commodity Futures Trading Commission ("**CFTC**"), reports, disclosures, filings and notifications prepared in connection with the laws and/or regulations of jurisdictions in which a Client engages in activities, including any notices, reports and/or filings required under the AIFMD, European Securities and Markets Authority and any related regulations, and other regulatory filings, notices or disclosures of Blackstone Credit and its affiliates relating to a Client and its activities) and/or other regulatory filings, notices or disclosures of Blackstone Credit and its affiliates relating to a Client and its activities, including those pursuant to disclosure laws, but excluding, for the avoidance of doubt, any expenses incurred for general compliance and regulatory matters that are not related to a Client and its activities (*e.g.*, excluding expenses of preparing the Registrant's Form ADV under the Advisers Act);
  - (xiv) all fees, costs and expenses (including fees, costs and expenses of third parties) incurred in connection with the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of any ESG-related programs and initiatives with respect to a Client (including all fees, costs and expenses incurred in connection with tracking tools, engineering, land, seismic, geographical or geological reporting tools, climate risk and resiliency assessments, greenhouse gas emissions assessments and reduction evaluations, ESG metrics assessments, diversity and inclusion assessments, and any other such assessments, measurements, advice, verification, assurance or reports prepared on, conducted as part of implementing, monitoring, standardizing, disclosing and maintaining such programs, to the extent implemented);
  - (xv) valuation costs (including expenses incurred in connection with services performed by any independent valuation advisor);
  - (xvi) travel and entertainment expenses in connection with the Clients' investment activities (including first class and/or business class airfare (and/or private charter, where

- appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos), cars and meals (outside normal business hours), social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers, and attendance at conferences in connection with the evaluation of investments). Most staff out-of-pocket travel expenses in connection with the Clients' transactions are treated as Client expenses, subject to the terms of the applicable Offering and/or Governing Documents;
- (xvii) any expenses incurred in connection with due diligence visits by Blackstone Credit to third party service providers (including fund administrators), visits by Blackstone Credit to any investor or visits by any investor to any portfolio companies (which could include expenses for first class or business class travel, meals, and lodging);
  - (xviii) fees, costs and expenses (including attorneys' fees) related to a default or actual or proposed transfer of an interest by an investor in a Client (and admission of a substitute investor) or a permitted withdrawal of an investor (but only to the extent not paid or otherwise borne by the transferring investor and/or the assignee or the withdrawing investor, as applicable); and
  - (xix) costs and expenses associated with operating Luxembourg entities formed in connection with a Client's activities (including the alternative investment fund manager thereof and the salary and compensation of its personnel) and costs and expenses (including airfare and lodging) of the meetings of officers, managers, directors, general partners or managing members of such entities (including the Luxembourg Client).

Each CLO will also typically bear any extraordinary expenses it incurs, including any investigation, litigation, arbitration, audit or settlement expenses involving the CLO, any investment or entities in which it has an investment or otherwise relates to such investment (including out-of-pocket fees, costs and other expenses of the CLO representative acting in such capacity) and the amount of any judgments, assessments, fines, remediation or settlements paid in connection therewith. Service providers (including affiliates of the Registrant) will be retained for such purposes. In addition, a CLO will bear any expenses incurred in connection with due diligence, including visits by the Registrant to third party service providers (including fund administrators), by the Registrant or any investor to any portfolio company or portfolio assets as well as visits by such General Partner to any investor (including reasonable accommodation, meal, travel, entertainment and other similar expenses in connection with such visits). Each CLO will bear the wind-down and dissolution expenses related to the CLO. Each CLO will also bear the start-up, wind-down and liquidation expenses related to portfolio company service providers owned by such CLO, or an allocation of such expenses related to portfolio company service providers used by such CLO and owned by Other Clients.

The foregoing categories of fees and expenses will be borne by such CLO regardless of whether the person or entity providing or performing the service or product giving rise to such fees and expenses is the Registrant, any of its affiliates or an unaffiliated third party. See also "Blackstone Europe" in **Item 10 – Other Financial Industry Activities and Affiliations**.

For certain Clients, Blackstone Credit also is typically permitted to charge back a portion of the cost of overhead expenses attributable to the management of or operations related to such Clients, subject to any limitations set forth in such Clients' Offering and/or Governing Documents (see also "Portfolio Company Service Providers and Vendors" in **Item 10 – Other Financial Industry**

**Activities and Affiliations**). For example, with respect to a Client that is administered by Blackstone Credit or an affiliated entity, such Client could be responsible for fees and expenses charged or specifically allocated by Blackstone Credit or such affiliated entity to provide administrative services to such Client. Any such fees and expenses will generally not be greater than what would be paid to an unaffiliated third party for substantially similar services as determined by Blackstone Credit and could be subject to other limits set forth in the Offering and/or Governing Documents of the relevant Client, and such fees and expenses will not offset or reduce management fees or otherwise be shared with the Clients, investors and/or portfolio companies.

Blackstone Credit has adopted a policy regarding the manner in which it allocates Broken Deal Expenses. Pursuant to Blackstone Credit's broken deal expense allocation policy, Broken Deal Expenses will be allocated in accordance with the written allocation determination for the subject investment, if applicable. Alternatively, where no such allocation determination has been made (such investment, an "**Unallocated Investment**"), Broken Deal Expenses will be allocated among one or more Clients based on Blackstone Credit's assessment, in its discretion, of the likely allocation of the applicable investment, including the relative likelihood that the applicable investment could have been allocated to such Clients, even if such Clients could not have co-invested with respect to such investment, taking into account the information available to Blackstone Credit at the time Blackstone Credit determines that such investment will not be consummated, or in such other manner as the Registrant considers fair and equitable. While this assessment is unavoidably speculative in nature, Blackstone Credit will exercise good faith in making such allocations. In general, allocations of Broken Deal Expenses are expected to be made consistently with the foregoing, regardless of whether Client consent was sought or received or whether Clients had been given the opportunity to opt in or out of an investment in those cases where Clients have investment consent or opt out rights, respectively, subject to the relevant Clients' Offering and/or Governing Documents.

Where an Unallocated Investment can have multiple co-investing parties, including Blackstone Credit Primary Clients (as defined below in **Item 12 – Brokerage Practices**), Blackstone Credit Overflow Clients (as defined below in **Item 12 – Brokerage Practices**), and potential co-investors (limited partners or otherwise), Broken Deal Expenses generally will not be allocated to a prospective participant if there is a possibility that such prospective participant would not have been allocated a portion of the investment to which such expenses relate. As a result, certain Blackstone Credit Overflow Clients and potential co-investors (limited partners or otherwise) will in certain cases not bear any portion of Broken Deal Expenses that, had the investment been consummated, could have been attributable to such Blackstone Credit Overflow Clients' or potential co-investors' (limited partners or otherwise) respective *pro rata* shares of the investment. Consequently, a Client will in certain cases be expected to bear more Broken Deal Expenses than its *pro rata* share of such expenses would have been had the investment been made.

No Client is required to pay any fees in advance.

No employee of the Registrant is permitted to accept, or otherwise directly receive, any compensation for the sale of securities or other investment products.

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

In addition to the management fees and other fees described in **Item 5 – Fees and Compensation** above, the Registrant or one of the General Partners, in accordance with the relevant Offering and/or Governing Documents of each CLO, will typically receive a performance-based incentive management fee of up to 20% of each CLO's principal and interest proceeds available after distributions to all notes other than subordinated notes, subject to a performance hurdle on subordinated notes. All performance-based fees for CLOs will be disclosed in the relevant Offering and/or Governing Documents of each CLO.

In no circumstance will the Registrant cause the allocation or fee to be increased for one investor as the result of waiving, reducing or calculating differently the allocations or fees for another investor.

Note that the existence of a performance-based allocation or fee will generally incentivize the Registrant to manage a CLO's assets in a manner that is more aggressive than it would in the absence of such allocation or fee. Further, the existence of differing performance-based allocations or fees for CLOs managed by the Registrant or its affiliates trading side-by-side will create a conflict of interest for the Registrant and its affiliates with respect to the allocation of investment opportunities because it incentivizes the Registrant to allocate investment opportunities that could be appropriate for multiple CLOs to those CLOs who pay performance-based allocations or fees at higher rates (or from which the Registrant or its affiliate is more likely to receive a performance-based allocation). However, the Registrant manages each CLO's assets in accordance with the investment strategy disclosed in each CLO's Offering and/or Governing Documents to help confirm that investors are aware of the investment strategy and the risks associated with such strategy. Blackstone Credit also has an investment allocation policy (see **Item 16 – Investment Discretion**) that addresses this conflict of interest.

As described in the respective Offering and/or Governing Documents of each CLO, performance-based allocations or fees are generally allocated or paid quarterly, the making of any distribution to investors to which a performance-based allocation or fee relates.

## Item 7: Types of Clients

Blackstone Credit generally provides its services and markets its Funds and Managed Accounts to a limited number of sophisticated investors, namely institutional investors and high-net worth individual investors capable of understanding the risks of their investments, including the following types of investors:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- Public and private profit sharing plans
- Trusts and estates
- Charitable organizations
- State and municipal government agencies
- Sovereign wealth funds
- Hedge funds and funds of funds
- High net worth individuals
- Corporations
- Business entities other than those listed above

Blackstone Credit (a) must have a reasonable belief that potential investors invited to participate in Funds or other products meet certain eligibility requirements and (b) in each case must satisfy certain compliance procedures (including anti-money laundering procedures), prior to accepting any subscription or investment amount. In addition, any separate maintenance or other investment-related provisions (*e.g.*, minimum account sizes, minimum fee amounts, *etc.*) will be provided in the Offering and/or Governing Documents of each Fund or Managed Account, which are made available to each potential investor prior to investment.

Blackstone Credit also provides its services to registered investment companies (or Adviser Clients who, in turn, provide services to registered investment companies) that are marketed to retail investors.



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

The Registrant's investment process for evaluating potential opportunities and investments generally includes a variety of proprietary and non-proprietary research models and methods of analyses, and a variety of both internal and external resources, such as financial newspapers and magazines, research, and reports provided by third parties and corporate ratings services. In addition, the Registrant generally conducts an in-depth review of the target companies/investments, tailored to the target and type of potential investment the Registrant is considering. Such reviews can include, without limitation, (i) analyses of corporate activities and financials, (ii) reviews of annual reports, prospectuses and other filings with the SEC, if any, and (iii) where appropriate, interviews and meetings with senior management of potential target companies.

Generally, the Registrant seeks to capitalize on both long- and short-term inefficiencies in the market by investing across a spectrum of products, often employing a bottom-up analysis, utilizing market technical and fundamental analyses to select investments. There could be occasions when (consistent with applicable Client guidelines) a strategy is weighted to deep value or is more opportunistic and seeks short term gains. The types of investments pursued by a particular CLO can be customized based on Client guidelines.

The specific investment strategy and corresponding method of analysis for each Client will be specified in the Offering and/or Governing Documents of such Client. A brief description of certain investment strategies employed by Blackstone Credit or the Registrant is provided below.

Senior Direct Lending – seeks to source and provide primarily privately originated and privately negotiated senior secured investments to upper middle market North American and European companies, with the goal of delivering attractive risk-adjusted returns with strong downside protection. The strategy employs a defensive investment approach, focused on current income generation and capital preservation through large-scale investments to established, stable enterprises.

Opportunistic Strategy – seeks to provide flexible and opportunistic capital to companies and assets in connection with leveraged buyouts, mergers and acquisitions, recapitalizations, growth financings, capital structure solutions and other corporate transactions. The strategy utilizes a flexible investment approach with a principal focus on current income, downside protection, and upside participation to meet financing objectives.

Capital Solutions Strategy – seeks to provide privately negotiated capital solutions to companies in need of liquidity or capital structure transformation due to, among other things, pending covenant violations, debt maturities, market dislocation, cyclical downturns in their businesses or other funding requirements.

Event Driven Strategy – seeks to generate attractive risk-adjusted returns by investing primarily in a broad array of securities generally within the traded corporate credit market. Blackstone Credit can invest in both public and private non-investment grade and non-rated securities, including

leveraged loans, high yield bonds, distressed securities, common and preferred equity securities, and credit derivatives. Blackstone Credit offers exposure to this strategy in a hedged, liquid and less concentrated form, or in an unhedged and more concentrated form, often with less liquidity and greater potential risk.

Energy/Energy Transition & Sustainable Resources – seeks to generate attractive risk-adjusted returns by targeting privately originated credit, with flexibility and diversification across corporate and infrastructure debt, and capital structures. The various sub-sectors in which investments will be targeted include, but are not limited to, renewable energy, climate change solutions, infrastructure, energy transition, sustainability, midstream, energy services, refining and marketing, power generation and other commodity-driven sectors.

Liquid Credit Strategies (“LCS”) – seeks to provide access to fixed and floating rate strategies in the liquid and structured credit markets. LCS manages a breadth and depth of investment capabilities spanning US and European CLO debt and equity, leveraged loans, and high yield as well as investment grade corporate bonds. Additionally, LCS offers multi-asset credit solutions designed to dynamically capture shifting relative value opportunities across liquid, private, and structured credit.

Asset Based Finance – seeks to invest primarily in privately originated investment grade credit across physical assets and infrastructure, as well as consumer, fund, and commercial finance. Investments are generally structured as either Core Loans, which are senior notes secured by physical or financial collateral, or Whole Loans, which are diversified pools of loans securitized in a private-label asset-backed securities structure.

Customized Portfolios – manage customized individual portfolios for select large institutional clients that invest in any combination of these strategies or others.

**Prospective investors are advised to review the applicable Offering and/or Governing Documents for a more extensive description of the risks of investing in Clients.**

### **Risk of Loss**

An investment in a Fund or a Managed Account entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks associated with an investment in such Client and bearing the risks such investment represents. The Offering and/or Governing Documents of such Client will contain detailed descriptions of certain of the risks associated with an investment in such Client. Below are a few of the key risks associated with such investments (some of which will not apply to a particular investment):

1. Loss of all or part of investment
2. No assurance of investment return
3. No established market for potential investments exists
4. Changes in legal, fiscal and regulatory regimes
5. Lack of investment liquidity and liquidity of Client interests
6. Litigation risk

7. Highly competitive market for investment opportunities
8. Technological and commercial innovation disrupting expected methods of conducting business
9. Sharing and use of “big data” and other information
10. Inability to deploy capital in conjunction with finding suitable investments
11. Risks related to privacy and personal data
12. Inability to implement a Client’s investment strategy
13. Portfolio concentration
14. Reliance on the Registrant, certain of its professionals and employees and its operational systems, and reliance on placement agents
15. Policies and procedures of the Registrant to mitigate conflicts of interest and address regulatory and/or contractual requirements, which reduce the synergies across Blackstone’s and Blackstone Credit’s various businesses and reduce investment opportunities for Clients from time to time
16. Misconduct of employees and of third party service providers
17. General economic and market volatility
18. Nature of debt and credit investments, including credit securities, senior debt, mezzanine debt, distressed investments and restructurings, including non-performing debt instruments, loans and participations
19. Risks related to bankruptcy and other proceedings
20. Nature of equity or equity-related investments, including publicly-traded investments
21. Risks arising from real estate investments
22. Nature of private equity investments
23. Risk of under/overvaluation
24. Risks related to use of leverage by certain Clients (including use of subscription lines and asset-backed facilities)
25. Lack of diversification and limited number of investments
26. Non-controlling investments and/or investments with third parties in joint ventures and other entities
27. Non-U.S. investments, including currency fluctuation and exchange controls, economic regulation and political factors, and investments in emerging markets
28. Risks related to the Committee on Foreign Investment in the United States and foreign direct investment regimes of other jurisdictions
29. Cybersecurity breaches, identity theft, denial of service attacks, ransomware attacks, social engineering attempts and risks associated with electronic delivery of documents
30. Artificial intelligence developments
31. Operational risks of Clients
32. Adequacy of insurance
33. Nature of hedging or derivative instruments and counterparty trading relationships including counterparty risk
34. Unspecified investments
35. Operating and financial risks of portfolio companies
36. Valuation matters (see “Valuation Matters” in **Item 10 – Other Financial Industry Activities and Affiliations** for more information)
37. Taxation risks, including tax adjustments, phantom income, limitations on deduction of business interest and tax reporting and regulatory compliance considerations

38. Risks arising from ERISA including potential control group liability and the “prohibited transaction” rules
39. Cross incurrence of indebtedness or guarantees on a several, joint and several or cross collateralized basis (see “Investments in Portfolio Companies Alongside Other Clients” in **Item 12 – Brokerage Practices** for more information)
40. Cross collateralization of investments (see “Investments in Portfolio Companies Alongside Other Clients” in **Item 12 – Brokerage Practices** for more information)
41. CFTC registration requirements, compliance with the AIFMD, compliance with pay-to-play laws and with the laws of other jurisdictions where the Clients are marketed
42. Compliance with applicable economic and trade sanctions
43. Compliance with anti-corruption laws and regulations
44. Future investment techniques and instruments
45. Risks related to social and political unrest, terrorist activities and natural disasters
46. Availability of insurance against certain catastrophic losses
47. Risk of default by investors
48. Restrictions on transfers of investor interests under the applicable Offering and/or Governing Documents and/or the securities laws and lack of a public market
49. Enhanced scrutiny and potential regulation of the private investment fund industry and the financial services industry (including the Dodd-Frank Wall Street Reform Act)
50. Higher than normal inflation rates and governmental efforts to curb inflation

**Prospective investors are advised to review the applicable Offering and/or Governing Documents for a more extensive description of the applicable investment strategies and the risks of investing in the Clients.**

Market Risks. The debt and equity markets fluctuate substantially over time, and performance of any investment is not guaranteed. Investors should also be aware that investments that the Registrant believes are likely to generate higher returns are generally accompanied by greater risk and volatility. There is a risk of loss of the assets that the Registrant manages that is out of the Registrant’s control. The Registrant cannot guarantee any level of performance or that investors in the CLOs will not experience a substantial or complete loss of their account assets. There is no assurance that the CLOs will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy. Both the ability to realize investments and the value of investments (regardless of whether realized) will depend upon many factors beyond the control of the CLOs or the Registrant. The expenses of the CLOs can exceed their income, and an investor in a CLOs could lose the entire amount of its contributed capital. Therefore, an investor should invest in a CLO only if the investor can withstand a total loss of its investment. The past investment performance of a CLO cannot be taken to guarantee future results or performance of a Fund or Managed Account or any investment by or in a CLO.

Epidemics/Pandemics. Certain countries have been susceptible to epidemics, which can be designated as pandemics by world health authorities, most recently a novel and highly contagious form of coronavirus (“**COVID-19**”). The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and could continue to have a negative impact on the economy and business activity globally (including in the countries in which Clients invest), and thereby is expected to adversely affect the performance of 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 company operations, and the ability of Clients to achieve their investment objectives.

Coronavirus and Public Health Emergencies. From 2020 to 2022, in response to the COVID-19 pandemic, many countries instituted quarantine restrictions and took other measures to limit the spread of the virus. This resulted in labor shortages and disruption of supply chains and contributed to prolonged disruption of the global economy. It is difficult to predict the extent to which the ripple effects of the COVID-19 pandemic will continue to be felt and adversely affect the Clients' investments. In addition, a widespread reoccurrence of COVID-19 (including any new or variant outbreaks) or another pandemic or global health crisis could increase the possibility of periods of increased restrictions on business operations, labor shortages and disruption of supply chains, which could have a significant adverse impact on the Clients' and portfolio companies' 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 companies could experience decreased revenues and earnings, which could adversely impact the Registrant's ability to realize value from such investments and in turn reduce the Clients' performance. Investments in certain sectors, including hospitality, location-based entertainment, retail, travel, leisure and events, office and residential, and in certain geographies could be particularly negatively impacted, as was the case during the COVID-19 pandemic. portfolio companies 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 borrowers of loans, notes and other credit instruments in the Clients' portfolios will be unable to meet some or all of their principal or interest payment obligations or satisfy financial covenants, 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 Registrant's employees could become sick or otherwise unable to perform their duties for an extended period, and extended public health restrictions and remote working arrangements can be expected to impact employee morale, integration of new employees and preservation of Blackstone's culture. Remote working environments could also be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. Moreover, the Registrant's third-party service providers could be impacted by an inability to perform due to pandemic-related restrictions or by failures of, or attacks on, their technology platforms. Additionally, restrictions on immigration and processing of visas and other work permits could affect the work force of the Clients' portfolio companies, some of which rely on foreign talent as an important part of their work force, which could have a material adverse impact on their ability to implement their business plans.

In connection with a public health emergency like the COVID-19 pandemic, the Registrant determined in the past, and could in the future determine, in its discretion, that it is most effective and/or efficient to use private air and/or charter travel due to travel restrictions and/or health and safety considerations, including to and from locations where the Registrant's personnel are

currently living (even if different than where the Registrant has historically had offices). The cost of such private air or charter travel, which could be increased due to the pandemic, shall be an expense of the Clients subject to and in accordance with the Registrant's policies and the Clients' organizational documents.

LIBOR, EURIBOR and Other Reference Rates. To the extent a Client's investments (whether made, acquired or otherwise) are subject to a variable interest rate based on (or calculated with reference to) the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**"), the Canadian Dollar Offered Rate ("**CDOR**") or any other reference rate, benchmark or index (collectively, together with any permutations thereof and any credit spread adjustments thereto, "**Benchmark Rates**"), the Client will be subject to certain material risks, some of which are described below.

Certain Benchmark Rates have historically been, might presently be, and/or might in the future become, the subject of manipulation, regulatory scrutiny and/or reform, phase-out, permanent discontinuation, replacement, tremendous volatility, and other change(s) which might have resulted and/or might result in, among others (i) any such Benchmark Rate being artificially lower (or higher) than it otherwise would have been; (ii) changes to the applicable calculation methodology and/or valuation; and/or (iii) market uncertainty as to the current and/or future status of any such Benchmark Rate. To the extent any Client investment bears interest based on (or calculated with reference to) a Benchmark Rate, any such investment might not appropriately embed a return that is commensurate with its risk exposure.

In July 2017, the UK Financial Conduct Authority ("**FCA**") announced its intention to cease compelling panel banks to submit quotes for LIBOR and to phase-out the LIBOR Benchmark Rate by December 31, 2021. On November 30, 2020, the ICE Benchmark Administration ("**IBA**"), the FCA-regulated LIBOR administrator, announced its intention to (i) consult on LIBOR cessation in December of 2020 and, (ii) to the extent confirmed during such consultation, to cease the one-week and two-month United States Dollar ("**USD**")-LIBOR tenors by December 31, 2021, and to cease all other USD-LIBOR tenors by June 30, 2023.

Following the proposal released on November 30, 2020, the IBA confirmed on March 5, 2021 its intention to cease the publication of the one-week and two-month USD-LIBOR tenors immediately following the LIBOR publication on December 31, 2021, and the remaining USD-LIBOR tenors, including three-month LIBOR, immediately following the LIBOR publication on June 30, 2023. On March 9, 2021, the Alternative Reference Rates Committee ("**ARRC**") confirmed that in its opinion the announcement by the IBA constitutes a "benchmark transition event" with respect to all USD-LIBOR tenors pursuant to the ARRC recommendations. Concurrent with the IBA's proposal, the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation released a statement that (i) encouraged banks to cease entering into new contracts that use USD-LIBOR as a reference rate as soon as practicable and in any event by December 31, 2021, (ii) indicated that new contracts entered into before December 31, 2021 should either utilize a reference rate other than USD-LIBOR or have robust fallback language that includes a clearly defined alternative reference rate after USD-LIBOR's discontinuation and (iii) explained that extending the publication of certain USD-LIBOR tenors until June 30, 2023 would allow most legacy USD-LIBOR contracts to mature before LIBOR experiences disruptions. It is possible that the

IBA and the panel banks could continue to produce LIBOR after June 30, 2023, or the FCA could deem LIBOR to be no longer representative of its underlying market prior to that date, but no assurance can be given that LIBOR will survive in its current form, or at all. The survival of LIBOR in its current form, or at all, is not guaranteed and, if LIBOR in its current form does not survive, it could cause a disruption in the credit markets generally, which could negatively impact the Client's investments and/or the Client's business, financial condition and results of operations.

On April 6, 2021, the Governor of New York signed into law legislation that addresses contracts governed by New York law that have no or ineffective LIBOR fallback language. On the date the relevant USD-LIBOR tenor ceases to be published or is announced to no longer be representative, the USD-LIBOR tenor of such contract will be replaced with a spread-adjusted, SOFR-based rate to be recommended by the Federal Reserve Board, the Federal Reserve Bank of New York or the ARRC. The legislation further provides a safe harbor from liability for the parties that have the right to select and use a recommended benchmark replacement. The parties to the contracts covered by the legislation are not precluded from amending such contract to choose a different rate than the recommended benchmark replacement. There is similar draft legislation in Congress that would, if enacted, address the LIBOR transition for covered contracts in all states and territories in the United States. As currently drafted, the federal legislation would preempt New York's law and any other state LIBOR transition laws that are or will in the future be put into effect. There is no assurance that the federal legislation will be enacted into law, or, if enacted, that the law will not differ in material aspects from the current draft legislation.

The Bank of England also began publishing its proposed alternative rate, the Sterling Overnight Index Average ("**SONIA**") on April 23, 2018. Both SOFR (as defined below) and SONIA significantly differ from LIBOR—both in the actual rate and how it is calculated—and therefore it is unclear whether and when markets will adopt either of these rates as a widely accepted replacement for LIBOR.

Currently, the nominated replacement for USD-LIBOR is the Secured Overnight Financing Rate ("**SOFR**") and the nominated replacement for GBP-LIBOR is SONIA. In March 2020, the Federal Reserve began publishing 30-, 90- and 180-day tenor SOFR Averages and a SOFR Index. On October 23, 2020, the International Swaps and Derivatives Association ("**ISDA**") published (i) updated interest rate definitions, which include hardwired fallback drafting for transitioning uncleared over-the-counter USD-LIBOR-based interest rate swaps to SOFR and other 'risk-free-rates'; and (ii) a corresponding protocol to facilitate retroactive amendment for existing swap documents. The ISDA definitions came into effect on January 25, 2021 and apply to most uncleared over-the-counter swaps entered into after publication. The ISDA publications also included an automatic switch to SOFR/SONIA on the date when LIBOR ceases to be published or is announced by regulators to be non-representative.

Currently, the nominated replacements, including SOFR, which has long been the LIBOR replacement frontrunner, are not complete or ready to implement and, in many cases, require margin adjustments. SOFR, which is an overnight rate secured by U.S. treasuries, is considered akin to risk-free rates and unlike LIBOR, it does not reflect bank funding costs or bank credit risk. Various permutations have emerged, including "Term SOFR", "Daily Simple SOFR", and other credit-sensitive rates ("**CSRs**"), as potential alternatives to U.S. LIBOR. On July 29, 2021, ARRC formally

recommended the Term SOFR Rate published by CME Group, the world's largest financial derivatives exchange.

Currently, there is no final consensus as to which Benchmark Rate(s) (including any adjustment and/or permutation thereof) will replace all or any LIBOR tenors after the discontinuation thereof and there can be no assurance that any such replacement Benchmark Rate(s) will attain full market acceptance (including in private credit and direct lending markets).

Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern, including consensus on any credit spread adjustments that can be applied to investments or other instruments using SOFR or other LIBOR-replacement benchmarks as a Benchmark Rate. The transition from LIBOR to other Benchmark Rates could involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR, including for instruments that use SOFR or other LIBOR-replacement benchmarks as a Benchmark Rate.

Even if one or more replacement Benchmark Rates (*e.g.*, forward-looking Term SOFR) are adopted across all public and private credit markets (including direct lending markets), any transition away from LIBOR to one or more alternative Benchmark Rates is complex and could have a material adverse effect on a Client's investments (whether floating/variable rate or otherwise), and/or a Client's business, financial condition and results of operations, including, without limitation, as a result of any (i) changes in (a) pricing and/or availability of investments, (b) the market value of the Client's investments, and/or (c) the liquidity and/or trading volume of the Client's investments in primary and/or secondary markets, as applicable, (ii) negotiations and/or changes to the documentation for certain of the Client's investments and/or the Client's own leverage and credit facilities and in each case, the pace of such changes, disputes and other actions regarding the interpretation of existing and prospective loan documentation, (iii) changes to the interest rate (or anticipated interest rate) earned by the Client as a holder of such investments for any number of reasons, including due to a replacement Benchmark Rate that is not reflective of the then-current interest rate environment during any one or more calculation periods, increased basis risk, or otherwise, (iv) changes in basis risk between investments and hedges, and/or basis risks within investments (*e.g.*, securitizations), (v) changes to valuation measurements that use LIBOR, (vi) costs of modifications to the Client's processes and systems, and/or costs of administrative services and operations, including monitoring of recommended conventions and Benchmark Rates, or any component of or adjustment to the foregoing, and (vii) costs of causing the Client and/or, indirectly, causing one or more portfolio companies to incur expenses to manage the transition away from LIBOR. Further operational complexities could include significant changes to IT systems or operational processes, including enhancements or modifications to systems, controls, procedures, and risk or valuation models associated with the transition to, or tracking/monitoring of, one or more new Benchmark Rates.

While it is common for recently issued instruments to contemplate a scenario where LIBOR is no longer available by providing fallback language describing an alternative rate setting methodology and mechanisms to change the applicable Benchmark Rate (whether automatically or by amendment) to replace LIBOR, not all instruments have such provisions and there are significant



uncertainties regarding the effectiveness of any such alternative methodologies. As such, as noted above, it is possible that certain Clients and/or one or more of their portfolio companies might need to renegotiate the terms of credit agreements with certain issuers of investments that utilize LIBOR in order to replace it with the new standard convention that is established, which could result in increased costs for such Clients and portfolio companies. Similarly, even though the terms of a Client's own credit facilities might provide for mechanics to amend the credit facilities in order to reflect a new Benchmark Rate in place of LIBOR, the determination of such new Benchmark Rate could require further negotiation, including between the Registrant and the applicable lender. There can be no certainty that a favorable agreement between the parties will be reached, and the terms of the Client's credit facilities might also provide that, during certain periods, including transition periods, amounts available to be drawn under the Client's credit facilities could bear interest at a higher rate. In addition, the applicable lender could have an unfettered ability to make certain changes to the terms of the Client's credit facility to implement a new Benchmark Rate, which might not be favorable to the Client, and over which the Client could have no control over.

To the extent swaps, hedges and/or similar derivatives or instruments that use or reference, whether directly or indirectly, LIBOR or other similar Benchmark Rates, including swaps or contracts used to manage long-term interest rate risk related to assets and/or liabilities, are entered into, in addition to the potential need to renegotiate some of those instruments to address a transition away from LIBOR, there also could be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses. In addition and as further described above, some of the standard conventions under consideration, including SOFR, are conceptually different than LIBOR, in that they are overnight, secured rates instead of unsecured, term rates, which could behave differently from LIBOR in ways that cause greater payments or lesser payments under its derivatives or similar instruments, at least during certain market cycles. Some of these replacement rates could also be subject to compounding or similar adjustments that cause the amount of any payment referencing a replacement rate not to be determined until the end of the relevant calculation period, rather than at the beginning, which could lead to administrative challenges for a Client and its portfolio companies.

ESG Framework Risk. Blackstone has established a firm-wide environmental, social, and governance (“**ESG**”) policy and related programs and procedures, including Blackstone Credit and Insurance’s ESG Investing Policy and certain Client-specific ESG practices (collectively, the “**ESG Framework**”), which outlines its approach to integrating ESG in its business and investment activities. The Registrant 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 Registrant will endeavor to consider material<sup>1</sup> ESG factors where applicable in connection with a Client’s investment activities in order to protect and maximize investment performance. However, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by the Registrant or a third-party ESG specialist (if any) will reflect the beliefs, values, internal policies or preferred

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

practices of any particular investor or align with the beliefs or values or preferred practices of other asset managers or with market trends. Additionally, ESG factors are only some of the many factors that the Registrant may 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 Registrant considers application of the ESG Framework to be an opportunity to enhance or protect the performance of investments over the long-term, the Registrant cannot guarantee that the application of its ESG Framework, which depends in part on skills and qualitative judgments, will positively impact the performance of any individual investment or Client. Similarly, to the extent the Registrant or a third-party ESG specialist engages with investments on ESG related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of the investment. Successful engagement efforts will depend on the Registrant's ability to properly identify and analyze material ESG considerations and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful.

The materiality of sustainability risks and impacts on an individual asset or issuer and on a portfolio as a whole depends on many factors, including the relevant industry, country, asset class and investment style. In evaluating a prospective investment or providing reporting regarding such investments the Registrant often depends upon (and will not independently verify) information and data provided by the entity or obtained via third-party reporting or advisors, which will, in certain circumstances, be incomplete or inaccurate and could cause the Registrant to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities. The Registrant can be expected to decide in its discretion not to utilize certain information or data. While the Registrant believes such sources to be reliable, it will neither update any such information or data nor undertake an independent review of any such information provided by third parties. Subject to any applicable legal or regulatory requirements, any ESG reporting will be provided in the Registrant's sole discretion.

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

There is also growing regulatory and investor interest, particularly in the US, UK, and EU (which will be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. The Registrant can be expected to be subject to increasing scrutiny from regulators, elected officials, and investors with respect to ESG matters. In recent years, certain investors, including public pension funds, have placed increasing importance on the impacts of investments made by the private funds to which they commit capital, including with respect to climate change, among other aspects of ESG. Conversely, certain investors have raised concerns as to whether the incorporation of ESG factors in the investment and portfolio management process is inconsistent with the fiduciary duty to maximize returns for investors. The

Registrant can expect to be subject to competing demands from different investors and other groups with divergent views on ESG matters, including the role of ESG in the investment process. Investors, including public pension funds, which represent a significant portion of the Clients' investor bases, could decide to withdraw previously committed capital (where such withdrawal is permitted) or not commit capital to future fundraises based on their assessment of how Blackstone approaches and considers the ESG cost of investments and whether the return-driven objectives of Blackstone's funds align with their ESG priorities. This divergence increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some investors and/or interested parties and adversely impact the Registrant's reputation and business. Regulatory initiatives to require investors to make disclosures to their investors regarding ESG matters have become increasingly common, which will further increase the number and type of investors who place importance on these issues and who demand certain types of reporting from Blackstone or the Registrant. In addition, government authorities of certain U.S. states have requested information from and scrutinized certain asset managers with respect to whether such managers have adopted ESG policies that could restrict such asset managers from investing in certain industries or sectors, such as conventional energy. These authorities have indicated that such asset managers could lose opportunities to manage money belonging to these states and their pension funds to the extent the asset managers boycott certain industries. The U.S. Securities and Exchange Commission (the "SEC") maintains an enforcement task force to examine ESG practices and disclosures by public companies and investment managers and identify inaccurate or misleading statements, often referred to as "greenwashing." The SEC has commenced enforcement actions against at least three investment advisers relating to ESG disclosures and policies and procedures failures, and Blackstone expects there will continue to be significant enforcement activity in this area. The SEC has also proposed ESG-related rules for investment advisers and for 1940 Act funds that address, among other things, enhanced ESG-related disclosure requirements concerning the incorporation of ESG factors in their investment activities. This could increase the risk that the Registrant will be perceived as, or accused of, greenwashing. Such perception or accusation could damage the Registrant's reputation, result in litigation or regulatory actions, and adversely impact the Registrant's ability to raise capital and attract new investors. Outside of the United States, the European regulatory environment for alternative investment fund managers and financial services firms can be expected to evolve and increase in complexity and make compliance more costly and time-consuming. The Registrant's ESG 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 Registrant cannot guarantee that its current approach will meet future regulatory requirements, reporting frameworks or best practices. If the SEC or any other governmental authority, regulatory agency or similar body were to take issue with past or future practices of Blackstone or the Registrant, then the Registrant will be at risk for regulatory sanction, and any such investigations could be costly, distracting and/or time consuming for the Registrant and its Clients. There is also risk of regulatory mismatch between US, EU and UK initiatives relating to ESG. There is also risk of regulatory mismatch between US, EU and UK initiatives relating to ESG.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks and methodologies being implemented by other asset managers. The Registrant's ESG 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 could include data collection, analysis and reporting, among other activities) will involve the dedication of time and resources and there is consequently a risk that the pursuit of these initiatives could adversely affect the performance of the Clients. Further, these ESG-related initiatives are aspirational and not guarantees or promises that all or any such initiatives will be achieved.

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

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

**Geopolitical Conflicts and Risks.** 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 companies, with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.

*Russian Invasion of Ukraine/Sanctions.* On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Brochure, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus.

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

The aforementioned ongoing conflicts and the measures taken in response have had and could be expected to continue having a negative impact on the economy and business activity globally (including in the countries in which the Clients invest), and therefore could adversely affect the performance of the Clients’ investments. The severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) are impossible to predict, and as a result, present material uncertainty and risk with respect to the Clients, the performance of their investments, portfolio company operations, and the ability of the Clients to achieve their investment objectives. Similar risks exist to the extent that any portfolio companies, service providers and vendors of Blackstone, the Clients and any portfolio companies, 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 companies.

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 Clients would likely be required to cease any further dealings with such investor or freeze any dealings with the interests or accounts of the investor (*e.g.*, by prohibiting payments by or to the investor or restricting or suspending dealings with the interests or accounts) or freeze the assets of the Client until such sanctions are lifted or a license is sought under applicable law to continue dealings. Clients could further have to report to the relevant competent authorities the implementation of any restrictive measures carried out pursuant to international financial sanctions. For the avoidance of doubt, Blackstone has the sole discretion to determine the remedy if an investor is included on a sanctions list and is under no obligation to seek a license or any other relief to continue dealing with such investor. Although Blackstone expends significant effort and resources to comply with the sanctions regimes in the countries where it operates, one of these rules could be violated by Blackstone's or a Client's activities or investors, which would adversely affect such Client.

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

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

make certain disclosures regarding preferential treatment of investors; and (vi) prohibit an adviser from having a private fund bear the costs of any fees or expenses related to an investigation resulting in a court or governmental authority imposing a sanction for violating the Advisers Act. The Private Funds Rules also impose additional requirements on advisers to document their annual compliance reviews in writing and retain additional required books and records relating to private funds they advise. Although the legality of the Private Funds Rules is currently being challenged in federal court, it is uncertain whether this legal challenge will succeed.

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

If adopted, the Predictive Data Proposal could also cause the Registrant to limit or discontinue its use of certain covered technologies (even in cases where such technologies benefit the Clients or

investors, including in connection with the Registrant's management of investments in portfolio companies) 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 Registrant to additional regulatory liability, increase compliance costs and costs related to custodying the Clients' assets (including costs of identifying and negotiating with new and existing QCs), limit the number of QCs available (or make it more costly for such QCs to operate, which might result in higher expenses to the Clients) and impose limitations or requirements on certain assets, which could result in the Registrant avoiding making certain types of investments on behalf of the Clients.

In March 2024, the SEC adopted two ESG-related rules for investment advisers and for 1940 Act funds that address, among other things, enhanced ESG-related disclosure requirements concerning the use of ESG themes in their investing practices (the **"ESG Rules"**). This will increase the risk that the Registrant will be perceived as, or accused of, greenwashing (i.e., the making of inaccurate or misleading statements related to ESG). Such perception or accusation could damage the Registrant's reputation, result in litigation or regulatory actions, and adversely impact the Registrant's ability to raise capital and attract new investors.

The SEC also adopted amendments to Form PF in May 2023 and in February 2024, which impose additional reporting obligations on registered investment advisers with respect to the private funds they manage (the **"Form PF Amendments"**). In addition, the SEC has also recently proposed, and can be expected to propose, additional new rules and rule amendments under the Advisers Act in respect of cybersecurity risk governance for advisers and broker-dealers, the outsourcing of certain functions to service providers and changes to Regulation S-P (together with the Proposed Safeguarding Rule and the Predictive Data Proposal, the **"Proposed Rules"**).

The Private Funds Rules, the ESG Rules and the Form PF Amendments, as well as the Proposed Rules, to the extent adopted, are expected to result in material alterations to how Blackstone and the Registrant operate their business and/or the Clients, as well as the Registrant's implementation



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

Inflation. The U.S. and other developed economies are experiencing higher-than normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on 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 company 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 companies 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 company earns more revenue, it will typically also incur higher expenses. Furthermore, as inflation declines, it is possible that a portfolio company may 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, 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 Developments in the Banking Sector. Events involving limited liquidity, defaults, non-performance of contractual obligations, or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or

that affect the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past led and could in the future lead to market-wide liquidity problems. Notably, recent bank closures in the United States and Europe have caused uncertainty for financial services companies and fear of instability in the global financial system generally. Recent developments, such as the UBS Group AG's acquisition of Credit Suisse Group AG and JPMorgan Chase Bank's assumption of all of First Republic Bank's deposits and substantially all of its assets, and any similar future developments can be expected to also have other implications for broader economic and monetary policy including interest rate policy, and could impact the financial condition of banks and other financial institutions globally. In addition, certain financial institutions – in particular, smaller and/or regional banks but also certain global, systemically important banks – have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or will withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to stabilize the banking sector and to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include a Client and/or its portfolio companies) will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, will be similarly impacted, and it is uncertain what steps (if any) financial regulators and central banks would take in such circumstances. As a consequence, for example, a Client and/or its portfolio companies 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 companies. In addition, in the event that a financial institution that provides credit facilities and/or other financing to a Client or its portfolio companies closes or experiences distress, there can be no assurance that such financial institution will honor its obligations or that the Client or such portfolio companies will be able to secure replacement financing or capabilities at all or on similar terms and/or in a timely manner. See also "Custody and Banking Risks" herein. Uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect a Client, its portfolio companies or their respective financial performance.

Custody and Banking Risks. The Clients will maintain funds with one or more banks or other depository institutions ("**Banking Institutions**"), which include US and non-US Banking Institutions, and the Clients will enter into credit facilities or have other financial relationships with Banking Institutions. The distress, impairment or failure of one or more Banking Institutions with whom the Clients, their portfolio companies and/or Blackstone Credit transact could inhibit the ability of the Clients or their portfolio companies 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 companies 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 companies 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 companies. One or more investors or Blackstone Credit could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, Blackstone Credit 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 companies will establish banking relationships with multiple financial institutions. The Clients and their portfolio companies are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Moreover, the Advisers Act custody rule generally prohibits Blackstone Credit from transferring Client funds to an account of Blackstone Credit or its related persons. Circumstances could arise where such a bank shows signs of distress or impairment and Blackstone and portfolio companies would need to decide between (1) moving assets to another bank in breach of such contractual obligations or to an account of Blackstone Credit or its related persons in potential violation of the Advisers Act custody rule (thereby exposing the Client or portfolio companies 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 Client or portfolio companies.

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

and other security threats could also originate from the malicious or accidental acts of insiders, such as employees, consultants, independent contractors or other service providers.

There has been an increase in the frequency and sophistication of the cyber and data security threats Blackstone faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which could target Blackstone because, as an alternative asset management firm, Blackstone holds a significant amount of confidential and sensitive information about the Clients, Other Clients and their respective portfolio companies, potential investments and investors. As a result, Blackstone could face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures Blackstone takes to ensure the integrity of its systems will provide 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 Clients and their respective portfolio companies, 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 Clients and their respective investors, regulatory intervention or reputational damage. It can be expected that costs related to certain cyber or other data security threats or disruptions will not be fully insured or indemnified by other means.

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

Cybersecurity and data protection have become top priorities for regulators around the world. Many jurisdictions in which Blackstone operates have laws and regulations relating to privacy, data protection and cybersecurity, including, as examples, the General Data Protection Regulation ("GDPR") in the European Union, the U.K. Data Protection Act, and the California Privacy Rights Act ("CPRA"). In addition, in February 2022, the SEC proposed rules regarding registered investment advisers' and funds' cybersecurity risk management requiring the adoption and implementation of cybersecurity policies and procedures, enhanced disclosure in regulatory filings and prompt reporting of certain cybersecurity incidents to the SEC, which, if adopted, could increase Blackstone's compliance costs and potential regulatory liability related to cybersecurity. Some jurisdictions have also enacted or proposed laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data.

Breaches in Blackstone's security or in the security of third-party service providers, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize Blackstone's, its employees', the Clients', Other Clients', portfolio companies' 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 Clients', portfolio companies', 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 Clients' investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if Blackstone fails to comply with the relevant laws and regulations or fails to provide the appropriate regulatory or other notifications of breach in a timely matter, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm and could cause the Clients' and Other Clients' investors and clients to lose confidence in the effectiveness of Blackstone's security measures and Blackstone more generally.

The Clients' and Other Clients' portfolio companies 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 Clients could invest in strategic assets having a national or regional profile or in infrastructure, the nature of which could expose them to a greater risk of being subject to a terrorist attack or a security breach than other assets or businesses. Such an event could have material adverse consequences on Blackstone's investment or assets of the same type or could require portfolio companies to increase preventative security measures or expand insurance coverage.

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

***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 Clients and their respective portfolio companies 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 Clients or their respective portfolio companies 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 Clients’ or their respective portfolio companies’ 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 companies, 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 Clients and portfolio companies to comply with such laws and regulations continues to increase and become a significant compliance workstream.

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

The Registrant, the Clients, and the portfolio companies intend to avail themselves of the benefits, insights and efficiencies that are available through the use of AI Technologies. However, the use of AI Technologies presents a number of risks that cannot be fully mitigated. For example, AI Technologies are highly reliant on the collection and analysis of large amounts of data and complex

algorithms, but it is not possible or practicable to incorporate all relevant data into models that AI Technologies utilize to operate. Moreover, with the use of AI Technologies, there often exists a lack of transparency of how inputs are converted to outputs and the Registrant cannot fully validate this process and its accuracy. The accuracy of such inputs and the resulting impact on the results of AI Technologies cannot be verified and could result in a diminished quality of work product that includes or is derived from inaccurate or erroneous information. Further, inherent bias in the construction of AI Technologies can lead to a wide array of risks, including but not limited to accuracy, efficacy and reputational harm. Therefore, it is expected that data in such models will contain a degree of inaccuracy and error, and potentially materially so, and that such data, as well as algorithms in use, could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technologies and could adversely impact the Registrant, the Clients, or portfolio companies and investments to the extent they rely on the work product of such AI Technologies. At the same time, any interruption of access to or use of AI Technologies could impede the ability of the Registrant, the Clients, and portfolio companies 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 companies, the Registrant, and the Clients.

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

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

Regulations related to AI Technologies could also impose certain obligations on organizations, and the costs of monitoring and responding to such regulations, as well the consequences of non-

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

AI Technologies and their current and potential future applications, including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is not possible to predict the full extent of current or future risks related thereto. For more information on risks relating to information security, see “Cybersecurity and Data Protection” herein.



## **Item 9: Disciplinary Information**

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

On occasion, in the ordinary course of its business, the Registrant is named as a defendant in legal actions. Although there can be no assurance of the outcome of such legal actions, the Registrant does not believe that any current legal proceeding or claim to which it is a party would individually or in the aggregate materially affect the Registrant and/or its Clients’ results of operations, financial position or cash flows.

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

## Item 10: Other Financial Industry Activities and Affiliations

Various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of the Registrant, its affiliates and personnel (each an “**Advisory Affiliate**” and, collectively, the “**Advisory Affiliates**”). The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. It is possible that Blackstone Credit and/or Blackstone Credit personnel could in the future engage in further activities that would result in additional conflicts of interest not addressed herein. **Investors are advised to review the applicable Client Offering and/or Governing Documents for a more extensive description of the potential conflicts of interest applicable to each Client.** Any references to Blackstone, Blackstone Credit and the Registrant in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees, where applicable.

If any matter arises that the Registrant determines in its good faith judgment constitutes an actual conflict of interest, the Registrant can take such actions as it determines in good faith would be necessary or appropriate to seek to ameliorate the conflict (and upon taking such actions the Registrant will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied applicable fiduciary duties related thereto to the fullest extent permitted by law). Actions that could be taken by Blackstone Credit to mitigate a conflict include, by way of example and without limitation, (i) obtaining from the limited partner advisory committee or the board of a Client and/or the investors of a Client advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the limited partner advisory committee or the board of a Client and/or the investors of a Client to address the conflict or otherwise fully disclosing the conflict; (ii) disposing of the investment or security giving rise to the conflict of interest; (iii) appointing a fiduciary or an independent client representative to act or provide consent with respect to the matter giving rise to the conflict of interest; (iv) disclosing the conflict to the limited partner advisory committee or the board of a Client and/or the investors of a Client (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications); (v) in the case of conflicts among Clients and Other Clients, creating groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise or represent one of the Clients that has a conflicting position with Other Clients; (vi) implementing policies and procedures reasonably designed to mitigate the conflict of interest; (vii) validating the arms-length nature of the transaction by referencing participation by unaffiliated third parties; or (viii) otherwise handling the conflict as determined appropriate by Blackstone Credit in its good faith reasonable discretion. There can be no assurance that the Registrant will identify or resolve all conflicts of interest in a manner that is favorable to the Clients. By acquiring an interest in a Client, each investor will be deemed to have acknowledged and consented to the existence of all actual, apparent and potential conflicts of interest described herein or in the Offering and/or Governing Documents of such Client, acknowledged and consented to any actions, policies and procedures for handling them described herein or in the Offering and/or Governing Documents of such Client, acknowledged and consented that these conflicts will not necessarily be resolved in favor of the Client and/or its investors, agrees that investors may not be entitled to receive notice or disclosure of the occurrence of these conflicts or have any right to consent to them, and waives any claim against Blackstone Credit or its affiliates and releases each

of them from any liability arising from the existence of such conflicts of interest. The foregoing is applicable to all conflicts of interests described, implied or alluded to herein or in the Offering and/or Governing Documents.

***Blackstone Policies and Procedures.*** Because Blackstone has many different businesses, which Blackstone Credit investment teams and portfolio companies can be expected to engage to advise on and to execute debt and equity financings (including the Blackstone Capital Markets Group), 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. Certain policies and procedures, such as Blackstone's information wall policy, have the effect of reducing firm-wide synergies and collaboration among Blackstone's various businesses that the Clients could otherwise expect Blackstone Credit to draw on for purposes of identifying, pursuing and managing attractive investment opportunities. For example, Blackstone will come into possession of material non-public information with respect to companies, including certain portfolio companies in which a Client has investments or is considering making an investment. The information, which could be of benefit to the Clients, is likely to be restricted to those other businesses and otherwise be unavailable to the Clients. It is also possible that Clients could be restricted from trading despite the fact that the Clients did not receive such information. In addition, due to these restrictions, it is possible that the Clients will not be able to initiate a transaction that it otherwise might have initiated and will not be able to purchase or sell an investment that it otherwise might purchase or sell, which could negatively affect its operations or performance. In addition, to the extent that Blackstone Credit is in possession of material non-public information or is otherwise restricted from making certain investments, the Clients and Blackstone Credit generally also will be deemed to be in possession of such information or otherwise restricted. This could reduce the investment opportunities available to the Clients, prevent the Clients from acquiring and exiting an investment or otherwise limit their investment flexibility. The inability to buy or sell securities in such circumstances could materially adversely affect the investment results of a Client, including but not limited to a material loss respect to an individual investment or differing results than those obtained by another Client or Other Client with respect to the same investment. Additionally, Blackstone can restrict or otherwise limit one Client and/or its portfolio companies from entering into agreements with, or related to, companies in which any Blackstone Client has invested or has considered making an investment. Blackstone will from time to time restrict or otherwise limit the ability of a Client and/or its portfolio companies to make investments in or otherwise engage in businesses or activities competitive with companies of Blackstone Clients, either as a result of contractual restrictions or otherwise. Furthermore, there will be circumstances in which affiliates of Blackstone (including Clients) could refrain from taking certain confidential information in order to avoid trading restrictions. Finally, Blackstone has in the past entered into, and reserves the right to enter into in the future, one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for the Clients, may require the Clients to share such opportunities or otherwise limit the amount of an opportunity the Clients can otherwise take. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally. See "Strategic Relationships" below.

***Performance-Based Allocations.*** The existence of the Registrant's or a General Partner's performance-based allocation or fee creates a greater incentive for the Registrant to make more

speculative investments on behalf of the Clients, or to time the purchase or sale of investments in a manner motivated by the personal interests of Blackstone Credit and/or Blackstone personnel rather than, or as well as the interests of the investors of such Client, in each case than it would have if such performance-based compensation did not exist, as Blackstone Credit receives a disproportionate share of profits above any preferred return hurdle. However, the Blackstone commitment to invest in a Client and the General Partner's interim and final clawback obligations, where applicable, should reduce the incentives for Blackstone Credit to make more speculative investments or otherwise time the purchase or sale of investments based on considerations related to carried interest and in a manner motivated by the personal interests of Blackstone personnel. The General Partner's interim and final clawback obligations, where applicable, potentially create other misalignments of interests between Blackstone Credit and investors, such as an incentive for Blackstone Credit to defer disposition of an investment that would result in a realized loss or a return on investment that was less than the preferred return and trigger the clawback, or delay the dissolution and liquidation of a Client if doing so would trigger a clawback obligation, in each case delaying or jeopardizing distributions to investors. In addition, H.R. 1, the "Tax Cuts and Jobs Act," provides for a lower capital gains tax rate on performance-based compensation from investments held for at least three years. While Blackstone Credit generally intends to seek to maximize pre-tax returns for each Client as a whole, Blackstone Credit will nonetheless be incentivized, for example, to accelerate deployment of capital at the beginning of a Client's investment period, to hold investments longer to ensure long-term capital gains treatment and/or to realize investments prior to any change in law that results in a higher effective income tax rate on its carried interest, even if such approach could result in a lower return for investors than otherwise would have been generated had such incentives not existed. Furthermore, upon a withdrawal by an investor from a Client in certain circumstances and upon the liquidation of a Client, Blackstone Credit can be expected to receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by Blackstone Credit and could incentivize Blackstone Credit to value the securities higher than if there were no carried interest, resulting in investors receiving securities valued at a price above their actual market value. Blackstone Credit reserves the right to engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third party opinion of value, but there can be no assurance such an opinion will reflect value accurately. In addition, under the terms of the Offering and/or Governing Documents, Blackstone Credit is typically entitled to elect to receive its carried interest with respect to an investment in the form of an in-kind distribution of marketable securities, including if the purpose is to permit one or more Blackstone or Blackstone Credit personnel to donate such securities to charity (including but not limited to private foundations, funds or other charities associated with any such personnel). The benefit derived from charitable giving has the effect of reinforcing and/or enhancing Blackstone Credit's incentives otherwise resulting from the existence of its carried interest and therefore conflicts of interest could arise in making decisions on behalf of a Client (including the timing of the disposition of investments). These conflicts could be exacerbated due to the enhanced knowledge and information Blackstone Credit has relative to the investors with respect to such securities.

In addition, Blackstone Credit is incentivized to make certain determinations under a Client's Offering and/or Governing Documents in a manner that results in its receipt of a greater amount of, or earlier payment of, carried interest, which could in turn lower the amount of distributions made

to the other investors in such Client. For example, unlike disposition proceeds, distributions of current income will typically not take into account a return of capital from the respective investment or allocable fees or expenses thereto, which creates an incentive for Blackstone Credit to determine that a recapitalization, refinancing or other similar transaction was not a “disposition” (in whole or in part) for purposes of the Offering and/or Governing Documents (including for purposes of calculating the General Partner’s carried interest). Additionally, regardless of whether a recapitalization, refinancing or other similar transaction is treated as a “disposition” (in whole or in part) for purposes of determining Blackstone Credit’s carried interest, such recapitalization, refinancing or other similar transaction are not expected to be treated as a “disposition” (in whole or in part) for purposes of calculating aggregate invested capital under the Offering and/or Governing Documents.

In addition, the manner in which a General Partner’s entitlement to carried interest is determined has the potential to result in a conflict between Blackstone Credit’s interests and the interests of investors with respect to the sequence and timing of disposals of investments. For example, the ultimate beneficial owners of a general partner are generally subject to U.S. federal and local income tax (unlike certain of the investors). A General Partner will generally therefore be incentivized to operate a Client, including to hold and/or sell investments, in a manner that takes into account the tax treatment of its carried interest and consequently cause distributions to investors to be made later than if the General Partner did not take such tax treatment into account.

In addition, the fact that all or a portion of a Client’s management fee and/or servicing fee typically is calculated based on each investor’s capital contributions for investments (and, in the case of management fees, also on the amounts borrowed to fund the purchase of investments or, in certain cases, on the net asset value of such Client’s portfolio) will generally create an incentive for Blackstone Credit to (i) make more speculative investments than it otherwise would have made if management fees and servicing fees were solely based on capital commitments (whether or not invested), (ii) seek to deploy the capital commitments in investments at an accelerated pace and/or (iii) hold investments longer than it otherwise would have if management fees and servicing fees were based solely on capital commitments, which in each case could result in a lower return for investors than otherwise would have been generated had such incentives not existed.

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

part of the investment diligence for a potential investment by Clients or such Other Client. As a result of or as part of such interactions or otherwise, personnel (including one or more members of the management team) at one portfolio company may also transfer to or become employed by another portfolio company (or a portfolio company of an Other Client), the Clients, 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 limited partner advisory committee, independent client representatives or the limited partners. Although Blackstone Credit might determine that such agreements, transactions or other arrangements are consistent with the requirements of such Clients' Offering and/or Governing Documents, it is possible that such agreements, transactions or other agreements might not have otherwise been entered into but for the affiliation with Blackstone Credit and/or Blackstone. These agreements, transactions or other arrangements involve fees, commissions, discounts and/or servicing payments to Blackstone Credit, any Blackstone affiliate (including personnel) or a portfolio company, none of which are subject to the management fee offset or otherwise be shared with applicable Clients or investors, notwithstanding that some of the services provided by a portfolio company are similar in nature to the services provided by Blackstone Credit and that certain portfolio companies can be special purposes vehicles created by any such Client. For example, Blackstone and/or Blackstone Credit reserves the right to cause, or offer the opportunity to, portfolio companies to enter into agreements regarding group procurement (such as the group purchasing organization), benefits management, purchase of title and/or other insurance policies (which could be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or an affiliate of Blackstone or Blackstone Credit, and other similar operational initiatives that can result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio company, and in each case payments made to Blackstone and/or Blackstone Credit in connection therewith will not be subject to the management fee offset. Such affiliated service providers are generally expected to receive market rate fees, and under certain circumstances, will also receive performance-based compensation (as determined by Blackstone Credit or the Registrant, as applicable) with respect to certain investments. The costs of such services will be borne indirectly by the Clients and will not result in any offset to the management fee payable by a Client.

In addition, it is possible that certain portfolio companies of Other Clients or companies in which such Other Clients have an interest will compete with the Clients or their portfolio companies for one or more investment opportunities and/or engage in activities that will have adverse consequences on the Clients and/or their portfolio companies. As an example of the latter, it is possible that the laws and regulations of certain jurisdictions (*e.g.*, bankruptcy, environmental, consumer protection and/or labor laws) would not recognize the segregation of assets and liabilities as between separate entities and could permit recourse against the assets of not just the entity that has incurred the liabilities, but also the other entities that are under common control with, or part of the same economic group as, such entity. In such circumstances, the assets of the Clients and/or their portfolio companies potentially will be used to satisfy the obligations or liabilities of one or more Blackstone Clients, their portfolio companies and/or affiliates.

In addition, from time to time, Blackstone, its affiliates and or portfolio companies could also establish other investment products, vehicles and platforms focusing on specific asset classes or

industry sectors that fall within a Client's investment strategy, which would possibly compete with the Client for investment opportunities. Such arrangements would give rise to conflicts of interest that would not necessarily be resolved in favor of the Client.

Certain portfolio companies have established or invested in, or can be expected to in the future establish or invest in, vehicles that are managed exclusively by the portfolio companies (and not Clients or Blackstone or any of its affiliates) and that invest in asset classes or industry sectors (such as cyber security) that fall within one or more of Clients' investment strategies. Such vehicles, which would not be considered affiliates of Blackstone and would not be subject to Blackstone's policies and procedures, can be expected to compete with Clients for investment opportunities. Portfolio companies and Blackstone affiliates will also establish other investment products, vehicles and platforms focusing on specific asset classes or industry sectors (such as reinsurance) that can be expected to compete with Clients for investment opportunities (it being understood that such arrangements can give rise to certain conflicts of interest that would not necessarily be resolved in favor of the Clients). In addition, Clients will often hold non-controlling interests in certain portfolio companies and, as a result, such portfolio companies could engage in activities outside of the Clients' control that would have adverse consequences on the Clients and/or their other portfolio companies.

Further, portfolio companies with respect to which a Client can elect members of the board of directors or a managing member could, as a result, subject such Client and/or such directors or managing member to fiduciary obligations to make decisions that they believe to be in the best interests of any such portfolio company. Although in most cases the interests of such Client and any such portfolio company will be aligned, this will not always be the case. This has the potential to create conflicts of interest between the relevant director's or managing member's obligations to any such portfolio company and its stakeholders, on the one hand, and the interests of a Client, on the other hand. For instance, such positions could impair the ability of a Client to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Client. Furthermore, an employee of Blackstone serving as a director to a portfolio company owes a fiduciary duty and/or obligations to the portfolio company, on the one hand, and the relevant Client, on the other hand, and it is possible that such employee could be in a position where they must make a decision that is either not in the best interest of the Client, or is not in the best interest of the portfolio company. Blackstone personnel serving as directors can make decisions for a portfolio company that negatively impact returns received by a Client investing in the portfolio company. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciaries duties among the two portfolio companies can be expected to create a conflict of interest. Certain decisions made by a director would subject Blackstone Credit, its affiliates or a Client to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Clients will indemnify Blackstone Credit personnel from such claims. Although Blackstone Credit will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for a Client.

Current and former officers and executives of portfolio companies can be expected to also invest in a Client. While Blackstone Credit believes this aligns portfolio company management teams with the interests of the Client, Blackstone Credit will, in certain circumstances, be incentivized to take

(or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

***Portfolio Company Service Providers and Vendors.*** Certain Clients, Other Clients, portfolio companies of each of the foregoing and Blackstone Credit can be expected to engage portfolio companies of such Clients and Other Clients to provide some or all of the following services: (a) corporate support services (including, without limitation, accounts payable, accounts receivable, accounting/audit (*e.g.*, valuation support services), account management (*e.g.*, treasury, customer due diligence), insurance, procurement, placement, brokerage and consulting services, cash management, accounts receivable financing, corporate secretarial and executive assistant services, domiciliation, data management, directorship services, finance/budget, human resources (*e.g.*, the onboarding and ongoing development of personnel), communication, public relations and publicity, information technology and software systems support, corporate governance and entity management and compliance, internal compliance, know-your-client reviews and refreshes, judicial processes, legal, environmental due diligence support (*e.g.*, review of property condition reports 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, property managers), risk management, reporting (such as tax reporting, debt reporting or other reporting), tax and treasury, tax analysis and compliance (*e.g.*, CIT and VAT compliance), transfer pricing and internal risk control, treasury and valuation services) and other services; (b) loan services (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (c) management services (*i.e.*, management by a portfolio company, Blackstone affiliate or third party (*e.g.*, a third-party manager or operating partner) of operational services); (d) operational services (*i.e.*, general management of day to day operations), including, without limitation, personnel, construction management (such as management of general contractors on capital projects), leasing services (such as leasing strategy, management of third party brokers, negotiation of major leases and negotiation of leases), project management (such as management of development projects, project design and execution, vendor management, and turnkey services); (e) transaction support services (including, without limitation, acquisition support, customer due diligence and related on-boarding, liquidation, reporting, managing relationships with brokers, banks and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses and modelling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordinating design and development works (such as recommending and implementing design decisions); and providing due diligence and negotiation support to acquire the same; coordinating with investors; assembling relevant information, conducting financial and market analysis and modeling; coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions; marketing and distribution, overseeing brokers, lawyers, accountants and other advisors, working with consultants and third parties to pursue entitlements providing in-house legal, ESG and accounting services, assisting with due diligence, preparation of project feasibilities, site visits, transaction consulting and specification of technical analysis and review of (i) design and structural work, (ii) certifications, (iii) operations and maintenance manuals and (iv) statutory documents)); (f) insurance procurement, placement, brokerage and consulting services; and (g) other services. Some



of the services performed by portfolio company service providers will be performed by Blackstone Credit from time to time and vice versa. Fees paid by certain Clients or their portfolio companies to or value created by other portfolio company service providers do not offset or reduce any management fee payable by investors and are not otherwise shared with Clients. Similarly, Other Clients and their portfolio companies can be expected to engage portfolio companies of certain Clients to provide some or all of these services. Furthermore, in certain circumstances, Blackstone can be expected to play a substantial role in overseeing the personnel of portfolio company service providers that provide services to the Clients, Other Clients and/or their portfolio companies on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. For example, Blackstone expects that certain portfolio company service providers, as described below, with Blackstone's oversight, will establish a team of personnel to provide support services exclusively to the Clients and their portfolio companies (and/or other investment funds or accounts managed or controlled by Blackstone). Further, Blackstone has multiple business lines, which may result in competition with a portfolio company for high performing executive talent and presents actual and potential conflicts of interest.

Portfolio companies of the Clients and Other Clients some of which can be expected to provide services to Clients and their portfolio companies include, without limitation, the following, and could include additional portfolio companies that might be formed or acquired in the future.

***BX Credit Fund Services Luxembourg.*** BX Credit Fund Services Luxembourg ("**BX Credit Fund Services Luxembourg**") is a Luxembourg-based company established in 2018 to centralize various resources supporting the maintenance and day-to-day management and administration of certain Luxembourg holding companies (the "**BX Credit Fund Services Luxembourg Luxcos**") controlled by certain Other Clients. BX Credit Fund Services Luxembourg is entirely owned by Other Clients. In certain cases, the funds which use BX Credit Fund Services Luxembourg's services could contribute capital to fund the costs of BX Credit Fund Services Luxembourg. Key service functions provided by BX Credit Fund Services Luxembourg include domiciliation, accounting, corporate filings, tax reporting and other administration services. All costs associated with BX Fund Services Luxembourg's services and operations (including any BX Credit Fund Services Luxembourg employee compensation and other general overhead) will be ultimately borne by the Other Clients (and, to the extent applicable, the Clients that own or use BX Credit Fund Services Luxembourg). These shared costs are intended to be allocated and charged on a cost sharing basis to the individual fund related entities utilizing the services of BX Credit Fund Services Luxembourg based on the type and level of services provided and could include a mark-up, though BX Credit Fund Services Luxembourg is generally intended to operate on a nominal profit basis. Blackstone Credit endeavors to allocate fees and expenses associated with BX Credit Fund Services Luxembourg fairly and equitably, which allocation involves certain methodologies based on actual data pertaining to the services provided. Blackstone Credit believes that these methodologies result in a fair and equitable allocation of expenses. To the extent ownership of BX Credit Fund Services Luxembourg is transferred between the Clients and Other Clients, such transfer will generally be consummated for minimal or no consideration, and without obtaining any consent from any advisory committee of a Client and/or the limited partners (or independent client representatives (if any)), in each case, subject to the facts and circumstances and relevant governing documents.

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

**Ontra (f.k.a. InCloudCounsel).** Ontra is a portfolio company of certain Other Clients that provides a contract automation and intelligence platform that utilizes artificial intelligence and a network of attorneys to support processing of routine contracts and tracking of obligations in complex agreements. Ontra is expected to perform services for the Clients, their portfolio companies, Other Clients and Blackstone.

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

**ASK Investment Management (“ASK”).** ASK is a portfolio company of certain Other Clients that provides investment management services. ASK is expected to perform placement agent services for the Client and placement agent or other services for the Client’s portfolio companies, Other Clients and Blackstone.

**CoreTrust.** On September 30, 2022, certain Blackstone private equity funds and related entities closed the previously announced acquisition of a majority interest in CoreTrust (the “**CoreTrust Acquisition**”), a group purchasing organization that provides purchasing services to member companies, which includes portfolio companies owned, in whole or in part, by certain Blackstone Clients. CoreTrust is expected to provide group purchasing services to certain Clients, portfolio companies, Other Clients and Blackstone. Generally, CoreTrust generates revenue from vendors based on a percentage of the amount of products or services purchased by its member companies and benefit plans maintained by its member companies. CoreTrust has historically shared a portion of the revenue generated through purchases made by Blackstone portfolio companies and paid Blackstone a consulting fee. Blackstone stopped accepting such revenue sharing arrangements and consulting fee upon the closing of the CoreTrust Acquisition. However, Blackstone may in its sole discretion reinstitute such or similar revenue sharing arrangements with CoreTrust in the future. In addition, prior to the CoreTrust Acquisition, CoreTrust generated revenue in respect of certain portfolio companies (the “**Applicable Portfolio Companies**”) from certain health and welfare benefit plan-related vendors (the “**Applicable Vendors**”). For legal and regulatory reasons, following the CoreTrust Acquisition, CoreTrust is limited in its ability to generate revenue from the Applicable Vendors in respect of portfolio companies’ health benefit plans based on a percentage of the amount of products or services purchased by such plans. As a result, for Applicable Portfolio Companies and other portfolio companies that become CoreTrust members, CoreTrust intends to rebate all revenue received from Applicable Vendors to each such portfolio company’s applicable benefit plan. CoreTrust also intends to enter into with each Applicable Portfolio Company (and with other portfolio companies that become CoreTrust members) a separate agreement that will include the payment of an access fee in return for allowing such portfolio companies to use the goods and services provided by the Applicable Vendors through CoreTrust. The amount of the access fee will generally be determined either as a percentage of total company revenues or as

a fixed fee (in each case subject to periodic review by CoreTrust and the Applicable Portfolio Company) and might not be subject to benchmarking, and the access fee could be greater or less than the amount of the revenue that CoreTrust previously generated from Applicable Vendors.

**Optiv.** Optiv Security, Inc. is a portfolio company held by Other Clients that provides a full slate of information security services and solutions. Optiv is expected to provide goods and services for Clients and portfolio companies.

**Encore Group (USA) LLC.** Encore Group (USA) LLC is a portfolio company held by Other Clients that provides outsourced audiovisual services and event production and is expected to provide goods and services for Clients and portfolio companies.

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

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

**Peridot Financial Services ("**Peridot**") and Global Supply Chain Finance ("**GSCF**").** Blackstone through one or more of its funds has made majority investments into Peridot and GSCF are portfolio companies of certain Other Clients that provide supply chain financing and accounts receivable services globally. Peridot and GSCF are expected to perform services for the Clients, their portfolio companies and Other Clients.

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

**Legence (f.k.a. Therma Holdings) ("**Legence**").** Legence is a portfolio company held by certain Blackstone private equity funds that provides carbon reduction and energy management services and is expected to provide goods and services for Clients and portfolio companies.

**Revantage.** Revantage is a portfolio company of certain Other Clients that provides corporate support services, including, without limitation, accounting, legal, tax, treasury, information technology, human resources, operational services and management services. Revantage is expected to perform services for the Clients, their portfolio companies, Other Blackstone Clients and Blackstone. Certain portfolio companies are required to obtain certain services from Revantage due to firm-wide or fund-wide or other reasons (including Blackstone Credit's policies and procedures). Such required services can be expected to include data collection

programs, IT security, fund accounting, fund accounting reporting, acquisition onboarding, offboarding of investments, certain valuation reporting, tax reporting and compliance, distribution support, transaction and enterprise risk management, digital asset management, acquisition and disposition program management, certain ESG support services, and office services. Blackstone Credit recommends certain services from Revantage to its portfolio companies where such services are accretive in value or offer proven scale to such portfolio companies. Such recommended services can be expected to include human resource administration, IT infrastructure services, investment accounting and reporting services, promote administration, loan origination assistance, and invoice and claims management services. Revantage also offers portfolio companies “opt-in” services which are services that certain portfolio companies could find valuable and helpful to their infrastructure, whereas certain other portfolio companies could already perform such services in-house or have otherwise established policies and procedures for such services (or similar services) such that they decide not to “opt-in” to this category of Revantage’s services. Such services include portfolio company and investment level analytics services, talent acquisition services, financial planning and analysis for portfolio companies, tax advice and administration for portfolio companies, debt, litigation management services, business continuity assistance, and project management services.

There could be instances where current and former employees of Other Clients’ portfolio companies are seconded to or temporarily hired by the Client’s portfolio companies or, at times, the Clients’ investments directly. Such secondments or temporary hiring of current and former employees of Other Clients’ portfolio companies by the Client’s portfolio companies (or their investments) will result in a potential conflict of interest between the Client’s portfolio companies and those of such Other Clients. The costs of such employees are expected to be borne by the Clients or its relevant portfolio companies, as applicable, and the fees paid by the Clients or such portfolio companies, to, other portfolio company service providers or vendors do not offset or reduce the management fee.

Certain Clients and their portfolio companies will compensate one or more of these service providers and vendors owned by the Clients or Other Clients, including through incentive-based compensation payable to their management teams and other related parties. The incentive based compensation paid with respect to a portfolio company or asset of any such Client or Other Clients will vary from the incentive based compensation paid with respect to other portfolio companies and assets of the Client and Other Clients; as a result the management team or other related parties can be expected to have greater incentives with respect to certain assets and portfolio companies relative to others, and the performance of certain assets and portfolio companies can be expected to provide incentives to retain management that also service other assets and portfolio companies. Some of these service providers and vendors owned or controlled by the Client or Other Clients will charge the Client and its portfolio companies for goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates under “Firm Affiliated Service Providers” herein applies equally in respect of the fees and expenses of the portfolio company service providers, if charged at rates generally consistent with those available in the market. Other service providers and vendors owned and/or controlled by certain Clients or Other Clients pass through expenses on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for the benefit of any such Client and its

portfolio companies to them, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space (including, without limitation, rent and refurbishment costs and office space in Luxembourg) and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a portfolio company; costs that are of a limited duration or non-recurring (such as start-up or technology build-up costs, one-time technology and systems implementation costs, employee on-boarding and severance payments, and IPO readiness and other infrastructure costs); taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period, 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 law, pay more than its *pro rata* portion of fees for services. In addition, in certain circumstances, Blackstone also relies on the management team of a portfolio company 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 company 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 a 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 the Clients could bear more fees, costs and expenses at year-end than had been anticipated throughout the year. The allocation of overhead among the entities and assets to which services are provided can be expected to be based on any of a number of different methodologies, including, without limitation, "cost" basis as described above, "time-allocation" basis, "per unit" basis, "per square footage" basis or "fixed percentage" basis, and the particular methodology used to allocate such overhead among the entities and assets to which services are provided are expected to vary depending on the types of services provided and the applicable asset class involved. There can be no assurance that a different manner of allocation would result in a Client and its portfolio companies bearing less or more costs and expenses. In addition, a portfolio company that uses a "cost" basis methodology may, in certain circumstances, change its allocation methodology, for example, to charging a flat fee for a particular service or instance (or vice versa) or to another methodology described herein or otherwise, and such changes may increase or reduce the amounts received by such portfolio companies for the same services, and limited partners will not necessarily be entitled to receive notice or disclosure of such changes in allocation methodology. In certain instances, particularly where such service providers and vendors are located in Europe or Asia, such service providers and vendors will charge a Client and its portfolio companies 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 to decide to amortize any costs or expenses to address accounting or operational considerations. Further, a Client and its portfolio companies will compensate one or more of these service providers and vendors owned by the Client or Other Clients through incentive-based compensation payable to their management teams and other related parties. Blackstone Credit will not always perform or obtain benchmarking analysis or third-party verification of expenses with respect to services provided on a cost reimbursement, no profit or break-even basis, or in respect of incentive-based

compensation. There can be no assurances that amounts charged by portfolio company service providers that are not controlled by a Client or Other Clients will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. In addition, while it is expected that the Clients or Other Clients will engage in long-term or recurring contracts with portfolio company service providers, it can be expected that the Registrant will not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time. In addition, neither the Registrant nor Blackstone is required to perform or obtain benchmarking analysis of expenses with respect to non-recurring contracts with portfolio company service providers. If benchmarking is performed, the related expenses will be borne by relevant Clients, Other Clients and their respective portfolio companies and will not offset the management fee. In certain circumstances, a Client will enter into fee arrangements with portfolio company 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 company service providers have entered into such fee arrangements, there could be situations where the portfolio company service provider's tax liabilities that are associated with the income received from the Clients would be passed along to the Client such that the Client would ultimately be responsible for bearing such expenses. Accordingly, in such situations Blackstone would have an incentive to structure its fee arrangements with portfolio company service providers in such a manner where the Client would bear all or a portion of such portfolio company service providers 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 such Client's Offering and/or Governing Documents.

A portfolio company service provider will, in certain circumstances, subcontract certain of its responsibilities to other portfolio companies. In such circumstances, the relevant subcontractor could invoice the portfolio company 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 company, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above. Similarly, Other Clients, their portfolio companies and Blackstone Credit can be expected to engage portfolio companies of Clients to provide services, and these portfolio companies will generally charge for services in the same manner described above, but such Clients and their portfolio companies generally will not be reimbursed for any costs (such as start-up costs or technology build-up costs) relating to such portfolio companies incurred prior to such engagement. Some of the services performed by these service providers could also be performed by Blackstone Credit from time to time and vice versa. Fees paid by the Clients or their portfolio companies to these service providers do not offset or reduce the management fee payable by the investors of such Clients and are not otherwise shared with the Clients, unless otherwise required by the Offering and/or Governing Documents.

In the case of investments of Clients involving a "platform company," such Clients will from time to time enter into an arrangement with one or more individuals (who have experience or capability in sourcing and/or managing investments) to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The counterpart individuals could be compensated with a salary and/or equity incentive plan. Such compensation could take the form of a management fee and/or profits allocation (whether paid directly to such

individuals and/or to an affiliated entity controlled by such individuals), which could be calculated as a percentage of assets under management and/or a waterfall similar to a carried interest, respectively, and which will not be subject to the management fee offset. The professionals at such platform company, which in certain circumstances could include former employees or current or former senior advisors or consultants to Blackstone Credit, its affiliates and/or management of portfolio companies of Other Clients, can be expected to undertake analysis and evaluation of potential investment and acquisition opportunities for such platform company. In such circumstances, a Client would initially invest capital to fund a portion of the overhead (including rent, benefits, salary or retainers for the counterpart individuals and/or their affiliated entity) and sourcing costs for such investments. Although Blackstone Credit is generally responsible under the Offering and/or Governing Documents for certain overhead expenses and investment analysis associated with sourcing and managing investments, as well as compensation costs of investment professionals, certain Clients (and indirectly the investors in such Clients), and not solely Blackstone or Blackstone Credit, will bear some or all of the cost of such platform companies including costs related to overhead and the sourcing and analysis of investments, as well as compensation for the related counterparties, for any such platform companies. The activities performed by investment professionals at platform companies will in certain cases be similar to the investment management activities performed by the Blackstone Credit'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. Blackstone Credit 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 Blackstone Credit needs to employ in respect of the Clients.

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

***Service Providers, Vendors and Other Counterparties Generally.*** Certain third party advisors and other service providers and vendors or their affiliates to certain Clients and their portfolio companies (including accountants, administrators, paying agents, depositaries, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms) are owned by Blackstone, Clients or Other Clients or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, Other Clients (including co-investment vehicles, where applicable) and their respective portfolio companies and affiliates and personnel. Certain such advisors and service providers referred to above could be investors in Clients, affiliates of Blackstone Credit, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or Other Clients have an investment, and payments by Clients and/or such entities can be expected to indirectly benefit Blackstone, Other Clients (including co-investment vehicles, where applicable) and their respective portfolio companies or any affiliates or personnel. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to certain Clients and their portfolio companies could have other commercial or personal relationships

with Blackstone, Other Clients (including co-investment vehicles, where applicable) and their respective portfolio companies, 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 influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for Clients or a portfolio company, the cost of which will generally be borne directly or indirectly by Clients and can be expected to incentivize Blackstone to engage such service provider over a third party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to pay such service providers and vendors higher fees or commissions, resulting in higher fees and expenses being borne by a Client, 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.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to certain Clients and their portfolio companies for the same services. However, legal fees for unconsummated transactions are often charged at a discount rate, such that if certain Clients and their portfolio companies consummate a higher percentage of transactions with a particular law firm than Blackstone, Clients, Other Clients and their portfolio companies, the investors could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, Clients or Other Clients or their portfolio companies. 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 certain Clients and their portfolio companies are different from those used by Blackstone, Other Clients and their portfolio companies, and their affiliates and personnel, certain Clients and their portfolio companies can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, Clients, the Other Clients and their portfolio companies and affiliates can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products or services depending on certain factors, including without limitation the volume of transactions entered into with such counterparty by Blackstone Credit, certain Clients and their investments and/or portfolio companies in the aggregate or other factors.

Clients, Other Clients and their portfolio companies are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third party joint venture partner is permitted to negotiate to not pay its *pro rata* share of fees, costs and expenses to be allocated as described above, in which case Clients, Other Clients and their portfolio companies that also use the services of the portfolio company service provider will, directly or indirectly, pay the difference, or the portfolio company service provider



will bear a loss equal to the difference. Moreover, in certain circumstances, the joint venture partner might be allocated fees, costs and expenses pursuant to a different methodology than a portfolio company's standard allocation methodology, which could result in Clients or their portfolio companies being allocated more fees, costs and expenses than they would otherwise be allocated solely pursuant to such standard allocation methodology.

Blackstone might, from time to time, encourage service providers to funds and investments to use, generally at market rates and/or on arm's length terms (and/or on the basis of best execution, if applicable), Blackstone-affiliated service providers in connection with the business of Clients, portfolio companies, and unaffiliated entities. This practice creates a conflict of interest because it provides an indirect benefit to Blackstone in the form of added business for Blackstone-affiliated service providers without any reduction to a Client's management fee.

Certain portfolio companies that provide services to Clients, Other Clients and/or portfolio companies or assets of Clients and/or Other Clients could be transferred between and among Clients and/or Other Clients (where Clients will from time to time be a seller or a buyer in any such transfer) for minimal or no consideration (based on a third party valuation confirming the same) and without the approval of the investor advisory committee, independent client representative and/or the investors. Such transfers will give rise to actual or potential conflicts of interest for Blackstone Credit, as the benefit to Blackstone Credit with respect to any such transfer would not align with the interests of the Clients involved in such transfer. See "Cross and Principal Transactions" below.

***Insurance.*** Blackstone Credit will cause Clients to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the Client, the General Partner, the Registrant, Blackstone Credit, Blackstone and/or their respective directors, officers, employees, agents, independent client representatives (if any), representatives, members of the limited partner advisory committee and other indemnified parties (and in certain circumstances, such person's agents and representatives) ("**Indemnified Parties**"), 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 the Client and one or more Other Clients, the Registrant, Blackstone Credit, Blackstone and/or Indemnified Parties. Blackstone Credit will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella," group or other insurance policies among the Client and one or more Other Clients, the Registrant, Blackstone Credit and/or Blackstone on a fair and reasonable basis, in its sole discretion, and can make corrective allocations should it determine subsequently that such corrections are necessary or advisable.

Similarly, Clients and their portfolio companies will from time to time enter into arrangements with Other Clients and their respective portfolio companies whereby property and/or other types of insurance is procured as a group where the insurance provider is expected to charge lower premiums to the group than it would on an individual property-by-property basis. In such event, the obligation to pay the premiums could be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone may reasonably determine). Additionally, certain Clients and Other Clients (and their respective portfolio companies) 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 can be expected to similarly be allocated in accordance with the relative values of the respective properties that are insured by such policies (or other factors that Blackstone and/or Blackstone Credit might reasonably determine).

In respect of certain such insurance arrangements, Blackstone and/or Blackstone Credit will make corrective allocations from time to time should they determine subsequently that such adjustments are necessary or advisable. Such allocations involve conflicts of interest and there can be no assurance that different allocations or arrangements than those implemented by Blackstone and/or Blackstone Credit as provided above would not result in the Client bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

***Other Blackstone Businesses and Activities.*** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, Blackstone Credit, Clients, portfolio companies of Clients and third parties will, from time to time, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone could come into possession of information that limits the Clients' ability to engage in potential transactions. Similarly, in certain circumstances other Blackstone businesses and their personnel would be prohibited by law or contract from sharing information with Blackstone Credit that would be relevant to monitoring the Clients' investments and other activities. Additionally, Blackstone, Blackstone Credit or Other Clients can be expected to enter into covenants that restrict or otherwise limit the ability of a Client or its portfolio companies and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Clients could have granted exclusivity to a joint venture partner that limits the Client and Other Clients from owning assets within a certain distance of any of the joint venture's assets, or Blackstone, Blackstone Credit or an Other Client could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions from time to time will negatively impact the ability of certain Clients to implement their investment program. Finally, Blackstone and Blackstone Credit personnel who are members of the investment team or investment committee will be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, including other business activities, in which case the Client will not benefit from their experience. Client investors will not receive a benefit from any fees earned by Blackstone and/or Blackstone Credit or their personnel from these other businesses (or receive any management fee offset).

As part of its regular business, Blackstone provides a broad range of services. In addition, from time to time Blackstone will provide services in the future beyond those currently provided. Investors will not receive any benefit from (or any management fee offset relating to) any fees relating to such services earned by Blackstone.

Blackstone Credit will from time to time consider and reject an investment opportunity on behalf of one Client and Blackstone Credit or an affiliate could subsequently determine to have another Client or Other Client make an investment in the same asset. A conflict of interest arises because one Client or Other Client will, in such circumstances, benefit from the initial evaluation, investigation and

diligence undertaken by Blackstone Credit on behalf of the original Client considering the investment. In such circumstances, the benefitting Client or Other Client will not be required to reimburse the original Client for expenses incurred in researching such investment.

In the regular course of its capital markets, investment banking, real estate, advisory and other businesses, Blackstone represents potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to transactions that could give rise to other transactions that are suitable for certain Clients. In such a case, a Blackstone Client would typically require Blackstone to act exclusively on its behalf. Such Blackstone Client requests could preclude certain Clients and/or Other Clients from participating in related transactions that would otherwise be suitable. Blackstone will be under no obligation to decline any such engagements in order to make an investment opportunity available to such Clients and, as a result, experiences a conflict of interest because it is incentivized to enter into an arrangement with one Client to generate additional compensation to Blackstone where such arrangement could be detrimental to another Client.

In connection with its capital markets, investment banking and other businesses, Blackstone will from time to time determine that there are conflicts of interest or come into possession of information that limits its ability to engage in potential transactions. The activities of the Clients are expected to be constrained as a result of such conflicts of interest and the inability of Blackstone Credit personnel to use such information. For example, employees of Blackstone from time to time are prohibited by law or contract from sharing information with Blackstone Credit. Additionally, there are expected to be circumstances in which one or more of certain individuals associated with Blackstone will be precluded from providing to Blackstone Credit or the Registrant services related to the Clients' activities because of certain confidential information available to those individuals or to other parts of Blackstone. Blackstone is under no obligation to decline any such engagements or investments in order to make an investment opportunity available to one or more Clients.

Blackstone and its employees have long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on a Client's behalf, the Registrant will consider those relationships when evaluating an investment or divestment opportunity and such relationships can be expected to influence the Registrant's decision to make or not make particular investments on a Client's behalf. The Clients could also co-invest with investors of Blackstone, Other Blackstone Credit Clients or Other Clients in particular investments, and the relationship with such parties could influence the decisions made by the Registrant with respect to such investments. The Clients could be forced to sell or hold existing investments when it otherwise would be more beneficial to such Client not to do so as a result of investment banking relationships or other relationships that Blackstone has or will have or transactions or investments that Blackstone makes or has made. Certain Clients could also co-invest with Blackstone Clients in particular investment opportunities, and the relationship with such Clients could influence the decisions made by Blackstone Credit with respect to such investments. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to the Clients. In addition, the Clients can invest in securities of the same issuers as Other Clients or Blackstone Clients. When such investments are made, the Clients and Other Clients or Blackstone Clients are expected to have conflicting interests and it is possible that such conflicts would not be resolved in

favor of such Clients. See also “Other Affiliate Transactions and Investments in Different Levels of Capital Structure” below for further information on these situations.

A Client from time to time also co-invests with Other Clients or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by the Registrant with respect to such investments and otherwise result in a conflict that might not be resolved in favor of such Client. There can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone and/or Blackstone Credit will be made available to a Client. See also **Item 12 – Brokerage Practices** for further information regarding allocation of investment opportunities.

Blackstone, Clients and Other Clients could acquire interests in another Client in the secondary market. Blackstone, Clients and Other Clients would generally have greater information than counterparties in such transactions, and the existence of such business could produce conflicts, including with respect to the valuation of Client investments, that could lead to less favorable terms for the Client whose interests are acquired than would be obtained in a transaction with a third-party counterparty.

Blackstone, its related parties and personnel will from time to time participate in underwriting or lending syndicates with respect to current or potential portfolio companies of a Client, or otherwise be involved in and/or act as arrangers of financing, including with respect to the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, such Client and its portfolio companies, or otherwise in arranging financing (including loans) for such portfolio companies. Such underwritings, financings or engagements can be on a firm commitment basis or can be on an uncommitted “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 could also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by portfolio companies and Other Clients. There could also be circumstances in which a Client commits to purchase any portion of such issuance from its portfolio company, some or all of which portion a Blackstone broker-dealer intends to syndicate to third parties. As a result thereof, Blackstone could receive commissions or other compensation, thereby creating a potential conflict of interest, incentivizing Blackstone Credit to enter into transactions on terms less beneficial to a Client than could be obtained in the absence of such conflict. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. In certain cases, a Blackstone broker-dealer will act as the managing underwriter or a member of the underwriting syndicate or broker for a Client or its portfolio companies, or as dealer, broker or advisor to a counterparty to the Client or a portfolio company and purchase securities from or sell securities to the Client, Other Clients or their portfolio companies or advise on such transactions. Blackstone will also from time to time, on behalf of the Clients or other parties to a transaction involving the Clients, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by a Client or its portfolio companies or the counterparty to the transaction, thereby creating a potential conflict of interest. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets advisory fees (including

capital markets advisory fees), lending arrangement fees, asset/property management fees, insurance (including title insurance) fees and consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or a Blackstone Client or account is purchasing debt) or other compensation with respect to the foregoing activities, none of which are required to be shared with the Clients or the investors or the Registrant. In addition, the management fee with respect to a Fund investor generally will not be reduced by such amounts. Therefore, Blackstone will have a potential conflict of interest regarding the Clients and the other parties to those transactions to the extent it receives commissions, discounts or such other compensation from such other parties that would incentivize Blackstone Credit to cause the Clients to enter into such transactions they would not have otherwise entered into in the absence of such conflict or to use a Blackstone broker-dealer rather than a third party even if a third party could have provided such services at lower rates. The Registrant has sole discretion to approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for a Client, or as dealer, broker or advisor, on the other side of a transaction with a Client if the Registrant believes in good faith that such transactions are appropriate for such Client.

Sales of loans or securities for the accounts of certain Clients and their portfolio companies will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Clients. It could be impossible, as determined by Blackstone Credit in its sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices could therefore be averaged which could be disadvantageous to a Client.

When Blackstone serves as underwriter with respect to securities or loans of a Client or its portfolio companies, a Client and such portfolio companies could be subject to a “lock-up” period following the offering under applicable regulations during which time a Client or portfolio company would be unable to sell any securities subject to the “lock-up.” This could prejudice the ability of certain Clients and their portfolio companies to dispose of such securities at an opportune time. This raises a conflict of interest because, though it could be detrimental to the interest of a Client, Blackstone is incentivized to enter into such arrangements to increase overall compensation to Blackstone, which compensation is not shared with Clients.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill Group fund placement businesses and combined these businesses with PJT Partners Inc. (“**PJT**”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving a Client and its portfolio companies, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone can be expected to influence the Registrant to select or recommend PJT to perform services for a Client or its portfolio companies, 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 Registrant and its affiliates are able to cause a Client and portfolio companies to transact with PJT generally without restriction under the relevant Offering and/or Governing 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.

In addition, other present and future activities of Blackstone and its affiliates (including the Registrant and the General Partner) will from time to time give rise to additional conflicts of interest relating to the Clients and their investment activities. In the event that any such conflict of interest arises, the General Partner and/or the Registrant, as applicable, will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that, subject to applicable law, conflicts will not necessarily be resolved in favor of the applicable Client’s interests. In addition, pursuant to a Client’s Offering and/or Governing Documents, such Client’s limited partner advisory committee may be established and authorized to give consent on behalf of such Client with respect to certain matters. If the limited partner advisory committee consents to a particular matter as to which it is consulted and the relevant General Partner and the Registrant act in a manner, or pursuant to the standards and procedures, approved by such committee, or otherwise as provided in the applicable Offering and/or Governing Documents, then the General Partner, the Registrant and their affiliates will not have any liability to such Client or the investors for such actions taken in good faith by them, including actions in pursuit of their own interests. A conflict of interest will exist when some, but not all, limited partners are permitted to designate a member of the advisory committee because those designating limited partners will, for instance, have greater information rights. An advisory committee’s ability to approve conflicts of interest with respect to the Registrant and the applicable Client could be disadvantageous to the limited partners, including those limited partners who do not designate a member to the advisory committee. Certain representatives of the advisory committee could have various business and other relationships with Blackstone. These relationships can influence the decisions made by such members of the advisory committee. In addition, certain members of a Client’s advisory committee could also be members of an Other Client’s advisory committee. In such instances, a conflict of interest exists because such Clients or Other Clients would have conflicting interests and such advisory committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

Also, Blackstone will represent creditors or debtors in proceedings under Chapter 11 of the US Bankruptcy Code or prior to such filings 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 assets, and may require that a Client dispose of an investment at an inopportune time.

***Transactions with Clients of Blackstone Insurance Solutions.*** Blackstone Insurance Solutions (“**BIS**”) is the business segment of BXCI that provides investment advisory services to insurers, including, among others, (i) Fidelity & Guaranty Life Insurance Company and certain of its affiliates (“**FGL**”), (ii) Everlake Life Insurance Company and certain of its affiliates (“**Everlake**”), (iii) certain subsidiaries of Corebridge Financial, Inc. (“**Corebridge**”) and (iv) certain subsidiaries of Resolution

Life Group Holdings Ltd. (“**Resolution Life**”). Certain of the insurers for which BIS provides services are, or could be in the future, owned, directly or indirectly, by Blackstone, the Clients or Other Clients, in whole or in part.

Actual or potential conflicts of interest will likely arise in relation to the funds, vehicles or accounts BIS advises or sub-advises, including accounts where an insurer (including, without limitation, each of FGL, Everlake, Corebridge and Resolution Life) participates in investments directly and there is no separate vehicle controlled by Blackstone (collectively, “**BIS Clients**”). BIS Clients have invested and are expected to continue investing in Clients of the Registrant and/or Other Clients. Certain BIS Clients have investment objectives that overlap with those of Clients (and Blackstone has entered into sub-management agreements with BIS to manage (for a fee, which such fees may be shared with BIS) the assets of certain such BIS Clients with respect to investments that overlap in part with Clients’ investment directives) or their portfolio companies, and such BIS Clients could invest alongside (or in lieu of) Clients or their portfolio companies in certain investments, which will reduce the investment opportunities otherwise available to Clients or their portfolio companies. BIS Clients will also engage in a variety of activities, including participating in transactions related to Clients or their portfolio companies (*e.g.*, as originators, co-originators, counterparties or otherwise). Other transactions in which BIS Clients will participate include, without limitation, investments in debt or other securities issued by portfolio companies or other forms of financing to portfolio companies (including special purpose vehicles established by Clients or such portfolio companies). When investing alongside Clients or their portfolio companies or in other transactions related to Clients or their portfolio companies, BIS Clients have the ability to invest or divest at the same time or on the same terms as Clients or their portfolio companies or at a different time or on different terms. BIS Clients will also from time to time acquire or sell investments and portfolio companies directly or indirectly from or to Clients, which creates a conflict of interest. See “Cross and Principal Transactions” below for additional information. In circumstances where Blackstone Credit determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone, Blackstone Credit or a General Partner implements, such General Partner is not required and does not intend to seek approval of an investor advisory committee or investors. In order to seek to mitigate any potential conflicts of interest with respect to such transactions (or other transactions involving BIS Clients), Blackstone reserves the right, in its sole discretion, to involve independent members of the board of a portfolio company or a third party stakeholder in the transaction to negotiate price and terms on behalf of the BIS Clients or otherwise cause the BIS Clients to “follow the vote” thereof, and/or cause an independent client representative or other third party to approve the investment or otherwise represent the interests of one or more of the parties to the transaction. In addition, Blackstone or a General Partner reserves the right to limit the percentage interest of the BIS Clients participating in such transaction, or obtain appropriate price quotes or other benchmarks, or, alternatively, a third-party price opinion or other document to support the reasonableness of the price and terms of the transaction. BIS will also from time to time require the applicable BIS Clients participating in a transaction to consent thereto (including in circumstances where a General Partner does not seek the consent of an investor advisory committee or investors). There can be no assurance that any such measures or other measures that are implemented by Blackstone will be effective at mitigating any actual or potential conflicts of interest. Moreover, under certain circumstances (*e.g.*, where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client will not be an “affiliate” under the Offering

and/or Governing Documents of any Client, in which case any limitations or obligations pursuant to the Offering and/or Governing Documents with respect to transactions with affiliates will not apply.

***Allocation of Portfolios.*** From time to time Blackstone will have an opportunity to acquire a portfolio or pool of assets, securities and instruments that it determines should be divided and allocated among certain Clients and Other Clients. Such allocations generally would be based on Blackstone's assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool will have an opportunistic return profile, while others will have a lower return profile not appropriate for certain Clients. Also, certain pools will contain both debt and equity instruments that Blackstone determines should be allocated to different Blackstone Clients. In certain circumstances, Blackstone can 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 Clients and such Other Clients. 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 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 Clients, and that the Clients would be deemed for purposes of the Offering and/or Governing Documents to hold its portion of the portfolio or pool separately from, and not jointly with, such Other Clients (and vice versa in respect of the portion of such portfolio or pool allocated to such Other Clients). In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool and therefore among Clients and Other Clients acquiring any of the assets, securities and instruments. Similarly, there will likely be circumstances in which Clients and Other Clients will sell assets in a single or related transactions to a buyer. In some cases a counterparty will require an allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not accurate and should not be relied upon. Blackstone will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third party valuation reports. Regardless of the methodology for allocating value, Blackstone will have conflicting duties to Clients and Other Clients when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an investment of a Client will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such investment were acquired or sold independently rather than as a component of a portfolio shared with Other Clients.

***Other Affiliate Transactions and Investments in Different Levels of Capital Structure.*** From time to time, the Clients invest in securities of the same issuers as Other Clients, including at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities or loans, subject to the limitations of the Investment Company Act of 1940 (the "**Investment Company Act**"). While less common, from time to time a Client could hold an investment in a different layer of the capital structure than an investor or another party with which the Registrant has a material relationship, in which case the Registrant could have an incentive to cause the Client or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements). Certain such investments inherently give rise to conflicts of interest or perceived



conflicts of interest between or among the various classes of securities or loans that are expected to be held by such entities. To the extent a Client holds securities or loans that differ (including with respect to their relative seniority) from those held by Other Clients in the same investment or portfolio company, the relevant General Partner, the Registrant and their affiliates will be presented with decisions when the interests of the Clients are in conflict. For example, conflicts could arise where a Client lends funds to a portfolio company while an Other Client invests in equity securities of such portfolio company. In this circumstance, for example, if a portfolio company were to go into bankruptcy, become insolvent or otherwise be unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between the holders of different types of securities or loans as to what actions the portfolio company should take. Further conflicts could arise after the Clients have made their respective initial investments. For example, if additional financing is necessary as a result of financial or other difficulties, it is not always in the best interests of Clients to provide such additional financing. If Other Clients were to lose their respective investments as a result of such difficulties, the ability of Blackstone Credit to take actions in the best interests of such Client might be impaired. The Registrant could in its sole discretion take steps to reduce the potential for adversity between such Client and the Other Clients, including causing Clients to take certain actions that, in the absence of such conflict, they would not take. Such conflicts will be more difficult if the Client and Other Clients hold significant or controlling interests in competing or different tranches of a portfolio company's capital structure. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In addition, there could be circumstances where the Registrant agrees to implement certain procedures to ameliorate conflicts of interest that involve a forbearance of rights relating to Clients, such as where the Registrant is expected to cause the Clients to decline to exercise certain control- and/or foreclosure-related rights with respect to a portfolio company (including following the vote of other third party lenders generally (or otherwise recusing itself with respect to decisions), including with respect to defaults, foreclosures, workouts, restructurings and/or exit opportunities), subject to certain limitations. There can be no assurance that any conflict will be resolved in favor of the Clients. There can be no assurance that the return on a particular Client's investment will be equivalent to or better than the returns obtained by Other Clients participating in the transaction. In addition, it is possible that in a bankruptcy proceeding, a Client's interests will be subordinated or otherwise adversely affected by virtue of an Other Client's or other vehicle's involvement and actions relating to its investment. For example, in circumstances where a Client holds a junior mezzanine interest in a portfolio company, holders of more senior classes of debt issued by such portfolio company (which can include Other Clients) could take actions for their benefit (particularly in circumstances where such portfolio company faces financial difficulties or distress) that further subordinate or adversely impact the value of such Client's investment in such portfolio company.

In addition, conflicts arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that any conflict will be resolved in favor of a Client and a decision by Blackstone Credit to take any particular action could have the effect of benefiting an Other Client and/or Blackstone Credit, and therefore will not always be in the best interests of, and will, at times, be adverse to, the Client. There can be no assurance that the return on such Client's investment will be equivalent to or better than the returns obtained by the Other Clients participating in the same or similar transactions. Investors in such Client will not receive any benefit from fees paid to any affiliate of Blackstone and/or Blackstone

Credit in respect of any Other Client's investment in a portfolio company.

***Firm Affiliated Service Providers.*** In addition to service providers (including portfolio company service providers) and vendors described above, certain Clients and their portfolio companies will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of the Blackstone Funds, including the businesses described below. These businesses will, in certain circumstances, also enter into transactions with other counterparties of certain Clients and their portfolio companies, as well as service providers, vendors and investors. 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 payable by a Client, unless otherwise required by such Client's Offering and/or Governing Documents. Further, Blackstone, Other Clients and their portfolio companies 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 such as those described above.

Because Blackstone has many different businesses, including the Blackstone Capital Markets Group, which Blackstone investment teams and portfolio companies can engage to provide underwriting and capital market advisory services, 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 be subject if it had just one line of business. In most such circumstances, the Offering and/or Governing Documents will not preclude a Client from undertaking any particular investment activity and/or transaction. To the extent Blackstone determines appropriate, conflict mitigation strategies would be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by Blackstone Credit. Blackstone-affiliated service providers are generally expected to receive competitive market rate fees (as determined by the relevant General Partner, Blackstone Credit or their affiliates) when providing services to Clients or their portfolio companies. Such affiliated service providers may include:

***Aquicore.*** Aquicore is a cloud-based platform that tracks, analyzes and predicts key metrics in real estate with a focus on the reduction of energy consumption. Blackstone holds a minority investment in Aquicore.

***Equity Healthcare.*** Equity Healthcare LLC ("**Equity Healthcare**") is a Blackstone affiliate that negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, which include unaffiliated third parties, Equity Healthcare is able to negotiate pricing terms that are believed to be more favorable than those that the portfolio companies could obtain for themselves on an individual basis. The fees received by Equity Healthcare in connection with such services provided to investments will not offset the management fee payable by the limited partners.

**LNLS.** Lexington National Land Services (“LNLS”) is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters, (iii) in certain circumstances, provides courtesy title settlement services and (iv) acts as escrow agent in connection with investments by the Clients, Other Clients and their portfolio companies, affiliates and related parties, and third parties including, from time to time, Blackstone’s borrowers. In exchange for such services, LNLS earns fees which would have otherwise been paid to third parties. If LNLS is involved in a transaction in which the Clients participate, Blackstone will benchmark the relevant costs to the extent market data is available except when LNLS is providing such services in a state where the insurance premium or escrow fee, as applicable, is regulated by the state or when LNLS is part of a syndicate of title insurance companies where the insurance premium is negotiated by other title insurance underwriters or their agents.

There will be no related management fee offset for the Clients. As a result, while Blackstone believes that LNLS will provide services equal to or better than those provided by third parties (even in jurisdictions where insurance rates are regulated), there is an inherent conflict of interest that gives Blackstone incentive to engage LNLS over a third party.

**Refinitiv.** See “Portfolio Company Service Providers and Vendors” above.

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

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and other performance-based compensation in respect of investments, sales or other transaction volume. Furthermore, as discussed above, 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) and such costs and expenses would be borne directly or indirectly by Clients.

In connection with such relationships, Blackstone Credit will make determinations of market rates based on its consideration of any of a number of factors, which are generally expected to include Blackstone Credit’s experience with non-affiliated service providers and/or benchmarking data and other methodologies determined by Blackstone Credit to be appropriate under the circumstances (*i.e.*, rates that fall within a range that Blackstone Credit 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). In respect of benchmarking, while Blackstone Credit can obtain benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone Credit’s affiliates in the applicable market or certain similar markets, it is possible that relevant comparisons would not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (*e.g.*, different assets could receive different services). In

addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset-by-asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then invested in by the 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 Blackstone-affiliated service providers that are the subject of the benchmarking analysis or to obtain detailed information about pricing of a service comparable to that being provided to the Client from third-party service providers if such service providers anticipate that Blackstone will not in fact engage their services. Therefore, such market comparisons would not necessarily result in precise market terms for comparable services, resulting in the Client paying more for such services than could have otherwise been obtained in the market. Expenses to obtain benchmarking data will be borne by the relevant portfolio company (and indirectly by the relevant Clients) or directly by the relevant Client and will not offset the management fee payable by a Client. Finally, in certain circumstances Blackstone Credit 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 in Blackstone Credit's view no comparable service provider offering such good or service (or an insufficient number of comparable service providers for a reasonable comparison) exists or because Blackstone Credit 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 company service provider could provide services to third parties, in which case if the rates charged to such third parties are consistent with the rates charged to the Clients, Other Clients and their respective portfolio companies, 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 Blackstone from time to time and vice versa. Fees paid by a Client or its portfolio companies to or value created in Blackstone-affiliated service providers or vendors do not offset or reduce the management fee payable by the investors and are not otherwise shared with the Client, unless otherwise required by the Offering and/or Governing Documents. These conflicts related to Blackstone-affiliated service providers will not necessarily be resolved in favor of the Clients, and investors might not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Portfolio company service providers described in this section are generally owned by an Other Client. In certain instances a similar company could be owned by Blackstone directly.

Where compensation paid to an affiliated service provider from a Client or its portfolio company is based on market rates, such compensation will not be based on the cost incurred by the applicable service provider and therefore will likely result in a profit to such service provider. In the event the service provider is an affiliate of Blackstone Credit, Blackstone Credit experiences a conflict of interest in determining the terms of any such engagement. There can be no assurance that an unaffiliated third party would not charge a lesser rate.

Advisors and service providers, or their affiliates, often charge different rates (including below-market or no fee) or have different arrangements for different types of services. With respect to service providers, for example, the fee for a given type of work could vary depending on the

complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the Clients and portfolio companies differ from those used by Blackstone (including personnel), Blackstone potentially will pay different amounts or rates than those paid by the Clients and portfolio companies. However, Blackstone Credit has a longstanding practice of not entering into any arrangements with advisors or service providers that could provide for lower rates or discounts than those available to the Clients or portfolio companies for the same services. Furthermore, it is possible that certain advisors and service providers will provide services exclusively to Blackstone Credit and/or Blackstone, including Clients and their portfolio companies, although such advisors and service providers will not be considered employees of Blackstone or Blackstone Credit. Similarly, Blackstone, the Clients, Blackstone Clients and/or their portfolio companies can 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 would charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including volume of transactions entered into with such counterparty by Blackstone, the Clients, Blackstone Clients and their portfolio companies in the aggregate.

In addition, certain investment banks or other financial institutions, as well as certain Blackstone employees, are expected to also be Client investors. These institutions and employees are a potential source of information and ideas that could benefit Clients. Blackstone has procedures in place reasonably designed to prevent the inappropriate use of such information by Clients.

***Transactions with Portfolio Companies.*** Blackstone and portfolio companies of Clients and Other Clients provide products and services to or otherwise contract with Clients and its portfolio companies, among others. In the alternative, Blackstone could form a joint venture with such a company to implement such referral arrangement. For example, such arrangements could include the establishment of a joint venture or other business arrangement between Blackstone, on the one hand, and a portfolio company of a Client, portfolio company of an Other Client or third party, on the other hand, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, 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 portfolio companies of Clients (and portfolio companies of Other Clients) that are referred to the joint venture or business by Blackstone. Blackstone, Clients and Other Clients and their respective portfolio companies and personnel and related parties of the foregoing may make referrals or introductions to the portfolio companies of Clients or Other Clients 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 Client or Other Client, which would also benefit Blackstone financially through its participation in such joint venture or business) or because certain such referrals or introductions result in financial benefits, such as additional equity ownership and/or milestones benefitting the referring or introducing party that are tied or related to participation by the portfolio companies of Clients and/or of Other Clients, accruing to the party making the introduction. Furthermore, such introductions or referrals could involve the transfer of certain personnel or employees among Blackstone and portfolio companies of the Client and Other Clients which might result in a termination fee or similar

payments being due and payable from one such entity to another. Clients and their investors typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Clients and their portfolio companies as a result of the introduction of Clients and their portfolio companies. Moreover, payments made to Blackstone in connection with such arrangements will not result in a management fee offset or otherwise be shared with Clients. There could, however, be instances in which the applicable arrangements provide that Clients or their portfolio companies share in some or all of any resulting financial incentives (including, in some cases, equity ownership) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where a Client or one of its portfolio companies is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, additional equity ownership) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, equity ownership) could be similarly shared with the participating Other Clients or their respective portfolio companies.

Blackstone will from time to time also enter into commercial relationships with third party companies, including those in which one or more Clients considered making an investment (but ultimately chose not to pursue). For example, Blackstone could enter into an introducer engagement with such company, pursuant to which Blackstone introduces the company to unaffiliated third parties (which can include current and former portfolio companies and portfolio companies of Other Clients and/or their respective employees) in exchange for a fee from, or equity interest in, such company. This creates a conflict of interest because, even though Blackstone could benefit financially from this commercial relationship, Blackstone will be under no obligation to reimburse Clients for Broken Deal Expenses incurred in connection with its consideration of the prospective investment and such arrangements will not result in a management fee offset or otherwise be shared with Clients.

Additionally, Blackstone or an affiliate thereof will from time to time hold equity or other investments in companies or businesses (even if they are not “affiliates” of Blackstone) that provide services to or otherwise contract with portfolio companies. Blackstone and Blackstone Credit have in the past entered (and can be expected in the future to enter) into relationships with companies in the information technology, corporate services and related industries whereby Blackstone acquires an equity or similar interest in such company. In connection with such relationships, Blackstone and/or Blackstone Credit reserves the right to also make referrals and/or introductions to portfolio companies (which could result in financial incentives (including additional equity ownership) and/or milestones benefitting Blackstone and/or Blackstone Credit that are tied or related to participation by portfolio companies). Such joint venture or business could use data obtained from portfolio companies of Clients and/or portfolio companies of Other Clients (see “Portfolio Company Data” herein). These arrangements are expected to be entered into without the consent or direct involvement of such Client and/or such Other Client or the consent of the investor advisory committee and/or the limited partners of such Client or such Other Client. Clients and investors will not share in any fees or economics accruing to Blackstone and/or Blackstone Credit as a result of these relationships and/or participation by portfolio companies.

With respect to transactions or agreements with portfolio companies (including, for the avoidance of doubt, long-term incentive plans), at times if officers unrelated to Blackstone have not yet been appointed to represent a portfolio company, Blackstone from time to time is permitted to negotiate

and execute agreements between Blackstone and/or a Client on the one hand, and the portfolio company or its affiliates, on the other hand, without arm's length representation of the portfolio company, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length, and there is no guarantee that such conflict will be resolved in favor of such Client. Among the measures Blackstone may use to mitigate such conflicts are to involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms, or establish separate groups with information barriers within Blackstone to advise on each side of the negotiation.

Blackstone Credit has also entered into certain investment management arrangements whereby it provides investment management services for compensation to insurance companies which involve investments across a variety of asset classes (including investments that may otherwise be appropriate for the Client). In addition, Blackstone has acquired a 9.9% equity interest in the parent company of American International Group Inc.'s life and retirement business ("**AIG L&R**"). As a result, in addition to the compensation Blackstone receives for providing investment management services to insurance companies in which Blackstone or an Other Client owns an interest, in certain instances Blackstone receives additional compensation in its capacity as an indirect owner of such insurance companies and/or Other Clients. In the future Blackstone will likely enter into similar arrangements with other portfolio companies of the Client, Other Clients or other insurance companies. Such arrangements may reduce the allocations of investments to the Client, and Blackstone may be incentivized to allocate investments away from the Client to the counterparties to such investment management arrangements or other vehicles/accounts to the extent the economic arrangements related thereto are more favorable to Blackstone relative to the terms of the Client.

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

***Cross-Guarantees and Cross-Collateralization.*** While Blackstone Credit generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, a counterparty, lender or other participant in any transaction to be pursued by Clients and alternative investment vehicles) and/or the Other Clients may require or prefer facing only one fund entity or group of entities, which may result in any of the Clients, such Other Clients, the Clients' portfolio companies, such Other Clients' portfolio companies and/or other vehicles being jointly and severally liable for such applicable obligation (subject to any limitations set forth in the applicable Offering and/or Governing Documents thereof), which in each case may result in such Clients, such Other Clients, such portfolio companies and portfolio companies, and/or vehicles entering into a back-to-back or other similar reimbursement agreement. In such situation, better financing terms may be available through a cross-collateralized arrangement, but it is not expected that any of such Clients or such

Other Clients or vehicles would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty. Also, it is expected that cross-collateralization will generally occur at portfolio companies rather than Clients for obligations that are not recourse to a Client except in limited circumstances such as “bad boy” events. Any cross-collateralization arrangements with Other Clients could result in a Client losing its interests in otherwise performing investments due to poorly performing or non-performing investments of Other Clients in the collateral pool or such persons otherwise defaulting on their obligations under the terms of such arrangements (and for the avoidance of doubt, a Client’s obligations under such cross-collateralization arrangements are expected to apply to investments in which the Client has not participated). The Client’s investors may also be required to fund capital contributions to cover the 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 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. Through cross-collateralization, the Client may nevertheless be indirectly exposed to risks associated with leverage on fees, expenses and/or other obligations of the Client.

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

**Joint Venture Partners.** Clients will from time to time enter into one or more joint venture arrangements with third party joint venture partners. Investments made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as determined by Blackstone Credit in its sole discretion. The joint venture partners could provide services similar to those provided by a General Partner to a Client. Yet, no compensation or fees paid to the joint venture partners would reduce or offset management fees or carried interest payable to Blackstone Credit. Additional conflicts would arise if a joint venture partner is related to Blackstone in any way, such as a limited partner investor in, lender to, a shareholder of, or a service provider to Blackstone, a Client, Other Clients, or their respective portfolio companies, or any affiliate, personnel, officer or agent of any of the foregoing and there is no assurance that any such conflicts would be resolved in favor of a Client.

**Blackstone Europe.** Blackstone and/or Blackstone Credit will from time to time incorporate or otherwise organize, and one or more of its affiliates have incorporated or otherwise organized, one



or more Luxembourg-based or Ireland-based entities (and in the future will organize other non-U.S. entities) that are the master holding companies or other structures through which the Clients may principally invest into European investments (any such structure, “**Blackstone Europe**”) and that can be utilized by Blackstone Credit. Blackstone Europe is expected to provide one or more of the following key service functions to the Clients and/or to the European-domiciled entities that are part of the investments of the Clients and can also be owned, directly or indirectly, by the Clients or their affiliates. The key service functions expected to be provided by Blackstone Europe and its employees are: (i) domiciliation, (ii) account management, (iii) administration, (iv) accounting, (v) tax, regulatory and organizational compliance, (vi) transaction support services and (vii) local office space, though other services can also be provided. Blackstone Europe is expected to receive fees for such services at no greater than market rates deemed competitive by Blackstone but there is no guarantee that this will be the case. The Clients will also bear the cost of fund administration and other related services provided by Blackstone Credit, Blackstone, Other Clients, portfolio companies of Other Clients, and/or their respective employees and/or affiliates, including the allocation of their compensation otherwise payable by Blackstone Credit, Blackstone and/or portfolio companies of Other Clients (including, without limitation, rent and refurbishment costs), and, except in certain limited circumstances, such amounts will not offset the management fee payable by a Client. Such allocations require judgments as to methodology that Blackstone Credit will make in good faith. Blackstone and/or Blackstone Credit will endeavor to allocate fees and expenses associated with Blackstone Europe fairly and equitably, which allocation is expected to involve certain subjective assumptions based on actual data pertaining to the services provided. The Registrant believes that this method will result in a fair and equitable allocation of expenses. Any such expenses attributable directly or indirectly to the Clients, including the Clients’ allocable portion of overhead expenses (including, for example, the salary and compensation of personnel of Blackstone Europe) and costs associated with the leasing of office space, will be treated as the Clients’ expenses and will not be subject to management fee offset or otherwise be shared with the Clients or investors in the Clients.

***Self-Administration of Clients.*** In certain instances, Blackstone Credit will provide certain fund administration services to a Client rather than engage a third party administrator to perform such services. The costs for providing these services are not included in the investment management fee or servicing fee payable by a Client and are paid separately by such Client. Blackstone Credit also reserves the right to charge one or more Clients a reduced rate for these services, or to reduce or waive such charges entirely, and Blackstone Credit faces a conflict of interest in its determination to reduce or waive such fees, as it will have an incentive to reduce or waive charges to a Client in which it or its affiliates holds a greater interest. Blackstone Credit generally determines the fund administration fee at the time a Client is initially launched based on a fee structure that is commensurate with that of a non-affiliated third party performing equivalent services. Blackstone Credit’s ability to determine the fund administration fee it receives from such Client creates a conflict of interest and there is no guarantee that such arrangement will be as favorable to the Client as an alternative arrangement for equivalent services that could have been entered into with an unaffiliated third-party. Blackstone Credit addresses this conflict by reviewing its fund administration fee as Blackstone Credit believes is appropriate (generally on an annual basis) to confirm that it is comparable and fair with regard to equivalent services performed by a non-affiliated third party at a rate negotiated on an arm’s length basis. The fund administration fee will not be based on the cost incurred by Blackstone Credit or its affiliates in providing administration

services and therefore will likely result in a profit to Blackstone Credit or its affiliates, and neither the administration fee nor any such profit will offset a Client's management fee. There can be no assurance that an unaffiliated third party would not charge a lesser rate.

**Outsourcing.** Blackstone Credit is expected to outsource to third parties several of the services performed for the Clients and/or their portfolio companies, including services (such as administrative, legal, accounting, tax, investment diligence (including sourcing), modeling and ongoing monitoring, preparing internal templates, memos, and similar materials in connection with the Registrant's analysis of investment opportunities, or other related services) that can be and/or historically have been performed in-house by Blackstone and its personnel. The fees, costs and expenses of such third-party service providers will, when consistent with the Offering and/or Governing Documents of the Clients, be borne by the Clients as Client expenses, even if Blackstone Credit would have borne such amounts if such services had been performed in-house (which, for the avoidance of doubt, would be in addition to any fees borne by the Clients as Client expenses for similar services performed by Blackstone Credit in-house in lieu of or alongside (and/or to supplement or monitor) such third parties, subject to the terms of the relevant Offering and/or Governing Documents of the Clients). 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 relevant Offering and/or Governing Documents of the Clients', also be provided by Blackstone Credit in-house at the Clients' expense. From time to time, Blackstone Credit 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 Blackstone Credit's services are reimbursable under the relevant Offering and/or Governing Documents of the Clients', the overall amount of Client expenses borne directly or indirectly by the limited partners will be greater than would the case if only Blackstone Credit 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 Blackstone in its discretion, taking into account such factors as it deems relevant under the circumstances. Certain third-party service providers and/or their employees (and/or teams thereof) will dedicate substantially all of their business time to one or more Clients, Other Clients, and/or their respective portfolio companies, 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 Client expenses (with no reduction or offset to management fees) and retaining third parties will reduce Blackstone Credit'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 Blackstone's reduced control over the functions that are outsourced. In some cases, third-party

service providers are permitted to delegate all or a portion of their responsibilities relating to the Clients and/or their portfolio companies to other third parties (including to their affiliates). Any such delegation could further reduce Blackstone Credit's control over the outsourced functions, and Blackstone Credit 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 Blackstone Credit, the Clients and/or their portfolio companies, including (without limitation) in relation to the delegation of such responsibilities to other parties and the allocation of time, attention and resources to Blackstone Credit, the Clients and/or their portfolio companies, 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 companies and often have no fiduciary obligation to act in the best interest of Blackstone Credit, the Clients and/or their portfolio companies. Blackstone Credit 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 Blackstone 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 Blackstone Credit would in the absence of an outsourcing arrangement). The Clients could suffer adverse consequences from actions, errors or failures to act by such third parties or their delegates, and will have obligations, including indemnity obligations, and limited recourse against them.

Outsourcing and the use of internal service providers will not occur uniformly for all Blackstone managed vehicles and accounts and accordingly, certain costs 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 Blackstone Credit Clients or Other Blackstone Accounts for similar services.

Blackstone Credit could similarly determine to outsource certain services to Other Clients, portfolio companies of the Clients and/or Other Clients, limited partners of Clients and/or Other Clients and affiliates of Blackstone, or to any of their respective related parties. The risks and conflicts described above would similarly apply in such circumstances, and such circumstances would raise additional conflicts.

***Break-up and other Similar Fees.*** Break-up or topping fees with respect to a Client's investments can be paid to Blackstone Credit, in which case management fees payable by such Client will not be offset by the amount of break-up or topping fees attributable to a potential investment by a Client.

***Broken Deal Expenses.*** Any expenses incurred by the Clients for actual investments as described herein or in the applicable Offering and/or Governing Documents will also be incurred by the Clients with respect to broken deals (i.e., investments or proposed dispositions that are not consummated). Blackstone Credit is not required to and in most circumstances will not seek reimbursement of broken deal expenses (i.e., expenses incurred in pursuit of an investment or disposition that is not

consummated) from third parties, including counterparties to the potential transaction or potential co-investors (including “standing” co-investment vehicles established to participate in co-investment opportunities alongside the Clients on a regular or periodic basis and/or as part of an overall co-investment program or arrangement (“**Standing Co-Investment Vehicles**”)). 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, and legal, tax, accounting and consulting fees and expenses (including all expenses incurred in connection with any tax audit, investigation settlement or review of the Clients, and any expenses of the applicable Client’s partnership representative or its designated individual), printing and publishing expenses, and other due diligence and pursuit costs and expenses (including, for the avoidance of doubt, any Consultant expenses and including, in certain instances, broken deal expenses associated with services provided by portfolio companies, as detailed below), which will include expenses incurred prior to the commencement of a Client’s investment activities. Any such broken deal expenses could, in the sole discretion of Blackstone Credit, be allocated solely to the Clients and not to Other Clients or co-investment vehicles (including Standing Co-Investment Vehicles) that could have made the investment (including any situation where an Other Client was initially allocated an investment opportunity and incurred such expenses before such investment opportunity was reallocated to a Client), even when such Other Clients or co-investment vehicle commonly invests alongside the Clients in their investments or Blackstone or Other Clients in their investments (including such Standing Co-Investment Vehicles). In such cases, the Clients’ shares of expenses would increase. Until a potential investment of the Clients is formally allocated to an Other Client and/or potential co-investors (it being understood that final allocation decisions are typically made shortly prior to closing an investment), the Clients are expected to bear the broken deal expenses for such investment (even if it was anticipated that such potential investment might be formally allocated to an Other Client and/or potential co-investors instead of a Client), which can result in substantial amounts of broken deal expenses being borne by the Client. In the event broken deal expenses are allocated to an Other Client or a co-investment vehicle, Blackstone Credit or Clients will, in certain circumstances, advance such fees and expenses without charging interest until paid by the Other Client or co-investment vehicle, as applicable. Additionally, certain co-investment vehicles or certain potential co-investors, including Other Clients, who might have invested in a transaction had it been consummated, such as potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment are not executed until the time of the deal closing, will not be allocated any share of any break-up or topping fees or broken deal expenses (and such expenses will be allocated to the Clients), unless Blackstone Credit determines otherwise in its discretion or as may be set forth in the relevant operative agreements or as required by applicable law. In addition, certain portfolio companies will provide transaction support services (including identifying potential investments) to the Clients, Other Clients and their respective portfolio companies in respect of certain investments that are not ultimately consummated. Blackstone Credit will endeavor in good faith to allocate such broken deal-related costs to the Clients and such Other Clients as it deems appropriate under the particular circumstances, including the allocation of certain expenses equally among the vehicles that were expected to participate in an investment that was not consummated. Any

methodology used to determine the allocation of such broken deal expenses to the Clients and any Other 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 companies bearing less or more of such costs. Further, any of the foregoing costs, although allocated in a particular period, could be allocated based on activities occurring outside such period. The allocation of any of the foregoing costs can be expected to be based on any of a number of different methodologies, and therefore a Client could, to the fullest extent permitted by applicable law, pay more than its pro rata portion of such cost based on its actual usage of such services.

***Other Firm Business Activities.*** Blackstone, Other Clients, their portfolio companies, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to certain Clients and their portfolio companies, such as fees for asset management (including, without limitation, management fees and carried interest/incentive arrangements), development and property management; 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; investment banking and capital markets services; treasury and valuation services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement; brokerage; solutions and risk management services; data extraction and management products and services; fees for monitoring and oversight of loans or title insurance provided to portfolio companies 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). For example, Blackstone or an Other Client can, directly or indirectly through a portfolio company, from time to time acquire loans or other assets for the purpose of syndicating some or all the assets to a Client, and can receive syndication or other fees in connection therewith. No such fees and compensation will offset the management fee payable by any Client. In addition, following an exit of a Client's investment in a portfolio company, Other Clients can continue to hold interests (debt and/or equity) in such portfolio company, and Blackstone can begin to earn fees or continue to earn fees from such portfolio company for providing services to such portfolio company, 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 applicable to a Client. Conflicts of interest are expected to arise when a portfolio company enters into arrangements with Blackstone on or about the time a Client exits its investment in such portfolio company. Such parties will also provide products and services for fees to Blackstone, Other Clients and their portfolio companies, and their personnel and related parties, as well as third parties. Further, such parties could provide products and services for fees to a Client, Other Clients and their portfolio companies in circumstances where third party service providers are concurrently providing similar services to the Client, Other Clients and their portfolio companies. Through its Innovations group, Blackstone incubates (or otherwise invests in) businesses that are expected to provide goods and services to certain Clients and Other Clients and their portfolio companies, as well as other Blackstone related parties and third parties. By contracting for a

product or service from a business related to Blackstone, certain Clients and their portfolio companies would provide not only current income to the business and their stakeholders, but could also create significant enterprise value in them, which would not be shared with the Clients or their investors (or offset any Client's management fee) and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Clients and their portfolio companies, 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 certain Clients and their portfolio companies. Certain Clients and their portfolio companies will incur expense in negotiating for any such fees and services, which will be treated as Client expenses. In addition, Blackstone will from time to time 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 Blackstone performs services. Finally, Blackstone and its personnel and related parties will from time to time also receive compensation for origination expenses and with respect to unconsummated transactions. The circumstances described above create an incentive for Blackstone Credit to cause its Clients and their portfolio companies to enter into transactions and arrangements to increase overall compensation to Blackstone even if a better price or terms may be available in the market.

As described in **Item 5**, a Client will, as determined by Blackstone Credit and as permitted by its Offering and/or Governing Documents, bear the cost of fund administration and accounting (including, without limitation, maintenance of the Client 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 (including, without limitation, services with respect to mergers and acquisitions, capital markets or financing transactions, tax structuring, supervision of external counsel and service providers, attending internal and external meetings (including investment committee meetings) and communicating with relevant internal and external parties), related tax advice, tax planning and other related services (including, without limitation, company organization, structuring, due diligence, document drafting and negotiation, closing preparation, post-closing activities (such as compliance with contractual terms and providing advice for investment-level matters with respect to fiduciary and other obligations and issues), litigation or regulatory matters, reviewing and structuring exit opportunities) provided by Blackstone personnel and related parties (including, without limitation, Blackstone Europe Fund Management S.à.r.l.) ("**BEFM**") to the Client including all services provided by BEFM to the Client that would be considered costs of fund administration if provided by Blackstone to the Client (notwithstanding the customary scope of such services by third-party service providers) and its portfolio companies, 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. Such allocations or charges require judgments as to methodology that Blackstone Credit makes in good faith but in its sole discretion, and the Registrant is incentivized to allocate such costs to Clients and portfolio companies to reduce the overhead and expenses of the Registrant and its affiliates. Such allocations or charges can be based on any of the following methodologies: (i) requiring personnel to periodically record or allocate their historical time spent with respect to the applicable 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 Clients and Other Clients, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the person if the market rate for services is clearly higher than allocable salary and overhead. However, the provision of such services by Blackstone personnel and related parties and any methodology (including the choice thereof and any benchmarking, verification or other analysis related thereto) involves inherent conflicts. Any amounts paid to the Blackstone, Blackstone Credit and/or their affiliates for such services, as well as the expenses, charges and costs of any benchmarking, verification or other analysis related thereto, will be borne by the Clients, will not result in any offset to the management fee and will, in certain circumstances, result in incurrence of greater expenses by certain Clients and their portfolio companies than would be the case if such services were provided by third parties. While the Registrant may, in its discretion, obtain benchmarking data regarding third party rates for similar services, relevant comparisons may not be available for a variety of reasons, including as a result of the lack of a substantial market of providers or users of a particular services, confidentiality reasons and the bespoke nature of certain services. As a result, market comparisons may not (and often do not) result in precise comparable data for certain services.

Blackstone Credit, Other Clients and their portfolio companies, 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 company 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, that, if unaddressed, could tend to incentivize dispositions resulting in distributions to investors in such Client being lower than they otherwise would be in the absence of such conflicts. Moreover, Blackstone Credit, Other Clients and their portfolio companies, and their affiliates, personnel and related parties could acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

Subject to the terms of the applicable Offering and/or Governing Documents, generally Blackstone Credit does not have any obligation to ensure that fees for products and services contracted by a Client or its portfolio companies are at market rates unless the counterparty is considered an affiliate of Blackstone, and given the breadth of Blackstone's investments and activities Blackstone Credit may not be aware of every commercial arrangement between a Client and its portfolio

companies, on the one hand, and Blackstone, Blackstone Credit, Other Clients and their portfolio companies, and personnel and related parties of the foregoing, on the other hand.

Except as set forth herein, Clients and investors will not receive the benefit (*e.g.*, through an offset to the management fee payable by a Client or otherwise) of any fees or other compensation or benefit received by Blackstone Credit, its affiliates or their personnel and related parties.

**Other Fees.** Blackstone is, in certain circumstances, expected to earn origination, directors', topping, break-up, transaction, commitment, closing, amendment, monitoring, exit or other disposition fees, and other similar fees in connection with the provision of capital to issuers or prospective issuers. Blackstone may also receive financing, divestment and other similar fees, financial and other advisory fees (including underwriting fees), organization fees, fees for asset services and similar fees for arranging acquisitions and other major financial restructurings, referral fees, data management servicing fees and/or payments, operations fees, fees for services related to group purchasing, healthcare consulting/brokerage, investment banking, title insurance, capital markets (including with respect to syndications or placements of debt and/or equity securities or instruments issued by portfolio companies or entities formed to invest therein), loan and other servicing fees, and/or other types of insurance, management consulting and other similar operational and financial matters (whether in cash or in kind) and other similar fees and annual retainers. Clients will not receive the benefit (*e.g.*, through an offset to the management fee or otherwise) of fees or other compensation received by Blackstone in connection with the provision of services by Blackstone to any Client, its portfolio companies or third parties, unless otherwise required by such Client's Offering and/or Governing Documents.

In addition, from time to time employees of Blackstone serve as directors or advisory board members of certain issuers of the Clients' investments or other entities. In connection with such services, the Registrant receives directors' fees or other similar compensation (unless a Client's Offering and/or Governing Documents otherwise provide). Such amounts may, but are not expected to be, material. Any such fees that result in an offset to the management fee payable by a Client only apply to the extent it is made as part of a Client's investment in a portfolio company. As a result, in the case of directors' fees, the management fee will not be reduced or offset to the extent any Blackstone Credit or Blackstone employees or professionals (including, for the avoidance of doubt, senior and other advisors) receive directors' fees relating to continued director service after a Client has exited the portfolio company and/or following the termination of such employee's employment with Blackstone Credit or Blackstone. This creates a conflict of interest, as Blackstone Credit will have an incentive to structure employment arrangements in a manner that would not trigger application of a management fee offset.

In addition, the Registrant is permitted to receive fees associated with capital invested by co-investors relating to investments in which certain Clients participate. In such circumstances, such amounts will not be deemed paid to or received by Blackstone Credit in connection with the provision of capital to portfolio companies by the Clients and such amounts will not result in a management fee offset.

**Allocation of Personnel.** The relevant General Partner, Blackstone Credit, the Registrant and their respective members, partners, officers and employees will devote as much of their time and



attention to the activities of the Clients as they deem necessary to conduct Client business affairs in an appropriate manner. However, Blackstone Credit's personnel, including certain members of the Investment Committee, will work on other projects and/or Other Clients, will serve on other committees and have other responsibilities throughout Blackstone, Blackstone Credit and/or their portfolio companies, and, therefore, conflicts are expected to arise in the allocation of personnel and such personnel's time. Subject to the terms of the applicable Offering and/or Governing Documents, Blackstone Credit and Blackstone expect to form additional investment funds, enter into other investment advisory relationships and engage in other business activities, even though such activities have the potential to be in competition with the Clients and/or to involve substantial time and resources of the Registrant. Certain members of Blackstone Credit's investment team are also members of Other Clients' investment teams and will continue to serve in those roles (which could be their primary responsibility) and as a result, not all of their business time will be devoted to Blackstone or any one Client. Certain non-investment professionals are not dedicated solely to one Client and are permitted to perform work for Other Clients which is expected to detract from the time such persons devote to such Client. Further, some key personnel of the Registrant who devote substantially all of their time and attention to the Clients' investment programs do not devote their time and attention solely to the Clients. Furthermore, Blackstone Credit and Blackstone Credit personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside Blackstone Credit may share in the fees and performance-based compensation from a Client; similarly, Blackstone Credit personnel can share in the fees and performance-based compensation generated by Other Clients. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Blackstone Credit and its officers, managers, members and employees will not be devoted exclusively to the business of the Clients, but will be allocated between the business of the Clients and the management of the monies of such other advisees of Blackstone Credit. In this regard, a group of the Registrant's professionals will be subject to certain devotion of time requirements with respect to the activities of some of Clients (and their respective investments) and their related entities (which may include separate accounts, dedicated managed accounts and/or investment funds formed for specific geographical areas or investments), which may vary among such vehicles.

***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 Clients and their respective portfolio companies, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of a Client, including if such other entities compete with such Clients for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other Clients than the performance of the Clients. This involvement will create conflicts of interest in making investments on behalf of the Clients and such Other Clients, as the Blackstone personnel in question will be incentivized to devote more time to and direct investment opportunities towards Other Clients instead of Clients due to such differences in financial interests. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, credit 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 interests where the financial interests of such Blackstone personnel with respect to such personal investments do not align with the interests of the Clients. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by Other Clients, or otherwise relate to companies or issuers in which the Clients have or acquire a different principal investment (including, for example, with respect to seniority) which is expected to give rise to conflicts of interest related to misaligned interests between the Client and such persons. There could be situations in which such alternative investment funds invest in the same portfolio companies as the Client and there could be situations in which such alternative investment funds purchase securities from, or sell securities to, the Client if permitted under the 1940 Act and other applicable law. There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Clients. Client 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 the Clients and are not expected to receive notice should the Client make investments in which such persons hold direct or indirect interests. Although Blackstone Credit will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for such Clients.

Additionally, certain employees and other professionals of Blackstone and/or Blackstone Credit may have family members or relatives employed by advisors and service providers to Blackstone Credit, Blackstone and/or one or more Clients (or their affiliates) or otherwise actively involved in (or have business, financial or other relationships with) industries and sectors in which Clients invest, and/or have business, financial, personal or other relationships with companies in such industries and sectors (including the advisors and service providers described herein) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be employees, officers, directors, personnel or owners of companies or assets that are actual or potential investments of a Client or other counterparties of certain Clients and their portfolio companies and/or assets. Moreover, in certain instances, a Client or its portfolio companies can be expected to issue loans to or acquire securities from, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. These relationships have the potential to influence Blackstone, Blackstone Credit, the General Partner and/or the Registrant in deciding whether to select, recommend or create such service providers to perform services for the Clients or portfolio companies (the cost of which will generally be borne directly or indirectly by the Clients or such portfolio companies, as applicable) and to incentivize Blackstone to engage such service providers over a third parties. The fees for services provided by such service providers may or may not be at the same rate charged by other third parties and Blackstone Credit undertakes no obligations to select service providers who may have lower rates. Blackstone Credit undertakes no minimum amount of benchmarking. To the extent Blackstone Credit does engage in benchmarking, it cannot be assured that such benchmarking will be accurate, comparable, or relate specifically to the assets or services to which such rates or terms relate. Whether or not Blackstone Credit has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. In most such circumstances, the Offering and/or Governing Documents will not preclude a Client from undertaking any of these investment activities or transactions. Notwithstanding the foregoing, investment transactions relating to the Clients that

require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which, in the case of broker-dealers, includes, among other considerations, such service provider's provision of certain investment-related services and research that Blackstone Credit believes to be of benefit to the Clients. To the extent that Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by Blackstone. Investors rely on Blackstone to manage these conflicts in its sole discretion.

**Data.** Blackstone receives, generates or obtains various kinds of data and information from the Clients, Other Clients, their respective portfolio companies, and, at their election, certain investors in the Clients and investors in Other Clients, and service providers, including but not limited to data and information relating to or created in connection with business operations, financial results, trends, budgets, plans, suppliers, customers, employees, contractors, ESG, energy usage, carbon emissions and related metrics, financial information, commercial and transactional information, customer and user data, employee and contractor data, supplier and cost data, and other related data and information, some of which is sometimes referred to as alternative data or "big data." Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes or identify specific investment, trading or business opportunities, as a result of its access to (and rights regarding, including use, ownership, distribution, and derived works rights over) this data and information from the Clients, Other Clients, their portfolio companies and investors in the Clients and investors in Other Clients. Blackstone has entered and will continue to enter into information sharing and use, measurement, and other arrangements with the Clients, Other Clients, their portfolio companies, and, at their election, certain investors in the Clients and investors in Other Clients, as well as with related parties and service providers, which will give Blackstone access to (and rights regarding, including use, ownership, distribution, and derived works rights over) data that it would not otherwise obtain in the ordinary course. Further, this alternative data is expected to be aggregated across the Clients, Other Clients and their respective portfolio companies. Although Blackstone believes that these activities improve Blackstone's investment management and other business activities on behalf of the Clients and Other Clients, information obtained from the Clients, their portfolio companies and, at their election, certain investors in the Clients and in Other Clients also provides material benefits to Blackstone or Other Clients typically without compensation or other benefit accruing to the Clients, their investors or portfolio companies. For example, information obtained from a portfolio company 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 company's management team on strategy or operations, and execute trading and investment strategies in reliance on that understanding for Blackstone, Other Blackstone Credit Clients and Other Clients that do not own an interest in such portfolio company, typically without compensation or benefit to such portfolio company 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 companies' 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, an Other Blackstone Credit Client or an Other Client. Any confidentiality obligations in the Offering and/or Governing Documents of Clients 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 company 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, Blackstone Credit has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Clients. See also "Blackstone Affiliated Service Providers" and "Data Services" herein.

**Data Services.** Blackstone or an affiliate of Blackstone formed in the future will provide data services to portfolio companies, to certain investors in the Clients and in Other Clients, and to the Clients and Other Clients and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Clients make investments, and portfolio companies thereof) (collectively, "**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 Offering and/or Governing Documents of Clients and any other applicable contractual limitations, with the Clients, Other Clients, portfolio companies, investors in the Clients and in Other Clients, and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Clients make investments, and portfolio companies 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 companies and such portfolio companies 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 companies. To the extent Blackstone receives compensation for such data management services, such compensation could include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, as well as fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). Such compensation will not offset or reduce management fees or any other fees or expenses borne by the Clients or otherwise be shared with the Clients or Client investors. Additionally, Blackstone is also expected to share and distribute the products from such data services within Blackstone or its affiliates (including Other Clients or their portfolio companies) 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 companies 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.

**Possible Future Activities.** Blackstone and Blackstone Credit are expected to expand the range of services that they provide over time. Except as provided herein, Blackstone and Blackstone Credit will generally not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Blackstone and Blackstone Credit have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with the Blackstone Clients who may hold or may have held investments similar to those intended to be made by the Clients. These Blackstone Clients may themselves represent appropriate investment opportunities for the Clients or may compete with the Clients for investment opportunities.

**Investors’ Outside Activities.** Investors are generally entitled to and may have business interests and engage in activities in addition to those relating to the Clients, including business interests and activities in direct competition with the Clients and their portfolio companies, and may engage in transactions with, and provide services to, the Clients or their portfolio companies (which will, in certain circumstances, include providing leverage or other financing to the Clients or their portfolio companies as determined by Blackstone Credit in its sole discretion). None of the Clients, any investor or any other person shall have any rights by virtue of the Offering and/or Governing Documents or any related agreements in any business ventures of any investor. The investors, and in certain cases Blackstone Credit (in cases in which Blackstone Credit has an interest in such investors’ other business interests), will have conflicting loyalties in these situations.

**Cross and Principal Transactions.** Situations arise from time to time in which certain assets held by a Client are transferred to Other Clients or Blackstone and/or its affiliates and vice versa, and from time to time a Client acquires investments from and/or sells investments to, Other Clients or Blackstone and/or its affiliates. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Client may not receive the best price otherwise possible, or Blackstone Credit or its affiliates might have an incentive to improve the performance of one Client or Other Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, Blackstone Credit and its affiliates will from time to time have significant investments, or intentions to invest, in the Client or Other Client that is selling and/or purchasing an investment or otherwise have a direct or indirect interest in the investment. Blackstone Credit and its affiliates generally receive management or other fees in connection with their management of the relevant Client and Other Clients involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Clients or Other Clients.

Section 206 under the Advisers Act regulated principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain

disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Registrant's management of Clients, the Registrant and its affiliates may engage in principal transactions.

Such transactions will be conducted in accordance with, and subject to, the relevant General Partner's and/or the Registrant's contractual obligations to such Client and the Registrant's policies and procedures. The determination of whether a transaction or a series of transactions constitutes a cross trade or a principal trade is subject to the Registrant's applicable policies and procedures and will be made in its sole judgment.

***Regulatory Inquiries.*** Blackstone is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against Blackstone or its personnel. Moreover, the SEC has specifically focused on the alternative investment industry. The SEC's list of examination priorities includes, among other things, alternative investment firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. Blackstone is regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which Blackstone routinely cooperates and even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against Blackstone or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm Blackstone, Blackstone Credit, the Registrant and the Clients. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, whether applicable to Blackstone or Blackstone Credit specifically or the underlying private funds in which Blackstone or Blackstone Credit invests generally, would not have a material adverse effect on the Clients and their ability to achieve their investment objectives. As a result, there can be no assurance that any of the foregoing will not have an adverse impact on Blackstone, Blackstone Credit or the Registrant or otherwise impede the Clients' ability to effectively achieve their investment objectives.

***Interpretation of Governing Documents and Other Legal Requirements.*** The governing documents of each Client and related documents are detailed agreements that establish complex arrangements among the Adviser, its affiliates, Clients, investors, related entities and individuals. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated or could have been articulated more precisely at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements can be broad, general, ambiguous or conflicting, and permit more than

one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While Blackstone Credit will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations Blackstone Credits adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Clients or their investors.

In addition, Blackstone is subject to regulatory requirements that include provisions that can be vague or ambiguous and that permit more than one reasonable interpretation. The Adviser's determination of how to interpret such provisions as they relate to a Client could be expected to impact the amount of regulatory compliance costs that are allocated to that Client. While the Adviser will interpret such provisions in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations the Adviser adopts will not necessarily be, and need not be, the interpretations that lead to the least compliance costs being allocated to the Clients or their Investors.

***Strategic Relationships.*** Blackstone and Blackstone Credit have entered, and it can be expected that Blackstone or Blackstone Credit in the future will enter, into strategic relationships with investors (and/or one or more of their affiliates) that involve an overall relationship with Blackstone or Blackstone Credit that could incorporate one or more strategies (including, but not limited to, a different sector and/or geographical focus) in addition to a Client's strategy ("**Strategic Relationships**"), with terms and conditions applicable solely to each such investor and its investment in multiple Blackstone or Blackstone Credit strategies that would not apply to any other investor's investment in the Client. A Strategic Relationship often involves an investor agreeing to make a capital commitment to or investment in (as applicable) multiple Clients and/or Blackstone Clients, one or more of which could include a Client. Investors will not receive a copy of any agreement memorializing such a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect (for example, in the "most favored nations" election process) any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts or reductions on and/or reimbursements or rebates of management fees or performance-based compensation (*e.g.*, carried interest), secondment of personnel from the investor to Blackstone or Blackstone Credit (or vice versa), rights to participate in the investment review and evaluation process, as well as priority rights or targeted amounts for co-investments alongside Clients and/or Blackstone Clients (including, without limitation, preferential or favorable allocation of co-investment and preferential terms and conditions related to co-investment or other participation in Blackstone vehicles (including any performance-based compensation and/or management fees to be charged with respect thereto, as well as any additional discounts, reductions, reimbursements or rebates with respect thereto or other penalties that could result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). The co-investment that is part of a Strategic Relationship could include co-investment in investments made by Clients. Blackstone, including its personnel (including Blackstone Credit personnel), reserve the right to receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from Clients to 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 Clients or to investors in the Funds.

***Buying and Selling Investments or Assets from Certain Related Parties.*** A Client and its portfolio companies can be expected to purchase investments or assets from or sell investments or assets of such Client to the Client's investors, Other Blackstone Credit Clients, Other Clients, portfolio companies of Other Blackstone Credit Clients or Other Clients or their respective related parties, including parties which such Client investors, Other Blackstone Credit Clients, Other Clients or portfolio companies own or have invested in. In certain circumstances, it can be expected that the proceeds received by a counterparty from a Client in respect of an investment or asset will be distributed, in whole or in part, to a related party of the Client (i.e., a Client investor, Other Clients and/or portfolio companies 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 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., a Client, investor, a portfolio company of an Other Blackstone Credit Client or an Other Client, an Other Blackstone Credit Client or an Other Client) holds publicly traded securities in a portfolio company and the Client or such related party has entered into a privately negotiated transaction with such portfolio company, the Client or such related party can be expected to receive (directly or indirectly) proceeds from such related party or the Client, as applicable, upon the consummation of such privately negotiated transaction. In each such circumstance, Client investors, Other Blackstone Credit Clients, Other Clients, portfolio companies of Other Blackstone Credit Clients or Other Clients or their respective related parties could also have limited governance rights in respect of such counterparty or such investment or asset. Purchases and sales of investments or assets of the Clients between the Clients or their portfolio companies, on the one hand, and limited partners and/or portfolio companies of Other Blackstone Credit Clients or Other Clients or their respective related parties, on the other hand, are not subject to the approval of any advisory committee of a Client or Client investor (or independent client representative (if any)), or any board of directors, as applicable, except as expressly required under the relevant Offering and/or Governing Documents of the Clients 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 Blackstone Credit Clients or Other Clients or where such Other Blackstone Credit Clients or Other Clients provide equity or debt financing to the Clients or third-party purchasers in connection with the disposition of such assets (in which case Blackstone will have conflicting duties in determining the tranching thereof). Blackstone will have conflicting duties to a Client and Other Clients when a Client (or its portfolio company) buys or sells assets from or to Other Blackstone Credit Clients or Other Clients (and, potentially, when the Client buys, sells, or redeems interests in Other Blackstone Credit Clients or Other Clients) or when such Other Blackstone Credit Clients or Other Clients provide equity or debt financing to a Client or third-party purchasers in connection with the disposition of such assets, including as a result of different financial incentives Blackstone could have with respect to the Client and such Other Clients. These conflicts will not necessarily be resolved in favor of a Client, and the Client's limited partners will not necessarily receive notice or disclosure of the occurrence of these conflicts. In addition, certain financings between a Client and Blackstone affiliates could involve structuring that in form is a transaction between the Clients and an affiliate, but will not be treated as the sale of an investment to the Clients from a Blackstone



affiliate (or vice versa) for purposes of the relevant Offering and/or Governing Documents of the Clients, as determined by Blackstone Credit in good faith.

There can be no assurance that any investment or asset sold by a Client to a limited partner, Other Blackstone Credit Clients, or Other Clients, portfolio companies 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 Blackstone Credit Clients or Other Clients are being sold or redeemed by the Clients) will not be valued at or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third-party rather than to a limited partner, Other Blackstone Credit Clients, or Other Clients, portfolio companies thereof, or any of their respective related parties (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 Client sold or redeemed by the Clients, if the issuer of the interests were a third-party rather than an Other Blackstone Credit Client or an Other Client). Blackstone will not be required to solicit third-party bids or obtain a third-party valuation prior to causing a Client or any of its portfolio companies to purchase or sell any asset or investment from or to a Client's limited partner, Other Blackstone Credit Clients, or Other Clients, portfolio companies thereof, or any of their respective related parties as provided above (or to purchase, sell, or redeem any interests in an Other Blackstone Credit Client or an Other Client). In the event Blackstone does solicit third-party bids in a sale process of any such assets, the participation of an Other Blackstone Credit Client or an Other Client (or a related party thereof) through the financing of a third party purchase could potentially have a negative impact on the overall process. For example, a bidder that is not working with, or has otherwise chosen not to work with, an Other Blackstone Credit Client or an Other Client for such financing could perceive the process as favoring parties that are doing so. While Blackstone will seek to develop sale procedures that mitigate conflicts for a Client, there can be no assurance that any bidding process will not be negatively impacted by the involvement of any Other Blackstone Credit Clients or Other Clients in the relevant transaction. All the foregoing transactions involve conflicts of interest, as Blackstone will receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction, including different financial incentives Blackstone 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.

***Secondments and Internships.*** Certain personnel of Blackstone and its affiliates, and the Consultants (as defined herein), will, in certain circumstances, be seconded to one or more portfolio companies, vendors and service providers or limited partners of the Clients and Other Clients to provide finance, accounting, operational support, technology, data management (including artificial intelligence) and other similar services, including the sourcing of investments for the Clients or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of portfolio companies, vendors, service providers (including law firms and accounting firms) and limited partners of the Clients and Other Clients will, in certain circumstances, be seconded to, serve internships at, receive trainings from or otherwise provide consulting services to, Blackstone Credit, Blackstone, the Clients, portfolio companies and Other Clients. While often the Clients, Other Clients, and their portfolio companies are the beneficiaries of these types of arrangements, Blackstone Credit or Blackstone is from time

to time a beneficiary of these arrangements as well, including in circumstances where the vendor, portfolio company or service provider also provides services to the Clients, Other Clients, Blackstone Credit or Blackstone in the ordinary course.

The Clients or their portfolio companies can be expected to pay compensation or cover fees or expenses associated with such secondees and interns, and if a portfolio company of a Client pays the cost, it will be borne directly or indirectly by the Client. If Blackstone Credit or Blackstone pays salaries or covers expenses associated with such secondees and interns, they could seek reimbursement from the Clients or their portfolio companies for such amounts. Additionally, Blackstone Credit, Blackstone, Other Blackstone Credit Clients, Other Clients or their respective portfolio companies 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) whose employees serve as secondees or interns to a Client (or its portfolio companies) that bears the compensation, fees or expenses associated with such 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 Blackstone Credit, Blackstone, Other Blackstone Credit Clients, Other Clients or their respective portfolio companies that do not benefit such Client or its portfolio companies. To the extent secondee or intern compensation, fees or expenses are borne by a Client, including indirectly through its portfolio companies 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 Blackstone Credit, Blackstone, the Clients, Other Clients, portfolio companies, each of their respective affiliates and related parties, and any costs of such personnel could be allocated accordingly. Blackstone Credit or Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to Blackstone Credit, Blackstone, the Clients, Other Clients, portfolio companies, and other parties based on time spent by the personnel or another methodology Blackstone Credit or Blackstone deems appropriate in a particular circumstance.

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

***Advisors, Industry Experts and Operating Partners.*** Blackstone Credit engages and retains strategic advisors, consultants, senior advisors, executive advisors, industry experts, operating partners, deal sourcers and/or other professionals (which is expected to include current and former Blackstone and/or Blackstone Credit executives or other personnel as well as current and former executives or other personnel of portfolio companies of Blackstone and/or Blackstone Credit) as well as consultants, and other similar professionals who are not employees or affiliates of Blackstone Credit (collectively, "**Consultants**"), including through joint ventures, investment

platforms, other entities or similar arrangements, and who, from time to time, receive payments from, or allocations of, performance-based compensation (*e.g.*, carried interest) with respect to, portfolio companies (as well as from Blackstone Credit or the Clients). 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 Blackstone Credit or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy, potentially on a full-time and/or exclusive basis and notwithstanding any overlap with the responsibilities of Blackstone Credit under the Offering and/or Governing Documents, the compensation to such consultants is expected to be borne fully by Clients and/or portfolio companies (with no reduction or offset to management fees payable by a Client) and not Blackstone Credit. Similarly, the Clients, Other Clients and their portfolio companies are expected to retain and pay compensation to Consultants to provide services.

Any amounts paid by a Client or portfolio company to Consultants in connection with the above services, including cash fees, profits, or equity interests in a portfolio company, discretionary bonus awards, performance-based compensation (*e.g.*, promote), sourcing fees, retainers and expense reimbursements, will be treated as the applicable Clients’ expenses or expenses of the portfolio company, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Blackstone Credit, be chargeable to Blackstone Credit or be deemed paid to or received by Blackstone Credit, and such amounts will not result in the offset of any management fees otherwise due or be subordinated to return of investors’ capital and can be expected to increase the overall costs and expenses borne indirectly by a Client’s investors. Amounts charged by Consultants will not necessarily be confirmed as being comparable to market rates for such services. These Consultants have the right or could be offered the ability to (i) co-invest alongside the Clients, including in the specific investments in which they are involved (and for which they could be entitled to receive performance-related incentive fees, which will reduce the Clients’ returns and will not necessarily be subordinated to the return of investors’ capital contributions), or (ii) to otherwise participate in equity plans for management of any such portfolio company, or (iii) to invest directly in the Clients and/or Managed Accounts or in a vehicle controlled by the Clients and/or Managed Accounts subject to reduced or waived management fees, servicing fees and/or performance-based compensation, including after the termination of their engagement by or other status with Blackstone (which generally would reduce the amount invested by the Clients and/or Managed Accounts in any investment). Such co-investment and/or participation (which generally will result in the applicable Client being allocated a smaller share of the applicable investment) will not be considered as part of Blackstone’s side-by-side co-investment rights (if applicable). Such co-investment and/or participation could vary by transaction, and such participation could, depending on its structure, reduce the applicable Client’s returns and will not necessarily be subordinated to the return of investors’ capital contributions. Additionally, and notwithstanding the foregoing, these Consultants, as well as Other Clients, are expected to be (or have the preferred right to be) investors in Blackstone Credit’s portfolio companies (which, in some cases, could involve agreements to pay performance fees, or allocate profits interests, to such persons in connection with a Client’s investment therein, which will reduce Client returns and will not necessarily be subordinated to the return of Clients’ capital contributions) and/or Other Clients. Such Consultants could also be permitted to participate in Blackstone or Blackstone Credit’s side-by-side co-investment rights, which generally do not pay a management fee and/or performance-based compensation, as applicable, and generally result in the Clients being allocated a smaller

share of an investment than would otherwise be the case in the absence of such side-by-side co-investment rights. 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 companies, the Registrant will be free to consider relationship, reputational and market considerations, which can in some circumstances result in less favorable terms for the Clients or portfolio companies. In addition, subject to the terms of the Offering and/or Governing Documents of a Fund, the General Partner might permit certain Blackstone personnel and other professionals responsible for portfolio company operations and other similar operational initiatives with respect to one or more portfolio companies to participate in these side-by-side rights on an investment by investment basis. The General Partner intends to limit participation by any such professionals to investments involving the portfolio company with respect to which the General Partner expects in good faith that such professionals will be materially involved following the consummation of such investment.

The time, dedication and scope of work of, and the nature of the relationship with each of the Consultants vary considerably. In some cases, they could provide the General Partner and/or Blackstone Credit with industry-specific insights and feedback on investment themes, assist in transaction due diligence, and/or make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles (and could be exclusive service providers to Blackstone Credit) and serve as executives or directors on the boards of portfolio companies or contribute to the identification and origination of new investment opportunities. A Client could rely on these Consultants to recommend Blackstone as a preferred investment partner, identify investments, source opportunities, and otherwise carry out its investment program, but there is no assurance that these advisors will continue to be involved with the Client for any length of time. In certain instances, Blackstone Credit can be expected to have formal or informal arrangements with these Consultants (which could be terminable upon notice by any party), and in other cases the relationships are more informal. They are either compensated (including pursuant to retainers and expense reimbursement, and, in any event, pursuant to negotiated arrangements that will not be confirmed as being comparable to the market rates for such services) by Blackstone Credit, the relevant Clients and/or portfolio companies or otherwise uncompensated or entitled to deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, they have certain attributes of Blackstone Credit "employees" (*e.g.*, they can be expected have dedicated offices at Blackstone Credit, receive administrative support from Blackstone Credit personnel, participate in general meetings and events for Blackstone Credit personnel, work on Blackstone Credit matters as their primary or sole business activity, service Blackstone Credit exclusively, have Blackstone Credit-related email addresses and/or business cards and participate in certain benefit arrangements typically reserved for Blackstone Credit employees, *etc.*) even though they are not considered Blackstone Credit employees, affiliates or personnel for purposes of the relevant Client's applicable Offering and/or Governing Documents, and their salary and any related expenses are paid by the Client as Client expenses or by portfolio companies without any reduction or offset to management fees. Payments or allocations to Consultants will not be subject to the offset provisions therein. Some Consultants work only for certain Clients and their portfolio companies, while others have other clients. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular period of time will be proportional to the amount of hours worked or the amount or

tangible work product generated by the Consultants during such time. In particular, in some cases, Consultants, including those with a “Senior Advisor” or “Operating Advisor” title, have been and will be engaged with the responsibility to source and recommend transactions to the General Partner potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the General Partner under the applicable Offering and/or Governing Documents, the compensation to such Consultants will be borne fully by the Client and/or portfolio companies (with no reduction or offset to management fees) and not Blackstone. Consultants could have conflicts of interest between their work for a Client and its portfolio companies, on the one hand, and themselves or other clients, on the other hand, and Blackstone Credit is limited in its ability to monitor and mitigate these conflicts. The determination of whether a particular party is a Consultant will be made by Blackstone Credit, in its sole discretion. Over time, certain existing and former employees of Blackstone (including senior personnel) could transition to a Consultant role, which shifts the burden of compensating such persons from Blackstone to the applicable Client and/or its portfolio companies, and any compensation received by such persons will not reduce any Client management fee. Consultants could have conflicts of interest between their work for Clients and their portfolio companies, on the one hand, and themselves or other clients, on the other hand, and Blackstone Credit is limited in its ability to monitor and mitigate these conflicts. Blackstone Credit expects, where applicable, to allocate the costs of such Consultants to the Client and/or applicable portfolio companies, and to the extent any such costs are allocated to the Client, they would be treated as Client expenses. Payments or allocations to Consultants will not result in a management fee offset, and can be expected to increase the overall costs and expenses borne indirectly by the Client’s investors. There can be no assurance that any of the Consultants and/or other professionals, to the extent engaged, will continue to serve in such roles and/or continue their arrangements with Blackstone Credit, the Clients and/or any portfolio companies for the duration of the relevant investments or throughout the investment period or term of the relevant Clients. Additionally, from time to time, Consultants provide services on behalf of both the Clients and Other Clients, and any work performed by Consultants retained on behalf of a Client could benefit the Other Clients (and alternatively, work performed by Senior and Other Advisors on behalf of Other Clients could benefit the Client), and Blackstone Credit shall have no obligation to allocate any portion of the costs to be borne by the Client in respect of such Consultants to the Other Clients, except as described below.

As an example of the foregoing, in certain investments including those involving joint ventures, investment platforms, other entities or similar arrangements, Clients will from time to time enter into an arrangement with one or more individuals (who could be former personnel of Blackstone or current or former personnel of portfolio companies of Clients or Other Clients, generally will have experience or capability in sourcing or managing investments, and could form a management team) to undertake a new business line or a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The services provided by such individuals or relevant portfolio company, as the case may be, could include the following with respect to investments: origination or sourcing, due diligence, evaluation, negotiation, servicing, development, management (including turnaround) and disposition. The individuals or relevant portfolio company could be compensated with a salary and equity incentive plan, including a portion of profits derived from Clients or a portfolio company or asset of a Client (which, to the extent permitted by applicable law and/or any applicable SEC granted exemptive or no action relief, can 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, a waterfall similar to a carried interest, respectively, or another similar metric. Clients could initially bear the cost of overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and the sourcing, diligence and analysis of investments, as well as the compensation for the individuals and entity undertaking the build-up strategy. Such expenses would be borne either directly by Clients or indirectly through expenditures by a portfolio company. None of such portfolio companies or Consultants will be treated as affiliates of Blackstone for any reason and none of the fees, costs or expenses described above will reduce or offset the management fee payable by a Client.

In addition, Blackstone Credit from time to time will engage third parties as Consultants (or in another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such Consultants can receive reimbursement of reasonable related expenses by portfolio companies or Clients and can have the opportunity to invest in a portion of the equity and/or debt available to Clients for investment that would otherwise be taken by Blackstone Credit and its affiliates. If such Consultants generate investment opportunities on a Client's behalf, such Consultants are permitted to receive special additional fees or allocations which have the potential to be 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 Clients and/or portfolio companies (with no reduction or offset to management fees payable by Clients) and not Blackstone Credit.

***Minority Investments in Asset Management Firms.*** Relatedly, Blackstone and/or Other Clients, including Blackstone Strategic Capital Holdings and its related parties ("**BSCH**"), regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, Clients, Other Clients and their respective portfolio companies, and which 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 companies. Typically, the Blackstone related party with an interest in the asset management firm would be entitled to receive a share of the performance-based incentive compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third party asset management firm that are included in the transaction or activities of the third party asset management firm, or a subset of such activities such as transactions with a Blackstone related party. In addition, while such minority investments are generally structured so that Blackstone does not "control" such third party asset management firms, Blackstone could 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 Clients, including BSCH, do not intend to control such third party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone and Other Clients, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third party asset managers will not be deemed "affiliates" of Blackstone under the Offering and/or Governing Documents of a Client or for

any other purpose, Blackstone expects to, 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 give rise to conflicts of interest. Certain Clients could from time to time participate in such investments alongside Other Clients, including BSCH. Participation rights in a third party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of Clients to claims by third parties in connection with such investments (as indirect owners of such asset management firms or similar businesses) that will have an adverse financial or reputational impact on the performance of such Clients. Certain Clients, their affiliates and their respective portfolio companies are expected to, 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 make investments in vehicles sponsored by such third-party asset managers, which has the potential to result in the Blackstone-related party earning performance-based compensation and/or fee income in respect of any such transactions. Such transactions and other commercial arrangements between any such Client and/or its portfolio companies, on the one hand, and such third party asset managers, on the other hand, are not subject to investor advisory committee approval. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and Clients and their portfolio companies, on the other hand, will be at arm's length or that Blackstone and/or Blackstone Credit will not receive a benefit from such transactions, which can be expected to incentivize Blackstone to cause these transactions to occur. There can be no assurance that any such conflicts will be resolved in favor of such Clients or their investors.

***Indemnification; Absence of Recourse.*** Subject to the applicable Offering and/or Governing Documents of a Client, the Clients generally will be required to indemnify the General Partner, the Registrant, Blackstone Credit, certain service providers and their respective affiliates, and their respective officers, directors, employees, shareholders, agents, stockholders, members, partners, independent representatives, service providers and certain other persons who serve at the request of Blackstone Credit or the Registrant on behalf of Clients, as a partner, member, officer, director, employee, service provider or agent of any other entity, including, without limitation, third party advisory committees, for liabilities incurred in connection with the affairs of the Clients. Members of any applicable Client's limited partner advisory committee or an independent client representative (if appointed) will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the respective Offering and/or Governing Documents of such Client. Additionally, such parties could be entitled to exculpation by the Clients. Such liabilities could be material and could have an adverse effect on the returns to the Clients' investors. For example, in their capacity as directors of portfolio companies, the partners, managers, or affiliates of Blackstone Credit, the Registrant or the General Partners could be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Clients would be payable from the assets of the applicable Clients, including the unpaid capital commitments of the investors. If the assets of the applicable Clients are insufficient, the General Partners could recall distributions previously made to the investors in such Clients (subject to certain limitations set forth in the respective Offering and/or Governing Documents of each Client). It should be noted that the General Partners or the Registrant could cause the Clients to purchase insurance for the Clients, the General Partners, the Registrant and their employees, agents and representatives. There is no guarantee that such insurance will be available to satisfy losses for

which the Clients could be required to provide indemnification, and potential insurance claims will not delay the availability of the advances provided to indemnified persons under the applicable Offering and/or Governing Documents. Indemnification obligations will survive the dissolution of a Client. In addition, because Blackstone Credit could cause the Clients to advance the costs and expenses of an indemnitee pending the outcome of a particular matter (including a determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), there could be periods where the Clients are advancing expenses to an individual or entity with whom the Clients are not aligned or are otherwise an adverse party in a dispute. Moreover, a General Partner, in such capacity to a Client, will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision it makes to provide indemnification, including advancement of expenses. This could be the case with respect to settlement of actions where any indemnitee was alleged to have engaged in conduct that would disqualify any such individual or entity from indemnification or exculpation so long as the General Partner has determined that such disqualifying conduct did not occur.

***Diverse Investor Group.*** Investors in certain Clients are based in a wide variety of jurisdictions and take a wide variety of forms. The investors are expected to have conflicting investment, tax and other interests with respect to their investments in Clients and/or Managed Accounts and with respect to the interests of investors in other investment vehicles managed or advised by the Registrant that could participate in the same investments as the Clients. The conflicting interests of individual investors with respect to other investors and relative to investors in other investment vehicles would generally relate to or arise from, among other things, the nature of investments made by the Clients and such other partnerships, the structuring or the acquisition of investments, financing, tax profile and timing of disposition of investments. As a consequence, conflicts of interest arise in connection with the decisions made by the Registrant, including with respect to the nature or structuring of investments that are more beneficial for one or more (but not all) investors than for other investors, especially with respect to investors' individual tax situations. In addition, the Clients are permitted to make investments that have a negative impact on related investments made by the investors in separate transactions, such as credit investments that, by consequence of the exercise of remedies related to such investments, adversely impact equity-like investments in respect of those same issuers. In selecting and structuring investments suitable for the Clients, the Registrant will consider the investment and tax objectives of Clients and/or CLOs and their investors (and those of investors in other investment vehicles managed or advised by the Registrant) as a whole, not the investment, tax or other objectives of any investor individually. As a result of disparate tax considerations applicable to certain investors in the Clients and Other Clients, but not other investors therein, not all such investors will participate in investments through the same investment structures and vehicles, and the securities indirectly held by such investors (or consideration ultimately distributed to such investors) could 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, Blackstone Credit will, in certain circumstances, elect to limit certain investors' participation in particular investments or exclude certain investors from particular investments (in whole or in part), including for the avoidance of doubt, follow-on investments (or such certain combined investors will benefit from excuse rights or investments limitations with respect to particular investments or follow-on investments), taking into account ERISA, legal, tax, regulatory or other reasons applicable to any such investment, or for any other reasons as to which Blackstone Credit



and any investor agree, in which case non-excluded investors shall be allocated a greater proportionate interest in such investment (or a follow-on investment related thereto, notwithstanding the initial or existing ownership proportions thereof).

In addition, certain investors in a Client can be expected to also be investors in Other Clients, including co-investment vehicles that invest alongside one or more Clients in one or more investments, which could create conflicts for Blackstone Credit in treatment of different investors, which could be resolved in a manner more favorable to certain investors than others. Investors also might include affiliates of Blackstone, such as Other Clients, affiliates of portfolio companies of Clients or Other Clients, charities or foundations associated with Blackstone personnel and/or current or former Blackstone employees, Blackstone's senior advisors and/or operating partners and any affiliates, funds or persons could also invest through the vehicles established in connection with Blackstone and Blackstone Credit's side-by-side co-investment rights, in each case, without being subject to management fees, servicing fees, and/or carried interest (or otherwise on more favorable terms), and investors will not be afforded the benefit of such arrangements. Some of the foregoing Blackstone and Blackstone Credit related parties are sponsors of feeder vehicles that could invest in a Client as limited partners. The Blackstone and/or Blackstone Credit related sponsors of feeder vehicles generally charge their investors additional fees, including performance-based fees, which could provide Blackstone and Blackstone Credit current income and increase the value of Blackstone and/or Blackstone Credit's ownership position in such sponsors. Blackstone and Blackstone Credit will therefore have incentives to refer potential investors to these feeder vehicles. All of these Blackstone and/or Blackstone Credit related limited partners will have equivalent rights to vote and withhold consents as nonrelated limited partners, unless otherwise provided by the terms of the Offering and/or Governing Documents. Nonetheless, Blackstone and/or Blackstone Credit could have the ability to influence, directly or indirectly, these Blackstone and/or Blackstone Credit related limited partners.

It is also possible that a Client or its portfolio companies will be counterparties (such counterparties dealt with as described in "Portfolio Company Relationships Generally" above) or participants in agreements, transactions or other arrangements with an investor or an affiliate of such an investor. Such transactions could include agreements to pay performance fees to operating partners, a management team and other related persons in connection with the Client's investment therein, which will reduce the Client's returns and will not necessarily be subordinated to the return of the investor's capital contributions. Such investors described in the previous sentences could therefore have different information about Blackstone, Blackstone Credit and the Clients than investors not similarly positioned. In addition, conflicts of interest arise in dealing with any such investors, and Blackstone Credit and its affiliates might not be motivated to act solely in accordance with its interests relating to the Clients. Similar information disparity could occur as a result of investors monitoring their investments in vehicles such as the Clients differently. Moreover, there is an increasing trend in the private equity industry of fund sponsors offering liquidity to investors in existing funds through a structured secondary process where purchasing investors would, as a condition to participating in such purchase from existing investors, also make a commitment to a new fund being raised. Blackstone could be incentivized to engage in such a process for one or more of its existing funds (or any investments therein) to the extent doing so could be expected to improve Blackstone's ability to raise a successor fund to such fund and to form and attract capital to existing or future Other Clients (*e.g.*, by securing an agreement from the purchasing investors

participating in the process to make commitments to such funds or, more generally, by positively impacting the performance information for the relevant fund that is presented to prospective investors in Blackstone fundraise materials). For example, certain investors might periodically request from Blackstone Credit information regarding a Client, its investments and/or portfolio companies that is not otherwise set forth (or has yet to be set forth) in the reporting and other information required to be delivered to all investors. In such circumstances, Blackstone Credit could provide such information to such investor and not to other investors. Blackstone Credit will not be obligated to affirmatively provide such information to all investors (although Blackstone Credit will generally provide the same information upon request and treat investors equally in that regard). In addition, subject to certain conditions set forth in the Offering and/or Governing Documents, the General Partner is not required to invite certain investors that have a capital commitment below a certain threshold to attend meetings of the Client. As a result, certain investors might receive more information from the General Partner about certain Clients and their portfolio companies, or might receive information about certain Clients and their portfolio companies at an earlier time than other investors, and the General Partner will have no duty to ensure that all investors seek, obtain or process the same information regarding the Clients, their investments and/or portfolio companies. Therefore, certain investors can be expected to be able to take actions on the basis of such information which, in the absence of such information, other investors do not take. Furthermore, at certain times Blackstone might 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 Credit Client or an Other Client or portfolio company that is publicly registered co-invests with such Client. In addition, investment banks or other financial institutions, as well as Blackstone and Blackstone Credit personnel, could also be investors in certain Clients. These institutions and personnel are a potential source of information and ideas that could benefit such Clients, and might receive information about the Clients and their portfolio companies in their capacity as a service provider or vendor to the Clients and their portfolio companies.

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

***Secondary Transfers of Investor Transactions.*** To the extent Blackstone Credit has discretion over a secondary transfer of interests in a Client pursuant to such Client's Offering and/or Governing Documents, or is asked to identify potential purchasers in a secondary transfer, Blackstone Credit will do so in its sole discretion, taking into account the following factors, among others: (i) Blackstone Credit's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; (ii) Blackstone Credit'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 might provide indirectly longer-term benefits to current or future Clients and/or Blackstone Credit and the expected amount of negotiations required in connection with a potential purchaser's investment; (iii) whether the potential purchaser would subject Blackstone Credit, the applicable Client, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; (iv) a potential purchaser's investment into an Other Blackstone Credit Client (including any commitment, or agreement to make a commitment into an existing or a future Other Client and/or Other Blackstone Credit Client); (v) requirements in such Client's Offering and/or Governing Documents; and (vi) such other facts as it deems appropriate under the circumstances in exercising such discretion.

***Continuation Vehicles and Continuation Transactions.*** Blackstone Credit could, subject to the requirements of the Clients' Offering and/or Governing Documents, from time to time establish other investment vehicles for the purpose of purchasing one or more investments from a Client (sometimes, but not always, where the selling Client is approaching the end of its term) in connection with, or alongside another an Other Blackstone Credit Client making an investment (such vehicles, "**Continuation Vehicles**" and such transactions, "**Continuation Transactions**"). In such circumstances, Blackstone Credit is acting on behalf of, and making the investment decision for, both a Client and the applicable Continuation Vehicle. As a result, Continuation Transactions implicate the conflicts of interest described herein in "Buying and Selling Investments or Assets from Certain Related Parties" between the Client and the Continuation Vehicle more generally. Further, because Blackstone Credit 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, Blackstone Credit 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 limited partner advisory committee of a Client, certain Continuation Transactions will be able to be completed at the initiation of Blackstone Credit without any such approval.

***Valuation Matters.*** The fair value of all investments or of property received in exchange for any investments will be determined by Blackstone Credit in accordance with the applicable Offering and/or Governing Documents. Accordingly, the carrying value of an investment might not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of such investments will be determined by Blackstone Credit in accordance with procedures set forth in the applicable Offering and/or Governing Documents. The valuation methodologies used to value any investment could vary over time, and valuation determinations (including with respect to whether an investment has been the subject of a permanent impairment) will involve subjective judgments, estimates and projections and will, in certain circumstances, not be accurate. In making its determination in respect of an investment's valuation, Blackstone Credit is entitled to take into account all facts and circumstances it deems relevant, subject to the provisions of the Offering and/or Governing Documents and the valuation policy for the Client in effect at such time, and there can be no assurance that a third party (including a valuation expert) or investor would agree with

the factors used and/or conclusions reached in making any such determination.. Certain valuation methodologies will also involve assumptions and opinions about future events, which could turn out to be correct. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone's control. The valuation of investments will affect the amount and timing of Blackstone Credit's performance-based compensation and, under certain circumstances, the amount of management fees payable to the Registrant. As a result, there could be circumstances where Blackstone Credit, the General Partner or the Registrant, as applicable, is incentivized to determine valuations that are higher than the actual fair value of investments, which could lead to Blackstone Credit, the General Partner or the Registrant, as applicable, being allocated a greater share of distributions than it would otherwise have received, which reduces returns to investors in the Client.

The valuation of investments, as well as the determination of whether and when an investment has been permanently impaired, written down or disposed of (which determination generally remains in the sole discretion of Blackstone Credit, subject to the governing documents and/or the valuation policy for the Client in effect at such time), will affect the amount and timing of Blackstone Credit's performance-based compensation and, under certain circumstances, the amount of management fees payable to the Registrant.

In addition, securities that the Registrant believes are fundamentally undervalued or overvalued might not ultimately be valued in the capital markets at prices and/or within the time frame the Registrant anticipates. In particular, purchasing securities at prices that the Registrant believes to be distressed or below fair value is no guarantee that the price of such securities will not decline even further. There is no guarantee that the fair value as determined by the Registrant will represent the value that will be realized by a Client on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

Although Blackstone Credit intends to operate in accordance with the Client's Offering and/or Governing 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 limited partners.

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 Blackstone Credit (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 Client's Offering and/or Governing 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 limited partners 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 Blackstone Credit 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 Blackstone Credit, 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 limited partners are deemed to receive in connection with distributions in-kind of marketable securities (including for purposes of calculating Blackstone Credit'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 Client's Offering and/or Governing Documents), Blackstone Credit'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 Blackstone Credit would have received had such securities been sold for cash at such time.

***Side Letters and Agreements.*** The relevant General Partner, the Registrant and its affiliates (on behalf of themselves and relevant Clients) have entered into and will continue to enter into "side letters" or other similar agreements with certain investors in connection with their admission to the Clients as investors without the approval of any other investor, that have and will have the effect of establishing rights (other than as set forth in the applicable Offering and/or Governing Documents as a general matter) under, or altering or supplementing the terms of the applicable Offering and/or Governing Documents with respect to such investors in a manner more favorable to such investors than those applicable to other investors in the Clients. Such rights or terms in any such side letter or other similar agreement might include, without limitation, (i) excuse or exclusion rights applicable to particular investments, including the application of excuse rights on an "automatic" basis (which might increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments, or ultimately restrict the investments made by an applicable Client), (ii) the General Partner's agreement to extend certain information rights or reporting to such investor, including, without limitation, to accommodate special regulatory or other circumstances of such investor, (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the General Partner for the benefit of lenders or other persons extending credit to or arranging financing for the Clients, (iv) consent of the General Partner to certain transfers by such investor or other exercises by the General Partner of its discretionary authority under the applicable Client's Offering and/or Governing Documents for the benefit of such investor, (v) restrictions on, or special rights of such investor with respect to, the activities of the General Partner, (vi) rights related to the designation of a representative on an investor advisory committee, (vii) withdrawal rights (subject to the consent of the applicable General Partner) 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, which could materially increase the percentage interest of other investors in, and their contribution obligations for, future investments and expenses, and reduce the overall size of a Client, (viii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor, (ix) discounted management fee, servicing fee and performance-based allocation rates and other special economic arrangements, (x) structuring undertakings and restrictions of a Client with respect to any investment (including any alternative investment vehicle through which such investment might be made), (xi) matters regarding such investor's (or its affiliates') interest in providing debt financing to Clients or its portfolio companies, (xii) matters regarding such investor's (or its affiliates') right to participate in co-investment opportunities (including economic arrangements with respect to co-investment opportunities, such as a right to fee-free and/or carried interest-free co-investment), even if agreed to simultaneously with an investor's investments in a Client, (xiii)

waiver or modification of the default remedies that could be enforced against such investor, or (xiv) additional obligations and restrictions of a Client with respect to the structuring of any investment (including with respect to alternative investment vehicles). Such side letters could 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 so established in a side letter (including, for example, with respect to management fees, servicing fees and performance-based compensation to be charged to such investor) with an investor will govern solely with respect to such investor (but not any of such investor's assignees or transferees unless so specified in such side letter) and will not require the approval of any other investor notwithstanding any other provision of the applicable Client's Offering and/or Governing Documents.

Moreover, notwithstanding the fact that an investor might have 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: (a) those rights or benefits as described in clauses (i) – (xiii) above; (b) certain rights or benefits with respect to any other investor's most favored nations rights; (c) any rights or benefits unless such investor (x) 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 and (y) satisfies any conditions upon which such rights and benefits are expressed to be granted, including, without limitation, if a particular provision is conditional upon a certain minimum capital commitment, admission as an investor on or before a certain date, or use of a common advisor; (d) any rights or benefits 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, another investor if not also applicable to such investor; (e) any rights or benefits that are established in favor of another investor by reason of the fact that such other investor is subject to any laws, rules (including those of self-regulatory organizations), regulations or policies to which the investor is not also subject; (f) any rights or benefits granted to Blackstone, the General Partner, its partners, members, affiliates or their employees or senior advisors (including, for this purpose, any Other Clients and/or charitable programs, endowments or other similar programs (including any related entities, vehicles and/or accounts) established by or associated with any of the foregoing), Blackstone's senior advisors, operating partners and/or its current or former employees, partners and affiliates; (g) any rights contained in any side letter entered into in connection with the admission of an investor and its affiliates to a Client and/or Other Clients pursuing a materially different investment strategy or diversified investment program pursuant to an integrated overall arrangement with Blackstone Credit or Blackstone (such as a Strategic Relationship as described above), which side letter, for greater certainty, might remain confidential and not be shared with any other investors; (h) any economic rights or benefits (including a reduction, in whole or in part, in management fees, servicing fees and/or carried interest) established in favor of any investor; (i) any rights related to the regulatory or other particular legal or similar status of another investor, unless such investor has a regulatory, sovereign, tax, ERISA or other particular legal or similar status that is the same as or substantially similar to the status of such other investor and only to the extent such rights are applicable to such investor; (j) any rights or benefits that relate to appointing a representative or non-voting observer to the investor advisory committee or any rights related thereto; (k) any rights to elect, or receive notice of, any co-investment rights, such as targeted amounts for co-investments alongside a Client (including, without limitations, preferential allocation thereof and the economic and other terms

and conditions related to such participation (by way of example, any carried interest and/or management fees to be charged with respect thereto or with respect to a Client based on targeted co-investments); (l) any rights related to certain information rights or additional reporting to any other investor, including, without limitation, to accommodate special regulatory or other circumstances of such other investor; (m) any rights or benefits that relate to confirmatory letters or responses provided upon an investor's due diligence requests; (n) any rights or benefits that relate to economic arrangements (including, for example, with respect to the amount of any servicing fees and/or management fees charged to an investor or the calculation of an investor's unpaid capital commitment, which could at various times increase or decrease the percentage interest of other investors in, and their contribution obligations for, investments, fees and expenses, and any such rights or benefits being made by the General Partner in its sole discretion, for any reason, such as in investor's relationship with Blackstone, or no reason at all, or that relates to the waiver of the designation of an investor as an "aggregator vehicle" formed for the purpose of investing in the Client for purposes of the applicable Offering and/or Governing Documents); (o) any rights to elect any method of giving notice by one party to another; (p) any rights to elect the accommodations, rights or benefits of any provisions related to anti-money-laundering or OFAC matters; (q) receive any rights in respect of the use and disclosure of confidential information; (r) receive any rights in respect of any subscription line credit facility of a Client; (s) in the event the investor is itself an investment partnership or other collective investment vehicle having its own underlying limited partners or other investors, including in respect of which a Client is required to pay a placement agent fee in connection with such investor's admission to such Client, any economic rights or benefits (including with limitation, a reduction in management fees or carried interest) established in favor of any investor; (t) any rights or benefits that relate to the provision of any documentation or information or any representation, warranty or covenant by an investor, in each case regarding the creditworthiness or suitability of such investor; (u) any rights that relate to any Managed Account that invests alongside a Client; (v) any rights granted to sovereign or supranational entities and their affiliates that relate to the jurisdiction, forum, venue, governing law, alternative dispute resolution or immunities; (w) any rights or benefits relating to the provision to, or disclosure by, an investor or agent thereof of information concerning a Client, any feeder fund, any alternative vehicle, the General Partner or any of their affiliates, any portfolio company and/or an investment; (x) any rights that relate to the benefit of any representations and warranties relating to a particular point in time; (y) any rights granted to any third party feeder fund unaffiliated with a General Partner; (z) any rights in respect of meeting with or attending trainings prepared by a General Partner; (aa) any rights in respect of secondment of personnel from the investor to Blackstone (or vice versa); (bb) any rights or benefits that relate to the waiver (or lack thereof) by an investor of any claims, causes of actions and/or remedies; (cc) any rights that relate to the disclosure or use of confidential information, (dd) in respect of any standing co-invest vehicle established through which one or more investors will co-invest alongside a Client and certain Other Clients, and/or (ee) any rights granted in a distribution or similar agreement with a placement agent. Moreover, such most favored nations provisions do not require the General Partner 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 might not be made aware of certain provisions provided to other investors.

In addition, Blackstone and Blackstone Credit have entered, and it can be expected that Blackstone and Blackstone Credit will in the future enter, into agreements with investors that involve an overall

relationship with Blackstone or Blackstone Credit that could incorporate one or more strategies in addition to the applicable Client's strategy (Strategic Relationships, as described above) with terms and conditions applicable solely to such investor and its investment in multiple Blackstone or Blackstone Credit strategies that would not apply to any other investor's investment in such Client. Unless otherwise agreed pursuant to a comparable multi-strategy investment program, investors will not receive a copy of any agreement memorializing such an investment program (even if in the form of a side letter) and will be unable to elect any rights or benefits granted to such multi-strategy investor. See "Strategic Relationships" above.

It is also expected that Blackstone and/or Blackstone Credit will from time to time confirm factual matters to incoming investors in the Clients, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to the Clients and/or Blackstone or Blackstone Credit's activities pertaining thereto in one or more respects. In addition, Blackstone and Blackstone Credit could 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. Additionally, it is expected that investors who designate representatives to participate on the limited partner advisory committee of a Client, if applicable, could, by virtue of such participation, have more information about such Client and investments in certain circumstances than other investors generally and could be provided information in advance of communication to other investors generally. Any such statements, confirmations, agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and therefore will not be subject to the "most favored nations" process or election by 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 Clients or that such arrangements will not influence Blackstone's or Blackstone Credit's activities or the operation of the Clients.

***Use of Leverage.*** Subject to the limitations set forth in the Offering and/or Governing Documents, certain Clients, directly or indirectly through one or more special purpose vehicles, will incur indebtedness, including borrowing money from any person, making guarantees or providing other credit support to any person or incurring any other obligation (including other extensions of credit), in each case for any proper purpose relating to the activities of such Clients, including, without limitation, financing any investment-related activities of the Clients and providing interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable). Certain Clients and/or the relevant General Partner will enter into one or more credit facilities or guarantees, and in connection therewith, might pledge the assets of the Clients and might collaterally assign the Clients' rights with respect to capital commitments and rights to the capital contributions of the partners. Subject to the applicable Offering and/or Governing Documents, the Clients might also leverage investment returns with options, short sales, swaps, forwards and other derivative instruments.

The use of leverage presents several risks and conflicts of interest. Although borrowings by the Clients have the potential to enhance overall returns to the extent that returns exceed the Clients' cost of funds, the use of leverage will further diminish returns (or increase losses on capital) to the extent overall returns are less than a Client's cost of funds. Accordingly, any event that adversely



affects the value of an investment by a Client would be magnified to the extent leverage is used. Where a Client utilizes borrowings under such Client's subscription-based credit facility or asset-backed facility (or other facility) in advance or in lieu of receiving capital contributions from investors to repay any such borrowings and related interest expenses, the use of such a facility will impact calculations of returns and will result in a higher or lower reported internal rate of return than if the facility had not been utilized and instead such investors' capital had been contributed at the inception of an investment. This will present conflicts of interest as a result of certain factors, including the interest rate on such borrowings typically being less than the rate of the preferred return and the fact that the Clients' preferred return typically does not accrue on such borrowings, but rather only accrues only on capital contributions when made. As a result, use of such leverage arrangements with respect to investments reduces or eliminates the preferred return received by the investors and, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements could accelerate or increase distributions of performance-based allocation to the relevant General Partner, providing the Registrant with an economic incentive to fund investments through long-term borrowings in lieu of capital contributions. If the use increases a Client's returns, the General Partner will also be incentivized to use the subscription credit facility because increased returns will likely aid its efforts to market Other Clients to prospective investors.

Moreover, the costs and expenses of any such borrowings will generally be allocated among a Client and any parallel funds *pro rata* or on such other basis that the General Partner determines to be more equitable under the circumstances, which will increase the expenses borne by applicable limited partners and would be expected to diminish net cash on cash returns. In addition, for investments in U.S. corporations by U.S. tax-exempt limited partners, there could be incremental tax costs related to so-called unrelated business tax income that would not have applied in the absence of Client leverage. In addition, the General Partner could 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.

Certain Clients will utilize subscription credit facilities and enter into other similar arrangements and extensions of credit for the benefit of co-investors, joint venture partners and Other Clients, including Blackstone side-by-side arrangements, which invest alongside such Clients in one or more investments. For example, a Client might borrow to fund a joint venture partner's, co-investor's or Other Client's *pro rata* share of an investment or expense related to an investment. In such circumstances, the General Partner generally intends to disclose such arrangements as part of the periodic reporting or other appropriate communications relating to the Client and to cause any such co-investors, joint venture partners and Other Clients to bear (or reimburse the Client for) their *pro rata* share of any interest expenses (but not necessarily origination and other costs) allocable to such extensions of credit. The General Partner 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. The relevant Clients will pay interest expenses and other expenses incurred in relation to the lines of credit and will bear a disproportionate amount of credit risk in incurring debt on behalf of other parties.

Subject to the limitations set forth in the Offering and/or Governing Documents, the General Partner maintains substantial flexibility in choosing when and how a Client's subscription-based credit facilities or asset-backed facilities (or other facilities) are used. The General Partner could adopt

from time to time policies or guidelines relating to the use of such credit facilities. Such policies or guidelines could include using the credit facilities to systematically defer calling capital from limited partners (such as seeking to call capital only once a year). In addition to using such facilities to defer capital calls, the General Partner could elect to use long-term fund-level financing for investments made by a Client including (i) for investments that have a longer lead time to generate cash flow or to acquire assets, (ii) for platform investments that require capital to fund operating expenses prior to developing sufficient scale to self-fund or generate enterprise value, (iii) for investments where cash is retained in the business to fund activity that results in incremental returns for the investment, (iv) to make margin payments as necessary under currency hedging arrangements, (v) to fund management fees and/or fund expenses otherwise payable by limited partners, (vi) for investments in portfolio companies with revenues in a foreign currency (vii) to lever returns generated by a Client's investments; and (viii) when the General Partner otherwise determines that it is in the best interests of a Client. In such instances the Clients would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by the General Partner and any co-investor, including co-investment vehicles) benefit from the credit risk taken by the Client's guarantee. See also **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.**

Below is a listing of the Registrant's affiliates:

<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 into repurchase agreement transactions for themselves or as agent for their customers
Blackstone Securities Partners L.P.	Provides a variety of limited investment banking services
Currencies Direct Ltd.**	Provides money transfer services to individuals and businesses on a global basis
Everlake Distributors, L.L.C.*	Provides underwriting and distribution of variable life insurance or annuities to other broker-dealers and registered investment advisers
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Finance of America Securities LLC**	Provides a variety of limited investment banking services
<b>Investment Adviser Entities</b>	
ASK Investment Managers Ltd.*	Provides investment advisory services to funds and high net worth individuals in India
Blackstone Alternative Asset Management L.P.	Manages a series of private funds predominantly engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC	Provides investment advisory services to open end mutual funds and pooled investment vehicles

Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which predominantly participate in a broad range of direct investment opportunities
Blackstone Communications Advisors I L.L.C. (Relying Adviser)	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone Credit Systematic Strategies LLC	Provides investment advisory services to debt-focused separately managed accounts, private investment funds, closed-end funds and UCITS funds
Blackstone Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone Asset Based Finance Advisors LP	Provides investment advisory services to a number of separately managed accounts and vehicles that primarily engage in asset backed securities and whole loan investments
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	Provides investment advisory services to various private investment funds specializing in the life sciences industry
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Private Investments Advisors L.L.C.	Provides investment advisory services to multi-strategy private equity funds
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds and pooled investment vehicles
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds

Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private real estate and real estate-related debt 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
Blackstone CLO Management LLC (Management Series)	Provides investment advisory services to CLOs
Blackstone Ireland Limited	Provides investment advisory services to debt-focused private investment funds, separately managed accounts and acts as an investment fund manager
Blackstone Ireland Fund Management Limited	Provides investment advisory services (management/distribution) to debt-focused private investment funds and alternative investment funds
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.
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT and its operating subsidiary
BXMT Advisors L.L.C.	Provides investment advisory services to a publicly traded REIT and its related entities
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
CT High Grade Mezzanine Manager, LLC (Relying Adviser)	Provides investment advisory services to assets owned by a third-party insurance company
CT High Grade Partners II Manager, LLC (Relying Adviser)	Provides investment advisory services to a private real estate debt fund
CT Investment Management Co., LLC	Provides investment advisory services to publicly traded CDOs and private fund and account clients that predominantly engage in investments in the commercial real estate debt sector
First Eagle Alternative Credit EU, LLC*	Provides investment advisory services to various private investment funds specializing in the European direct lending industry
First Eagle Alternative Credit EU MOA Ltd.*	Sponsor of limited partnerships for First Eagle’s European Alternative Credit business
First Eagle Alternative Credit Funding, LLC*	Sponsor of limited partnerships for First Eagle’s Alternative Credit business

First Eagle Alternative Credit, LLC*	Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts and co-mingled funds
First Eagle Separate Account Management, LLC*	Provides investment advisory services to a business development company
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
Blackstone Credit BDC Advisors LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
Blackstone Liquid Credit Advisors I LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone Alternative Credit Advisors LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
Blackstone Private Credit Strategies LLC	Provides investment advisory services to a number of debt-focused private investment funds
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
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
Finance of America Capital Management LLC **	Provides investment advisory services to mortgage related asset private funds and managed accounts
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
First Eagle Direct Lending Manager III, LLC*	Serves as the manager of a private direct lending fund
Napier Park Global Capital (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*	Provides collateral management services to securitized asset funds
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds with branch offices in other locations
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
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the Registrant

The Blackstone Group (HK) Limited	Hong Kong investment advisory firm 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 Germany GmbH	German investment advisory firm, which serves as a sub-advisor to affiliates of the Registrant and acts as an investment fund manager
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to affiliates of the Registrant and has a broker-dealer license for fund marketing
Blackstone Administrative Services Canada ULC	Canadian exempt investment adviser, which serves as a sub-advisor to the Registrant and/or its affiliates
<b>Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities</b>	
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
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
Gryphon Mutual Insurance Company****	Captive property insurance company owned by its participants (which are Blackstone Real Estate fund investments) and managed by an affiliate of Blackstone
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
Ki Financial Limited**	A digitally driven Lloyd's of London syndicate insurance company
Lexington National Land Services	A wholly owned title and escrow agent
Prima Assicurazioni S.p.A.**	An Italian tech-enabled insurance company
Westland Insurance Group Ltd. *****	A property and casualty insurance broker

\* Portfolio company of affiliated private equity fund

\*\* Portfolio company of affiliated Tactical Opportunities funds

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

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

\*\*\*\*\* Portfolio company of certain Clients

Various management personnel are registered with our broker-dealer, BSP, which serves as placement agent to Clients but is not compensated for such services.

## Item 11: Code of Ethics

As required by the Advisers Act, Blackstone and Blackstone Credit have adopted a Code of Ethics (the “**Code**”) that governs a number of potential conflicts of interest that exist in connection with the Clients under management. This Code is designed to enable the Registrant to meet its fiduciary obligation to Clients (or prospective Clients) and to instill a culture of compliance within the Registrant. An additional benefit of the Code is to assist Blackstone and Blackstone Credit in preventing violations of securities laws. The Code is distributed to each employee at the time of hire and annually thereafter, and it is available on Blackstone’s intranet website.

The Code addresses, among other things, the following:

- requirements related to confidentiality;
- limitations on, and reporting of, gifts and entertainment;
- pre-clearance of political contributions;
- pre-clearance and reporting of employee personal securities transactions;
- restrictions on purchasing single-name public securities in employee self-directed personal securities trading accounts;
- pre-clearance of outside business activities; and
- protection of persons who engage in “whistle blowing” activities from retaliation.

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

The Registrant offers many different products and services across its many businesses, and several conflicts of interest can and will arise. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for a list of certain relevant investment related potential conflicts.

Subject to the Code and with proper approval, the Registrant’s employees could buy or sell, for their personal accounts, securities that could be purchased or sold for Client accounts. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which the Funds hold or acquire an interest (either directly through a privately negotiated investment or indirectly through the purchase of securities or other traded instruments related thereto) and (ii) entities that have interests which are adverse to those of the Funds or pursue similar investment opportunities as the Funds. The Registrant and its employees are subject to guidelines governing the ability to trade in personal accounts, including a prohibition on purchasing single-name public securities in employee self-directed personal securities trading accounts. The guidelines also generally require that such trading be conducted for investment rather than speculative purposes and that certain non-restricted personal securities transactions receive pre-clearance from the legal and compliance department. These guidelines are reasonably designed to comply with SEC requirements that registered investment advisers have a Code of Ethics, and are intended to assist Blackstone with identifying and mitigating actual or potential conflicts of interest with Blackstone Clients that arise as a result of such transactions. In addition, Blackstone has implemented certain policies and procedures (*e.g.*, information walls) to restrict access to material non-public information. The Blackstone Legal and Compliance Department is responsible for overseeing compliance with the



requirements of the Code, which requirements include, but are not limited to, reporting of personal investment activities, accounts, pre-clearance of personal securities transactions, reporting of certain investment transactions and periodic compliance certifications.

The Code is available for review upon request. To request a copy of the Code, please contact Panayiota (Toula) Bougiamas, the Chief Compliance Officer of the Registrant, at +1 (212) 503-2100.

## Item 12: Brokerage Practices

**Best Execution.** Portfolio transactions for Clients will be allocated to brokers and dealers on the basis of best execution (which includes, among other items, the consideration of such broker's or dealer's ability to effect transactions, its facilities and financial responsibility). The SEC generally describes "best execution" as a duty to seek to execute transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. The SEC also has stated that when seeking best execution the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution.

Blackstone Credit considers the full range and quality of broker services including expertise and ability to perform execution services; ability to execute transactions in the markets at competitive prices without disrupting the market for a particular security; range of services provided and products offered (*e.g.*, securities lending, margin lending, capital introduction, start-up services, reporting, research, valuation); quality and timeliness of market information provided; ability of broker to maintain confidentiality; relationship management/sales coverage; credit worthiness and financial responsibility; operational expertise; ability to maintain confidentiality; trading volumes; fees; and commission rate or spread involved.

Clients' transactions can be expected to generate brokerage commissions and other compensation, all of which the Clients, and not Blackstone Credit or any of its affiliates, will be obligated to pay.

Certain of Blackstone Credit's brokers and other service providers or their respective affiliates are also Clients or investors in the Funds. As consideration for services provided, these brokers and other service providers will receive reasonable and customary fees or commissions.

Certain Blackstone Credit personnel involved in European investment advisory activities are subject to prohibitions against "inducements" under the Markets in Financial Instruments Directive (Directive 2014/65/EU) ("**MiFID II**"), and therefore provide reasonable compensation for research and other services provided by brokers.

Notwithstanding the foregoing, Blackstone Credit does not "pay up" for research or other services provided by any brokers through the commission rate (*e.g.*, Blackstone Credit does not use "soft dollars").

The Head of Middle Office and Risk Management is responsible for the implementation and oversight of the counterparty approval process. The Data Governance Team functions within Middle Office and Operations to provide an optimal control framework between Trading and Legal/Compliance. The Data Governance Team consults with Legal/Compliance and Traders for due diligence of a potential counterparty to confirm that adequate "know your customer" and credit reviews have been conducted. It is also responsible for maintaining trade workflow controls, with the objective of confirming that trades are executed only with parties that are either on the Approved Counterparty List or that have otherwise received an approval from the Head of Middle Office and Risk Management and Legal/Compliance on a per trade basis.

***Allocation and Aggregation Policy.*** Blackstone Credit is committed to transacting in securities, loans and other instruments and Client assets (each, an “**investment**” or “**investment opportunity**”, as the context requires) in a manner that is consistent with the investment objectives of each of the Clients, and to allocating investment opportunities (including purchase and sale opportunities) among the Clients on a fair and equitable basis. Clients and investors should be aware that, subject to various conditions set forth in the respective Offering and/or Governing Documents, certain Clients will receive priority with respect to certain investment allocations. In particular, certain Clients have been and will be designed, in whole or in part, to participate in investment opportunities in respect of which certain Other Clients will receive a primary allocation. Any Client, in respect of the relevant Fund or any Other Client and any investment opportunity, to the extent established to generally receive an allocation of an investment opportunity with priority over certain Other Clients, as determined by Blackstone Credit in its sole discretion, will herein be referred to as a “**Blackstone Credit Primary Client.**” Any Client, in respect of the relevant Fund or any Other Client and any investment opportunity, to the extent established to generally receive an allocation of such investment opportunity only to the extent that the amount of an investment opportunity exceeds the amount of the investment required to be made available or otherwise deemed appropriate for the relevant Blackstone Credit Primary Clients, as determined by Blackstone Credit in its sole discretion, will herein be referred to as a “**Blackstone Credit Overflow Client.**”

The respective investment programs of a given Client and Other Clients could or could not be substantially similar. Blackstone Credit and/or Blackstone will give advice to (and recommend securities for) Other Clients that could differ from advice given to, or securities recommended or bought for, the relevant Client, even though their investment objectives are the same as or similar to those of the relevant Client. While Blackstone Credit will seek to manage potential conflicts of interest in a fair and equitable manner, the portfolio strategies employed by Blackstone Credit and Blackstone in managing their respective Other Clients are likely to conflict from time to time with the transactions and strategies employed by Blackstone Credit in managing the relevant Client and can affect the prices and availability of the loans, securities and instruments in which the relevant Client invests and there is no assurance that such conflicts will be resolved in a manner favorable to the relevant Client. Conversely, participation in specific investment opportunities could be appropriate, at times, for both the relevant Client and Other Clients.

Blackstone Credit from time to time establishes one or more Blackstone Credit Overflow Clients to receive an allocation of any investment in the investment strategy of a Blackstone Credit Primary Client that exceeds the amount required to be made available or otherwise deemed appropriate for the Blackstone Credit Primary Client, as determined by Blackstone Credit, in its sole discretion. Blackstone Credit Overflow Clients might not always participate in opportunities allocated to investment funds that constitute Blackstone Credit Primary Clients, though such opportunities could be allocated to Blackstone Credit Overflow Clients.

Blackstone currently invests third-party capital in a wide variety of investment opportunities on a global basis through its various investment funds (including Other Clients), some of which have investment objectives or guidelines in common with those of Clients. To the extent any Other Clients have investment objectives or guidelines in common with those of Clients in any respect, then investment opportunities and sale opportunities which are within such common objectives and guidelines shall be allocated between such Clients, on the one hand, and such Other Clients, on the

other hand, by Blackstone on a basis that Blackstone believes in good faith to be fair and reasonable (which, from time to time, will result in certain Clients not participating in all or a portion of any such investment opportunity or in a larger portion of any such investment opportunity).

**Priority: Overflow Opportunities.** Investment opportunities that fall within the investment objective of one or more Blackstone Credit Overflow Clients and also within the investment objective of one or more Blackstone Credit Primary Clients, will generally be offered first to the relevant Blackstone Credit Primary Clients and then be offered by Blackstone Credit in its sole discretion to any third party or any member, shareholder or equivalent equity holder of such Blackstone Credit Primary Client that is interested in co-investment opportunities before being offered to a Blackstone Credit Overflow Client. Accordingly, there can be no assurance a Blackstone Credit Overflow Client will be allocated the excess of any appropriate opportunities not taken by the applicable Blackstone Credit Primary Client.

**Priority: Other Opportunities.** Investment opportunities will generally be allocated to the relevant Client and certain Other Clients with similar investment objectives as the relevant Client as between the relevant Client and such Other Clients, *pro rata* based on targeted acquisition size (generally based on available or committed capital) or targeted sale size (generally the aggregate positions held by the applicable Other Clients) for such investment. In assessing targeted sizes, generally Blackstone Credit takes into account capital commitments, available cash and the relative capital of the respective funds and accounts, industry concentration, the portion of the portfolio dedicated to a particular strategy, any restrictions or guidelines set forth in the Offering and/or Governing Documents of such Clients and such other factors as Blackstone Credit determines in good faith to be appropriate.

Notwithstanding anything to the contrary, Blackstone Credit can also consider the following factors in making any allocation determinations, and such factors can result in a different allocation of investment and/or sale opportunities: (a) the risk-return and target return profile of the proposed investment relative to the relevant Clients' current risk profiles; (b) the investment strategies, mandates, guidelines, limitations, benchmarking targets, restrictions, terms, objectives (including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the respective portfolios' overall holdings), focus (including investment focus on a classification attributable to an investment, such as maturity), parameters and investor preferences of the relevant Clients (including, without limitation, with respect to Other Clients that expect to invest in or alongside other funds or across asset classes based on expected return (such as certain managed accounts or other investment vehicles (whether now in existence or which could be established in the future) with similar investment strategies and objectives); (c) diversification and concentration considerations in the relevant Clients' portfolios (including the potential for the proposed investment to create an industry, sector, geography, region, location, market or issuer imbalance within Clients' portfolios, as applicable) and taking into account any existing non-*pro rata* investment positions among the portfolios of the relevant Clients; (d) liquidity considerations of relevant Clients (including non-Client warehouse vehicles or arrangements (such as CLO warehouses and Blackstone-controlled or third party warehouse arrangements)) established for the benefit of current Clients or potential future Clients, including during a ramp up (which includes the period prior to or after the initial closing of a Client during which the manager is deploying funds already invested or committed (or that the manager anticipates will be invested

or committed) and can continue for a period during a Client's fundraising and/or acceptance of future subscriptions as deemed appropriate by the manager, including to protect against zero or de minimis allocations or in anticipation of future subscriptions) or wind-down of one or more Clients, proximity to the end of a Client's specified term or investment period, any redemption/withdrawal requests, anticipated future contributions and available cash; (e) legal, tax, accounting, political, national security and other considerations or consequences; (f) regulatory or contractual provisions, obligations, terms, limitations, restrictions or consequences relating to the relevant Clients (including, without limitation, requirements under the Investment Company Act and any related rules, orders, guidance or other authority applicable to Clients or Other Blackstone Credit Clients); (g) avoiding a *de minimis* or odd lot allocation; (h) availability and degree of leverage and any requirements or other terms of the investment, or of any existing leverage facilities; (i) a Client's investment focus on a classification attributable to an investment or issuer of an investment, including investment strategy, geography, location industry or business sector; (j) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to a Client; (k) the management of any actual or potential conflict of interest; (l) with respect to any investments that are made available to Blackstone Credit by counterparties pursuant to negotiated trading platforms (*e.g.*, ISDA contracts), the absence of such relationships, which might not be available for all Clients; (m) co-investment arrangements; (n) available capital of a Client and Other Blackstone Credit Clients; (o) timing expected to be necessary to execute an investment; (p) sourcing of the investment; (q) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment; (r) expected investment return; (s) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows); (t) capital expenditure required as part of the investment; (u) relation to existing investments in a Client, if applicable (*e.g.*, "follow on" to existing investment, joint venture or other partner to existing investment, or same security as existing investment); (v) any other considerations deemed relevant by Blackstone Credit in good faith; and (w) whether Blackstone Credit believes that allocating investment opportunities to an investor will help establish, recognize, strengthen and/or cultivate relationships that could provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to the relevant Clients and/or Blackstone Credit. For the avoidance of doubt and notwithstanding anything herein to the contrary, an affiliate of Blackstone Credit from time to time will be allocated for its own account a portion of certain origination opportunities that otherwise would be appropriate investment opportunities for a Client.

Blackstone Credit shall not have any obligation to present any investment opportunity (or portion of any investment opportunity) to a Client if Blackstone Credit determines in good faith that such opportunity (or portion thereof) should not be presented to such Client for any one or a combination of the reasons specified above, or if Blackstone Credit is otherwise restricted from presenting such investment opportunity to the Client.

Certain funds, vehicles, clients, accounts and other similar arrangements (including vehicles for retail investors), including, among others, entities managed by Blackstone Multi-Asset Advisors L.L.C. ("**BTAS Funds**") and Blackstone Private Investments Advisors L.L.C. ("**BXPE Funds**," and together with the BTAS Funds, "**Blackstone Multi-Strategy Vehicles**"), are part of multi-strategy programs designed to provide investors with exposure to a broad mix of, and leverage the talent and investment capabilities of, Blackstone's key investment programs (*e.g.*, private equity, real

estate, credit, tactical opportunities, secondaries, life sciences, infrastructure and growth). The BTAS Funds and BXPE Funds will seek to invest a material portion (and potentially substantially all) of their assets in investments in which Other Clients participate, and, as part of their investment programs, can be expected to seek to make investments that are also appropriate for the Clients. The BTAS Funds and BXPE Funds (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 Clients with overlapping investment objectives (including through Blackstone's side-by-side co-investment rights, as described below), which will from time to time result in the BTAS Funds and BXPE Funds (or any similar future Blackstone investment program) receiving a share of investments made by the Clients, such that the Clients could receive a lower allocation (and potentially, in some cases, no allocation) of investment opportunities than otherwise would be the case. The overlapping objectives of the BTAS Funds and BXPE Funds (or any similar future Blackstone investment program) could also give rise to conflicts of interest relating to the allocation of investment opportunities between the Clients, on the one hand, and the BTAS Funds and BXPE Funds, 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. Blackstone intends to establish additional Blackstone Multi-Strategy Vehicles in the future.

With respect to the BXPE Funds specifically, the BXPE Funds could participate alongside the Clients in some investments. Such allocations to the BXPE Funds are subject to change in Blackstone Credit's sole discretion. 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, or acquire a portion of an investment with the intention of syndicating such portion to the BXPE Funds, in accordance with the Clients' Offering and/or Governing Documents.

Blackstone Multi-Strategy Vehicles that include all aspects of the investment strategy(ies) pursued by the Clients within their investment programs are expected to invest generally alongside the Clients and other included Blackstone strategies, taking into account the considerations outlined above and those specified in "Co-Investment Opportunities" with respect to considerations regarding the allocation of co-investment opportunities. Additionally, such Blackstone Multi-Strategy Vehicles are expected to invest alongside the Clients and other included Blackstone strategies in a programmatic or otherwise formulaic manner (*e.g.*, based on the relative available capital of such Blackstone Multi-Strategy Vehicles and the Clients), including through participation in Blackstone's side-by-side, 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 Blackstone Credit 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 in size over time, and such vehicles could be allocated a portion of any such investment opportunities. Therefore, in connection with such Blackstone Multi-Strategy Vehicles that are formed and are actively investing, it is expected that the Clients will receive a lower allocation (and potentially, in some cases, no allocation) of investment opportunities than otherwise would be the case.

In addition, Blackstone Credit has received an exemptive order from the SEC (the "**Exemptive Order**") that permits certain existing and future Other Blackstone Credit Clients that are closed-end management investment companies that have elected to be regulated as a business development company ("**BDC**") or are registered under the Investment Company Act (each, a "**Regulated Fund**" and collectively, the "**Regulated Funds**"), among other things, to co-invest with certain other persons, including certain affiliates of Blackstone Credit, and certain funds managed and controlled by Blackstone Credit and its affiliates, including Clients, subject to certain terms and conditions. For so long as any privately negotiated investment opportunity falls within certain established investment criteria of one or more Regulated Funds, such investment opportunity shall also be offered to such Regulated Fund(s). In the event that one or more Regulated Funds will participate in such an investment opportunity, the aggregate targeted investment sizes of the Clients and such Regulated Fund(s) that were allocated the investment opportunity exceed the amount of such investment opportunity, allocation of such investment opportunity to each such Client and Regulated Fund(s) will be reduced proportionately based on their respective "available capital" as defined in the Exemptive Order, which could result in allocation to certain Clients in an amount less than what they would otherwise have been if such Other Blackstone Credit Client(s) and Regulated Fund(s) did not participate in such investment opportunity. The Exemptive Order also restricts the ability of Clients from investing in any privately negotiated investment opportunity alongside a Regulated Fund except at the same time and on same terms, as described in the Exemptive Order. As a result, certain Clients could be unable to make investments in different parts of the capital structure of the same issuer in which a Regulated Fund has invested or seeks to invest, and Regulated Funds could be unable to make investments in different parts of the capital structure of the same issuer in which Clients have invested or seek to invest. Clients may be unable to participate in or effect certain transactions, or take certain actions in respect of certain investments, on account of applicable

restrictions under the Investment Company Act, related guidance from the SEC and/or the Exemptive Order. For example, Clients could be restricted from participating in certain transactions or taking certain actions in respect of portfolio companies in which certain funds managed and controlled by Blackstone Credit and its affiliates and/or Regulated Fund has also invested, which may include but is not limited to declining to vote, participating in a potential co-investment opportunity (as such participation may not comply with the conditions of the co-investment exemptive order), exercising rights with respect to any such investment, and/or declining to participate in follow-on investments. Clients may also be required to sell an investment to avoid potential violations of the Investment Company Act and/or related rules thereunder or for other reasons. Any such determination will be made by Blackstone Credit in its discretion and there can be no assurance that any such determination will be resolved in favor of a Client's interests. In such cases, a Client's interests in an investment could be adversely affected, including by resulting in the dilution of or decrease in the value of the Client's investment, or otherwise by resulting in the Client being put in a disadvantageous position with respect to the investment as compared to Other Blackstone Credit Clients, including Regulated Funds. Whether a Client participates or declines to participate in any such action or transaction will be made by Blackstone Credit in its sole discretion and will take into account Blackstone Credit's fiduciary duties and applicable law, including the Investment Company Act, the rules thereunder and/or the Exemptive Order. There is no assurance that any such determination will be resolved in favor of the Client's interests. Any determination relating to any such action or transaction (or any other determination relating to a vote, consent, approval or similar action in respect of any such investment) will, if Blackstone Credit so determines in its sole discretion taking into account its and its affiliates' interests in compliance with the Investment Company Act, related rules thereunder and/or the Exemptive Order, be made by an independent client representative (in lieu of a General Partner), and there can be no assurance that any such determination will be resolved in favor of the Client's interests. The rules promulgated by the SEC under the Investment Company Act, as well as any related guidance from the SEC and/or the terms of the Exemptive Order itself, are subject to change, and Blackstone Credit could undertake to amend the Exemptive Order (subject to SEC approval), obtain additional exemptive relief, or otherwise be subject to other requirements in respect of co-investments involving certain Clients and any Regulated Funds, any of which could impact the amount of any allocation made available to Regulated Funds and thereby affect (and potentially decrease) the allocation made to certain Clients.

Moreover, with respect to Blackstone Credit's ability to allocate investment opportunities, including where such opportunities are within the common objectives and guidelines of the Client and one or more Other Clients (which allocations are to be made on a basis that Blackstone Credit believes in good faith to be fair and reasonable), Blackstone Credit and Blackstone have established general guidelines, which either and/or both can be expected to update from time to time, for determining how such allocations are to be made, which, among other things, set forth principles regarding what constitute "debt" or "debt-like" investments, criteria for defining "control-oriented equity" or "infrastructure" investments, guidance regarding allocation for certain types of investments (*e.g.*, distressed investments) and other matters. In addition, certain Other Clients can receive certain priority or other allocation rights with respect to certain investments, subject to various conditions set forth in such Other Clients' respective governing agreements. The application of those guidelines and conditions could result in certain Clients not participating (and/or not participating to the same extent) in certain investment opportunities in which they otherwise would have participated had the related allocations been determined without regard to such guidelines and conditions and based only



on the circumstances of those particular investments. Additionally, investment opportunities sourced by Blackstone Credit will be allocated in accordance with Blackstone's and Blackstone Credit's allocation policies, which provide that investment opportunities, including those sourced by Blackstone Credit, will be allocated in whole or in part to other business units of Blackstone on a basis that Blackstone and Blackstone Credit believe in good faith to be fair and reasonable, based on various factors, including the involvement of the respective teams from Blackstone Credit and such other business units. It should also be noted that investment opportunities sourced by business units of Blackstone other than Blackstone Credit 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 Blackstone Credit, Clients and Other Blackstone Credit Clients.

In circumstances in which any Other Clients have investment objectives or guidelines that overlap with those of certain Clients, in whole or in part, Blackstone and/or Blackstone Credit generally determine 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 Blackstone and/or Blackstone Credit. However, such good faith determinations could be based on expectations that prove inaccurate. Information unavailable to Blackstone Credit, or circumstances not foreseen by Blackstone Credit at the time of allocation, can cause an investment opportunity to yield a different return than expected. Conversely, an investment that Blackstone Credit expects to be consistent with certain Clients' return objectives might fail to achieve them. Blackstone and Blackstone Credit make allocation determinations based solely on its expectations at the time such investments are made, though investments and their characteristics could change and there can be no assurance that an investment would not prove to have been more suitable for an Other Blackstone Credit or Other Client in hindsight.

When Blackstone Credit 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 or Blackstone Credit provides the opportunity or offers the opportunity to Other Clients, Blackstone, including its personnel (including Blackstone Credit's personnel), can be expected to receive compensation from the Other Clients whether or not in respect of a particular investment, including an allocation of performance-based compensation or, referral fees or revenue share, and any such compensation could be greater than amounts paid by such Client to Blackstone Credit. As a result, there is an incentive for Blackstone Credit (including its personnel who receive such compensation) to allocate investment opportunities away from the Clients or source investment opportunities for Other Clients, which could result in fewer opportunities (or reduced allocations) being made available to the Clients or to the investors in the Clients as co-investment. In addition, in some cases Blackstone can be expected to earn greater fees when Other Clients participate alongside or instead of the Clients in an investment.

Additionally, it can be expected that Blackstone Credit and/or Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, that, among other things, provide for referral, sourcing or sharing of investment opportunities. It is possible that one or more Clients will, along with Blackstone Credit and/or Blackstone itself, benefit from the existence of those arrangements and/or relationships. It is also possible that investment opportunities that otherwise would be presented to or made by one or more Clients would instead be referred (in whole or in

part) to such third party or to other third parties, either as a result of a contractual obligation or otherwise, resulting in fewer opportunities (or reduced allocations) being made available to certain Clients and/or investors. Blackstone Credit faces a conflict of interest in connection with such arrangements as Blackstone Credit is incentivized to enter into such arrangements to secure economic and other benefits from such parties, though such arrangements could prevent profitable opportunities from being allocated to Clients. This means that co-investment opportunities that are sourced by Blackstone Credit and/or Blackstone will from time to time be allocated to investors that are not investors in any Client. For example, a firm with which Blackstone Credit and/or Blackstone has entered into a strategic relationship will from time to time be afforded with “first call” rights on a particular category of investment opportunities, although there is not expected to be substantial overlap in the investment strategies and/or objectives between certain Clients and any such firm.

Aggregation opportunities for Blackstone Credit generally arise when more than one Client or Other Client is capable of purchasing or selling a particular asset based on investment objectives, available cash, and other factors. Blackstone Credit will generally execute transactions on behalf of Clients and, if applicable, Other Clients on an aggregated basis when we believe that to do so will allow us to obtain best execution and to negotiate more favorable commission rates, financing terms or other transaction costs that might have otherwise been paid had such orders been placed independently. When aggregating orders, Clients and Other Clients will be treated in a fair and equitable manner, provided that certain trades might not be aggregated by Blackstone Credit to the extent that the participating Clients or Other Clients do not have the same counterparty relationship established. An “aggregated order” means an order placed by Blackstone Credit on behalf of one or more Clients that does not specify to the counterparty: (a) the allocation among Clients, groups of Clients or Other Clients and (b) that any partial fills should be allocated *pro rata* among Clients, groups of Clients or Other Clients in accordance with the specified allocation unless otherwise designated in an allocation worksheet, if applicable. Each Client that participates in the allocation of an aggregated order will participate in such allocation at the same price for that investment on a given business day, with aggregated transaction costs shared *pro rata* based on each individual Client’s participation in the investment (subject to the terms of certain Clients’ Offering and/or Governing Documents).

**Co-investment Opportunities.** Clients from time to time co-invest with investors, Blackstone’s affiliates and other parties with whom Blackstone Credit has a material relationship. The allocation of co-investment opportunities is entirely and solely in the discretion of Blackstone Credit. There can be no assurance that Blackstone Credit will offer any co-investment opportunities or that any Co-Invest Vehicles (as defined below) will be established. In addition to participation by Consultants in specific transactions or investment opportunities, in some instances, Consultants and/or other Blackstone employees are from time to time permitted to participate in Blackstone’s side-by-side co-investment rights. Such rights generally do not pay a management fee or performance-based compensation and generally result in a Client being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side. Furthermore, Other Clients will be permitted (or have a preferred right) to participate in Blackstone/Blackstone Credit’s side-by-side co-investment rights. In particular, funds, vehicles, accounts and other similar arrangements managed by Blackstone Multi-Asset Advisors L.L.C., which co-invest with multiple Blackstone funds, are expected to participate in investments alongside the Clients pursuant to Blackstone/Blackstone Credit’s side-by-side investment rights. In lieu of all or a portion of the side-by-side investment

described above, one or more of the permitted Blackstone Credit and/or Blackstone participants described above can instead elect to make capital contributions directly to a Client. In either of these situations, Blackstone would be eligible to receive fees and performance-based compensation, and whether Blackstone receives such fees will be determined in Blackstone's sole discretion. Blackstone's ability to receive fees from such co-investment parties creates an incentive to allocate to such parties a portion of investment opportunities. Subject to the terms of the relevant Offering and/or Governing Documents, the relevant General Partner or Blackstone Credit from time to time causes a Client to initially acquire a portion of an investment for the purpose of syndicating such portion to one or more potential co-investment vehicles established and/or controlled by the General Partner, Blackstone Credit and/or their affiliates.

In certain circumstances, Blackstone Credit will determine that a co-investment opportunity should be offered to one or more third parties (such investors, "**Co-Investors**"), including investors in one or more Clients (such Co-Investors that are investors in the applicable Fund, "**LP Co-Investors**"). Blackstone Credit will maintain discretion with respect to which Co-Investors are offered any such opportunity. It is expected that many investors who have expressed an interest in co-investment opportunities will not be offered nor allocated any co-investment opportunities or might receive a smaller amount of co-investment opportunities than the amount requested. Furthermore, co-investment offered by Blackstone Credit 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 Credit determines to be appropriate in its sole discretion on a case-by-case basis (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), which can be expected to differ amongst Co-Investors with respect to the same co-investment opportunity. In addition, the performance of Other Clients co-investing with a Client is not considered for purposes of calculating the carried interest payable by such Client to a General Partner or Blackstone Credit. Furthermore, a Fund and Co-Investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold period. Blackstone Credit, as a result, will have conflicting incentives in making decisions with respect to such opportunities. Even if Clients and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the investors, among other items, and there is no guarantee that decisions will be made in a manner that prioritizes the interests of Clients over those of such other parties.

Blackstone and/or Blackstone Credit reserves the right to establish in the future co-investment limited partnerships and/or any other investment vehicles managed or advised by Blackstone to facilitate the participation of third-party Co-Investors (who might or might not be investors of a Client (whether established in connection with such investor's investment in the Client or otherwise), and/or Other Clients) alongside the Client in any available co-investment opportunities, including "standing," dedicated or committed co-investment vehicles (the "**Co-Invest Vehicles**"), which might or might not be subject to more favorable rights and/or terms than the Client. Certain Co-Invest Vehicles could be fully committed and provide the investors therein with no discretion regarding the deployment of capital. The use of such vehicles could have the impact of blending the investor's effective management fee rate (and/or carried interest rate) down and Blackstone and/or Blackstone Credit are incentivized to allocate co-investment opportunities to discretionary vehicles with higher effective fees, carried

interest or other performance-based compensation rates. Blackstone and/or Blackstone Credit also reserves the right to provide certain Co-Invest Vehicles with priority rights to participate in co-investment opportunities alongside the Client, or Blackstone and/or Blackstone Credit can agree to allocate co-investment opportunities to one or more Co-Invest Vehicles in a programmatic manner. The terms of any Co-Invest Vehicle agreed to with an investor will not be subject to any “most favored nations” rights, notwithstanding that such terms could have been agreed to simultaneously with such investor’s investment in the Client, and that such Co-Invest Vehicle could invest alongside the Client periodically or programmatically, effectively modifying the economic terms of such investor’s participation in such shared investments. The amount and frequency of co-investment by any Co-Invest Vehicles would be at the discretion of Blackstone and/or Blackstone Credit. It is possible that the existence of any Co-Invest Vehicles established by Blackstone and/or Blackstone Credit would result in fewer co-investment opportunities to investors who do not participate therein and allocations to the Co-Invest Vehicles result in the Client investing less than it would have in the related investments. Furthermore, to the extent that Blackstone establishes any Co-Invest Vehicles, it has the potential to result in fewer investment opportunities for the Client and fewer co-investment opportunities being made available to the investor. The number of co-investment opportunities made available to the investors (if any) could be higher or lower than those made available to the Co-Invest Vehicles.

***General Co-Investment Considerations.*** There are expected to be circumstances where an amount that would otherwise have been invested by certain Clients is instead allocated to Co-Investors (who could be investors in Clients, and could include Blackstone affiliates and/or third parties) or supplemental capital vehicles, and there is no guarantee that any investor will be offered any particular co-investment opportunity. Each co-investment opportunity (should any exist) is likely to be different, and allocation of each such opportunity will depend on the facts and circumstances specific to that unique situation (*e.g.*, timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). As a general matter, the allocation of co-investment opportunities is entirely discretionary on the part of Blackstone Credit and it is expected that many investors who could have expressed an interest in co-investment opportunities will not be offered nor allocated any co-investment opportunities or could receive a smaller amount of co-investment opportunities than the amount requested. Different situations will require that the various facts and circumstances of each opportunity be weighted differently, as Blackstone and/or Blackstone Credit deems relevant to such opportunity. Such factors are likely to include, among others, (i) whether the potential Co-Investor adds strategic value, industry expertise or other similar synergies; (ii) whether a potential Co-Investor has expressed an interest in evaluating co-investment opportunities; (iii) whether a potential Co-Investor has an overall strategic relationship with Blackstone and/or Blackstone Credit that provides it with more favorable rights with respect to co-investment opportunities; (iv) whether a potential Co-Investor has demonstrated a long-term history of and/or continuing commitment to the potential success of Blackstone, Blackstone Credit, any of the Clients, Other Clients or other co-investments (including whether a potential Co-Investor will help establish, recognize, strengthen and/or cultivate relationships that could provide indirectly longer-term benefits to the Clients or Other Clients and their respective underlying portfolio companies, or whether the potential Co-Investor has significant capital under management by Blackstone or intends to increase such amount); (v) the ability of a potential Co-Investor to commit to a co-investment opportunity within the required timeframe of the particular transaction; (vi) Blackstone and/or Blackstone Credit’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); (vii) whether the potential Co-Investor is considered “strategic” to the investment because it is able to offer a Client certain benefits, including but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the portfolio company or the possession of certain expertise; (viii) the transparency, speed and predictability of the potential Co-Investor’s investment process; (ix) whether Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential Co-Investor; (x) whether a potential Co-Investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; (xi) the familiarity Blackstone has with the personnel and professionals of the investor in working together in investment contexts (which could include such potential Co-Investor’s history of investment in other Blackstone co-investment opportunities); (xii) whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the a Fund, its predecessor funds or an Other Client (*i.e.*, a stapled co-investment opportunity); (xiii) the extent to which a potential Co-Investor has committed to an Other Client; the size of such potential Co-Investor’s interest to be held in the underlying portfolio company as a result of Clients’ investment (which is likely to be based on the size of the potential Co-Investor’s capital commitment or investment in Clients); (xiv) the size of the potential Co-Investor’s commitments to the Fund, Other Clients and strategic third-party investors; (xv) the extent to which a potential Co-Investor has been provided a greater amount of co-investment opportunities relative to others; (xvi) the ability of a potential Co-Investor to invest in potential follow-on or add-on acquisitions for the portfolio company or participate in defensive investments; (xvii) 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 company); (xviii) any interests a potential Co-Investor might have in any competitors of the underlying portfolio company; (xix) the tax profile of the potential Co-Investor and the tax characteristics of the investment (including whether 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); (xx) whether a potential Co-Investor’s participation in the transaction would subject a Fund and/or the portfolio company to additional regulatory requirements, review and/or scrutiny, including any necessary governmental approvals required to consummate the investment; (xxi) the potential Co-Investor’s chemistry with the potential management team of the portfolio company; (xxii) whether the potential Co-Investor has any existing positions in the portfolio company (whether in the same security in which a Fund is investing or otherwise); (xxiii) whether there is any evidence to suggest that there is a heightened risk with respect to the potential Co-Investor maintaining confidentiality; (xxiv) whether the potential Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of a Fund, other affiliated funds and/or other co-investments, including the size of such commitment; (xxv) 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; (xxvi) whether the expected holding period and risk-return profile of the investment is consistent with the stated goals of the potential Co-Investor and the expected underwriting of the investment; (xxvii) whether a particular co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations

of a portfolio company post-closing; and (xxviii) such other factors as Blackstone Credit deems relevant and believes to be appropriate under the circumstances. The factors listed in the foregoing sentence are neither presented in order of importance nor weighted, except that Blackstone Credit has historically primarily relied upon the following two factors in making the determination to offer co-investment opportunities to Co-Investors: (i) whether the potential Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of Clients (including whether a potential Co-Investor will help establish, recognize, strengthen and/or cultivate relationships that could provide indirectly longer-term benefits to Clients or Other Clients and their respective underlying portfolio companies), other affiliated funds, and/or other co-investments, including the size of any such commitment and fee revenue or profits generated for the benefit of Blackstone Credit or Blackstone as a result thereof and (ii) the ability of a potential Co-Investor to commit to a co-investment opportunity within the required timeline of the particular transaction. Except as otherwise described herein, Co-Investors generally will not share Broken Deal Expenses with a Fund and Other Clients, and such expenses could be significant.

Blackstone Credit is permitted (but not required) to establish co-investment vehicles for one or more investors (including third party investors and investors in the Fund) to co-invest alongside the Fund in one or more future investments. Such co-investment vehicles can include dedicated or “standing” co-investment vehicles, which include both “opt-out” or “opt-in” vehicles where the Co-Investor determines whether to participate in co-investment opportunities presented to it either through affirmative or negative consent as well as committed vehicles where Blackstone (in some or all circumstances), and not the Co-Investor, has discretion in determining whether the co-investment vehicle will participate in co-investment opportunities). These co-investment vehicles might nevertheless only participate in co-investment opportunities after the initial acquisition of an Investment. The existence of these vehicles could reduce the opportunity for other investors to receive allocations of co-investment.

In addition, Blackstone and/or Blackstone Credit reserves the right to agree with investors (including Blackstone strategic relationships, third party investors and investors in the Clients) to more favorable rights or pre-negotiated, more favorable terms as compared to other Co-Investors with respect to co-investment opportunities, including with respect to discounts or rebates of performance-based compensation and/or management fees borne by an investor in a Client. The amount and frequency of co-investment by any such co-investment vehicles would be at the discretion of Blackstone and/or Blackstone Credit. To the extent any such arrangements are entered into, they can be expected to result in fewer co-investment opportunities being made available to investors in Clients. Furthermore, in connection with any co-investment by third party Co-Investors, Blackstone Credit and/or Blackstone can establish one or more investment vehicles managed or advised by Blackstone Credit and/or Blackstone to facilitate such Co-Investors’ investment alongside one or more Clients.

The amount and frequency of co-investment by any co-investment vehicle would be at the discretion of the General Partner or Blackstone Credit, as applicable, or as determined by the Offering and/or Governing Documents of such co-investment vehicle. It is possible that the co-investment vehicle would result in fewer co-investment opportunities being made available to investors who do not participate therein, and allocations to the co-investment vehicle are likely to result in the investment vehicles investing less than they would have in the related investment.

In addition, Blackstone Credit and/or its affiliates will in certain circumstances be incentivized to offer certain potential Co-Investors opportunities to co-invest in priority and/or on more favorable terms as compared to other potential Co-Investors because the extent to which any such Co-Investor participates in (or is offered) co-investment opportunities can impact the amount of performance-based compensation and/or management fees or other fees paid by the Co-Investor receiving the priority allocation or better terms (as well as any additional discounts or rebates thereof that can result if certain target co-investment allocations or other conditions under such arrangements are not achieved) to which the General Partner and/or its affiliates are entitled under the arrangements with such Co-Investor with respect to such Co-Investor's participation in one or more Other Clients, investments and/or otherwise in connection with such Co-Investor's relationship with Blackstone. The amount of performance-based compensation or expenses charged (including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses) and/or management fees, servicing fees or other fees paid (or offset) by the Client might be less than or exceed such amounts charged or paid by co-investment vehicles pursuant to the terms of such vehicles' Offering and/or Governing Documents and/or other agreements with Co-Investors, and such variation in the amount of fees and expenses will create an economic incentive for Blackstone Credit to allocate a greater or lesser percentage of an investment opportunity to such Client or such co-investment vehicles or Co-Investors, as the case may be. In addition, other terms of existing and future co-investment vehicles can be expected to differ materially, and in some instances be more favorable to Blackstone Credit, than the terms of the Client, and such different terms will create an incentive for Blackstone Credit to allocate a greater or lesser percentage of an investment opportunity to the Client or such co-investment vehicles, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that such conflicts of interest will be resolved in favor of the Client. In circumstances where a Client is investing alongside Other Clients, Blackstone and its affiliates could be incentivized to cause the Client, on the one hand, or such Other Clients, on the other hand, to offer co-investment opportunities depending on the economic and other terms each might be permitted to offer Co-Investors. Accordingly, any investment opportunities that would have otherwise been offered or allocated, in whole or in part, to a Client could be reduced and made available to co-investment vehicles. Co-investments can be offered by the General Partner on such terms and conditions (including with respect to management fees, servicing fees, performance-based compensation and related arrangements) as the General Partner determines in its discretion on a case-by-case basis. Certain co-investment vehicles or investments will generally not bear Broken Deal Expenses (in which case the Clients would, to the fullest extent permitted by applicable law, bear such extra portion of such expenses) unless the General Partner determines otherwise in its discretion or as set forth in the Offering and/or Governing Documents. Such determinations will be made on a case by case basis by the General Partner and can result in differing treatment of co-investment vehicles under certain circumstances. The foregoing will under certain circumstances and where permitted by applicable law, result in the Client bearing more than its *pro rata* share of such expenses. This has the potential to give rise to conflicts of interest in connection with the Client's investment activities, and while Blackstone will seek to resolve any such conflicts in a fair and equitable manner, there is no assurance that any such conflicts will be resolved in favor of the Client.

Blackstone Credit will, prior to making any co-investment opportunities available to any Co-Investor, determine whether any given investment opportunity is (a) required to be offered to specific LP Co-

Investors or a dedicated co-investment vehicle under the terms of any agreement and/or (b) suitable for Other Clients pursuant to the contractual terms governing such Other Clients, taking into account the Other Clients' investment strategy, Blackstone Credit's policies and procedures and Blackstone Credit's fiduciary duties. There are also circumstances where a portion of an investment opportunity that otherwise would have been invested in by a Client is instead allocated to Co-Investors, and there is no guarantee for any Client or investor that it will be offered any co-investment opportunities.

Apart from the factors described above, the form and terms of each co-investment opportunity will similarly be determined by Blackstone Credit on a case-by-case basis, based on the facts and circumstances of the particular transaction. The terms and conditions (including, and dependent upon the proposed structure of such transaction, any fees or incentive allocation payable to Blackstone Credit) will be negotiated on a case-by-case basis. Please see **Item 5 – Fees and Compensation** for information about the allocation of Broken Deal Expenses with respect to co-investment opportunities. Blackstone Credit will be entitled to consider as a factor the likelihood that a potential Co-Investor will accept or be amenable to the proposed form and terms of such co-investment.

***Investments in Portfolio Companies Alongside Other Clients.*** From time to time, the Clients will co-invest with Other Clients and co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such Other Clients in investments that are suitable for both the Clients and such Other Clients or other vehicles. Even if the Clients and any such Other Clients and/or co-investment or other vehicles invest in the same securities, conflicts of interest can still arise (and in certain circumstances, Blackstone Credit and the General Partner will be unaware of an Other Client's participation, as a result of information walls or otherwise). For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (and divestment thereof) (including with respect to price and timing) for the Clients and such other funds and vehicles are not the same. Additionally, the Clients and such Other Clients and/or vehicles will generally have different investment periods and/or investment objectives (including return profiles) and Blackstone Credit, as a result, could have conflicting goals with respect to the price and timing of disposition opportunities and such differences have the potential to also impact the allocation of investment opportunities (including follow-on investments related to earlier investments made by the Clients and such Other Clients). Such Other Clients could also have certain governance rights for legal, regulatory or other reasons that certain Clients will not have. As such, a Client and/or such Other Clients can dispose of any such shared investment at different times on different terms and/or otherwise on a non-pro rata basis and investors therein can receive different consideration than is offered to the investors of such Clients (*e.g.*, some or all investors might receive cash whereas other Client investors and investors in Other Clients might be provided the opportunity to receive distributions in kind in lieu thereof). Blackstone Credit can be expected to reach different conclusions for each such Other Client 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 Clients (including in light of the perpetual nature of certain Other Clients), the Registrant, or Blackstone Credit or for other reasons, and this could result in Other Clients, Blackstone Credit or Blackstone exiting its interests in an investment earlier or at a higher price than the Clients (or vice versa). Investments by more than one Client of the Registrant or its affiliates in a portfolio company also raises the risk of using assets of a Client of the Registrant or its affiliates to support positions taken by other Clients of the Registrant or its affiliates, or that a Client remains passive in a situation in which it is entitled to



vote. For example, because the Registrant has an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) or because one Client's term expires before the end of another Client's term, such Clients could dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations, and, as a result, each Client could realize different returns as compared to the same investment held by another Client. These variations in timing could be detrimental to a Client. At the same time, if the Registrant determines it is advisable for a Client to exit an investment at the same time as another Client of the Registrant or its affiliates, the term of which could expire sooner than the former Client's, such Client could dispose of its interest earlier than it ordinarily would have and could, as a result, experience lower returns than it otherwise could have earned on such investments. Moreover, while Blackstone Credit generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, a counterparty, lender or other participant in any transaction to be pursued by the Clients and/or the Other Clients could require or prefer facing only one fund entity or group of entities, which might result in any of the Clients and such Other Clients and/or vehicles being jointly and severally liable for such applicable obligation (subject to any limitations set forth in the applicable Offering and/or Governing Documents thereof), which in each case could result in the Clients and such Other Clients and/or vehicles entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Clients or such Other Clients or vehicles would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty. If one Client or Other Clients default on such arrangement, the other Client or Other Client could be held responsible for the defaulted amount.

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

Likewise, for certain Investment-related hedging transactions, it can be expected to be advantageous for counterparties to trade solely with a Client (or the relevant parallel fund). For these transactions, it is anticipated that the 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 Clients. The party owing under such an arrangement might not have resources to pay its liability, however, in which case the other party will bear more than its *pro rata* share of the relevant

loss. It is not expected that a Client or Other Clients will be compensated for agreeing to be primarily liable vis-à-vis a third party counterparty. Moreover, in connection with the divestment of all or part of a portfolio company (e.g., an initial public offering), Blackstone will seek to track the ownership interests, liabilities and obligations of the Clients and/or any Other Clients owning an interest in the portfolio company comprising such operating business, but it is possible that any such Client and applicable Other Clients will, in certain circumstances, incur shared, disproportionate or crossed liabilities. Furthermore, depending on various factors including the relative assets, expiration dates, investment objectives and return profiles of each of the Client and such Other Clients, it is possible that one or more of them will have greater exposure to legal claims and that they will have conflicting goals with respect to the price, timing and manner of disposition opportunities. Finally, in certain circumstances, if a Client is participating in an investment alongside an Other Client (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 Client does not have resources to bear such expenses (including, but not limited to, as a result of insufficient reserves and/or the inability to call capital contributions to cover such expenses).

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

***Debt Financings and Investments in connection with Acquisitions and Dispositions/Refinancings.*** Certain Clients are permitted to make investments that involve financing provided: (1) as part of a third party purchaser's bid for, or acquisition of, a portfolio company or the underlying assets thereof owned by one or more Other Clients and/or (2) in connection with a proposed acquisition or investment by one or more Other Clients or affiliates of a portfolio company and/or its underlying assets. This generally would include the circumstance where a Client is making commitments to provide financing at or prior to the time such third party purchaser commits to purchase such investments or assets from one or more Other Clients. Certain Clients are also permitted to make investments and provide debt financing with respect to portfolio companies in which Other Clients and/or affiliates hold or propose to acquire an interest, including when such investments or debt financing would result in (x) facilitating the acquisition by one or more Other Clients of all or a portion of the economic ownership interests and voting rights in a portfolio company or (y) the repayment of (or otherwise provide liquidity with respect to) an Other Client's existing investment. While the terms and conditions of any such arrangements will generally be at arm's length and negotiated on a case by case basis, the involvement of such Client and/or such Other Clients or affiliates have the potential to affect the terms of such transactions or arrangements and/or otherwise influence the Blackstone's decisions with respect to the management of such Client and/or such Other Clients or the relevant portfolio company, as applicable, which can give rise to potential or actual conflicts of interest and which could adversely impact such Client, including but not limited to such Client receiving terms less favorable than it

would otherwise have received in the absence of such conflict.

***Allocation of Financing and Refinancing Opportunities.*** A Client can provide financing to a sponsor (including Blackstone or a third party) or its relevant acquisition vehicle or to another company that will result in the re-financing or realization of an Other Client's investment in or acquisition of a portfolio company or an interest in a portfolio company of an Other Client. A Client can also provide financing in connection with acquisitions by one or more Other Clients or their affiliates of assets, interests (and/or portfolios thereof) owned by a sponsor (including Blackstone or a third party). This includes making commitments to provide financing at, prior to or around the time any such purchaser commits to or makes such investments. Although not limited to such arrangements, this type of financing could for example be provided through pre-arranged "staple" financing packages arranged and offered by Blackstone to potential bidders for such investments. Blackstone will face conflicts of interest in relation to such transactions or arrangements. For example, where a Client provides acquisition financing to any such bidder, in particular in respect of its incentives to maximize profits on the sale of the relevant investment by the relevant Other Client (which might have a higher carried interest payable to its Blackstone-affiliated general partner) or to otherwise induce such bidder to make such acquisition and facilitate an exit of the investment by the Other Client, by offering such financing on below-market pricing and/or other terms. Other Clients that also engage in financing activities (including proprietary Blackstone vehicles) are similarly generally not limited in their ability to provide financing to sponsors or its relevant acquisition vehicle or to another company and their relevant acquisition vehicles or to other companies as part of similar financing packages arranged and offered by Blackstone for the purposes of acquiring investments held by the Client, in which case, similar conflicts of interest will arise. Furthermore, such transactions could involve the partial or complete payoff of loans (with related proceeds being received by the applicable Other Clients) and/or otherwise result in restructurings of terms and pricing relating to such existing loans with the borrower thereof in respect of which such Other Clients could receive refinancing proceeds and/or a retained interest in such loans in accordance with such restructuring arrangements. Additionally, in certain situations a Client might not commit to provide financing until a third-party has committed to make a deposit in connection with the acquisition of an investment from an Other Client, which could result in such Client being disadvantaged in the overall bid process or potentially not consummating the investment.

In addition, Clients can be expected to provide financing to a borrower, or debt or equity financing to a sponsor (including Blackstone or a third party) or other person which in turn will use such financing to provide financing to a borrower, for the purposes of refinancing or modifying an existing loan or other debt position in the relevant borrower held by an Other Client. To the extent such investment opportunities arise, Blackstone will face actual or apparent conflicts of interest, in particular the incentive to use financing provided directly or indirectly by the Client to facilitate a successful exit of any such investment by the relevant Other Client. Moreover, an Other Client could refinance or modify loans or debt positions or provide debt or equity financing to a sponsor (including Blackstone or a third party), which in turn will use such financing to refinance loans or debt positions held by the Client in a borrower prior to their stated maturity. Such prepayments will generally result in the Client receiving a lower than anticipated yield on such investments, which it cannot recoup through the redeployment of the relevant investment proceeds or otherwise mitigate through any early repayment penalties negotiated with the relevant borrower. The Client could be

required to pay pre-payment penalties to Other Clients or their portfolio companies (or vice versa). While not limited to such periods, debt refinancings are more likely to occur during periods of declining interest rates. To the extent that a Client reinvests the proceeds of a prepayment in these circumstances, it will likely receive a rate of interest that is lower than the rate on the debt positions that were prepaid as a result of the refinancing. In considering such refinancing opportunities, Blackstone will face actual or apparent conflicts of interest, in particular in respect of its incentives to source attractive refinancing opportunities for the benefit of Other Clients. The pricing and terms of any of the foregoing refinancing transactions will, from time to time, be established solely by Blackstone without the involvement of an independent third party and could be above or below then current market expectations and the pricing and terms related to the prior financing. The refinancing party (and/or the original party to the loan) could ultimately benefit from (or be harmed by) the refinancing, and Clients could consequently profit (including in relation to their incentive allocation calculations) or realize losses as a consequence thereof. It is possible that Blackstone will allocate the opportunity to refinance the loan or other debt position held by a Client in a different proportion (which can be higher or lower) to the proportion in which such Client participated in the position being refinanced and, in certain circumstances, a Client could have insufficient available capital or otherwise be unable to participate in such refinancing.

Similarly, a Client could participate in a follow-on investment in an existing portfolio company or other borrower in which such Client and/or Other Clients or Blackstone proprietary vehicles or other persons hold a loan or other debt position, which follow-on investment could be protective or a “new money” investment in the relevant issuer, in a different proportion (which can be higher or lower) to the proportion in which it participated in the prior loan or other debt investment, and, in certain circumstances, Blackstone Credit in its sole discretion determines that a Client will not participate in such investments. Such follow-on investments could be senior to the prior loan or debt investment in the relevant issuer, which could give rise to conflicts of interest to the extent that Blackstone Credit in its sole discretion determines that a Client invests in a lower or higher proportion than its original investment (or does not participate in such investments), and which could otherwise disproportionately benefit Other Clients or Blackstone relative to such Client, for example, where the Client participates in a protective follow-on investment in a higher proportion than its participation in the original investment due to the inability of an Other Client to participate. Notwithstanding that the follow-on investment by a Client could be senior to the original investment and therefore have structural priority relative to such original investment (and would therefore benefit the Client in that regard), the original investment by such Other Client could nonetheless benefit on a “free-ride” basis from the subsequent protective investment by the Client in the relevant portfolio company and the return from such investment could ultimately be higher than would have been the case had the Client not participated in such investment and the return on the Client’s investment in such portfolio company could be lower than would have been the case if it had participated in such follow-on investment in the same proportion as it participated in the original investment. The reverse will be the case to the extent a Client did not participate in any such investment.

***Firm Involvement in Financing of Third Party Dispositions by Clients.*** Certain Clients are permitted from time to time to dispose of all or a portion of an investment by way of accepting a third-party purchaser’s bid where Blackstone or one or more Other Clients is providing financing as part of such bid or acquisition of the investment or underlying assets thereof. This generally

would include the circumstance where Blackstone or one or more Other Clients is making commitments to provide financing at or prior to the time such third-party purchaser commits to purchase such investments or assets from Clients. Such involvement of Blackstone or one or more Other Clients as such a provider of debt financing in connection with the potential acquisition of portfolio investments by third parties from certain Clients will give rise to potential or actual conflicts of interest, including but not limited to such Clients accepting a lower purchase price than they would otherwise have accepted in the absence of such conflicts.

**Trade Errors.** A trade error is an error made by Blackstone Credit in the placement, execution, or settlement of a trade for a Client. Trade errors are evaluated on a case-by-case basis. Errors are escalated upon discovery and are to be corrected as soon after discovery as is reasonably practicable. Blackstone Credit generally will reimburse losses suffered by a Client as a result of a trade error caused by Blackstone Credit's gross negligence or such other standards of care as otherwise specified in the applicable Offering and/or Governing Documents of such Client. Client losses and Client gains will be reviewed on a "net" basis, taking into account, among other factors, all income attributable to the trade that is the subject of the trade error, similar trades, or trades within a specified period, provided that the resolution is equitable to the Client over time. In addition, Blackstone Credit will not correct a trade error made for one Client by causing an Other Blackstone Credit Client to buy or sell the securities unless such transaction has been approved by a committee that oversees conflicts of interest.

The violation of any prohibitions, limits or any other guidelines (numerical, percentage-based, ratings-based or otherwise) that constitutes a "trade error" shall cease to constitute a "trade error" if (i) such violation is expressly curable under the applicable Offering and/or Governing Documents and (ii) Blackstone Credit cures such violation after becoming aware of the violation in accordance with such Offering and/or Governing Documents. Blackstone Credit can purchase, acquire, sell, exchange, liquidate, transfer or otherwise dispose of any asset or instrument (whether such asset or instrument is the cause of such violation or not) in the event of, or to cure, any such violation.

The following circumstances do not constitute trade errors ("**Other Trade Issues**"): (a) the error does not result in a transaction in a Client's account (such as an error that results in the loss of an investment opportunity), (b) the error is the fault of the executing broker-dealer or another third party, (c) the purchase or sale of the asset is reallocated to an Other Client prior to settlement in accordance with Blackstone Credit's allocation policies, (d) the purchase or sale of an asset violates restrictions solely arising from a contractual obligation to a third party other than the applicable Client, (e) the failure to satisfy certain contractually imposed settlement requirements results in the forfeiture of delayed compensation, as provided under The Loan Syndications and Trading Association ("**LSTA**") Standard Terms and Conditions for Par/Near Par Trade Confirmations, which are incorporated by reference into the LSTA Par/Near Par Trade Confirmation; (f) the Offering and/or Governing Documents of the applicable Client expressly provide for the right of Blackstone Credit to cure such that a trade error is deemed not to have occurred and Blackstone Credit cures in accordance therewith, (g) undetected software defects or fundamental issues with Blackstone Credit's method of interpreting and acting upon the model's output, (h) model enhancements and improvements made as part of the normal research process that would not be categorized as a trade error, (i) the error is the fault of a third-party data provider utilized by a systematic model and reasonably relied upon as being accurate; (j) model enhancements and improvements as part of the

normal research process that would not be categorized as an investing/trading error, or (k) the applicable Client ratifies the trade in writing. If an Other Trade Issue exists, Blackstone Credit will determine an appropriate course of action, subject to applicable policies and procedures, Offering and/or Governing Documents and other relevant materials or information, as necessary.

### **Item 13: Review of Accounts**

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

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

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

The Registrant provides unaudited performance reports on a monthly or quarterly basis to certain Clients, as specified in the Offering and/or Governing Documents of such Clients, and provides audited financial statements to Fund investors annually. The Registrant can elect to provide different levels of reports to investors.

Certain investors in the Funds request information relating to a Fund and, to the extent such information is readily available or obtained without unreasonable effort or expense, the Registrant will provide such investors with the information requested. Investors that request and receive such information will consequently possess information regarding the business and affairs of a Fund that might not be known to other investors. As a result, certain investors could take actions on the basis of such information that other investors, lacking such information, do not take.

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

While not an arrangement for Client referrals, the Registrant from time to time directly or indirectly compensates one or more third parties to act as a placement agent in connection with the offer and sale of interests in a CLO to certain potential investors. The Registrant or the CLO typically compensates a placement agent in the form of a placement fee (although other payment arrangements could exist). The Registrant or the CLO also typically reimburses the placement agents for certain expenses incurred in connection with soliciting investors. A placement agent could directly charge investors additional placement fees (or other fees) in connection with their investment in the CLOs, and such fees generally do not reduce fees such as management fees paid in connection with an investment a CLO. CLOs typically agree to reimburse third-party placement agents for certain expenses and/or agree to indemnify such agents under certain circumstances.



### **Item 15: Custody**

Item 15 is not applicable to the Registrant.

## **Item 16: Investment Discretion**

The Registrant generally, although not exclusively, acts as a discretionary investment adviser and can exercise sole authority to determine the securities bought and sold for each account, as well as the amounts thereof, without obtaining specific client consent and without limitation on such authority. Any specific investment guidelines and restrictions are provided in the applicable Offering and/or Governing Documents.

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

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

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies on behalf of its clients, as well as a duty to cast such votes in the best interests of its clients and to not subrogate client interests to its own. Rule 206(4)-6 under the Advisers Act (the “**Proxy Voting Rule**”) places specific requirements on registered investment advisers with proxy voting authority. Due to the nature of the investment strategies deployed by the Registrant, equity securities will generally not be a large portion of the investments of any Client. Nevertheless, because the Registrant generally has discretionary authority over the securities held by the Clients, the Registrant is viewed as having proxy voting authority over such securities. Accordingly, the Registrant is subject to the Proxy Voting Rule. To meet its obligations under this rule, the Registrant has adopted written Proxy Voting Policies and Procedures, which are available upon request. These policies and procedures are reasonably designed and implemented in a manner reasonably expected to confirm that the Registrant votes proxies in the best interests of its Clients and to address how the Registrant will resolve any conflict of interest that could arise when voting proxies. Where the Registrant deems appropriate in its sole discretion, unaffiliated third parties are in certain cases used to help resolve conflicts or to otherwise assist the Registrant in fulfilling all or part of its voting obligations. In this regard, the Registrant can retain independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to which voting and/or consent powers are delegated in accordance with its proxy voting policies and procedures.

Clients may request a copy of the Registrant’s proxy voting policy and the proxy voting record by contacting the Registrant at the address or telephone number on the cover of this Brochure.

## **Item 18: Financial Information**

The Registrant is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Clients.