



STRATEGIC PARTNERS FUND SOLUTIONS ADVISORS L.P.

345 Park Avenue

New York, NY 10154

+1 (212) 583-5000

www.blackstone.com

March 2018

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

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

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

Item 2 – Material Changes

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

This Brochure has been updated since its last amendment dated March 30, 2017 to reflect additional discussion of the funds, investment vehicles and accounts to which the Registrant provides investment advisory services, and of the Registrant’s investment risks and potential conflicts of interest.

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

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

Please carefully read Items 5, 8 and 10, which describe certain fees and expenses, potential risk of loss and potential conflicts of interest (including, with respect to investments in the Secondary Funds, Direct Equity Program and Advisory Accounts, each as defined herein), respectively.

Item 3 -Table of Contents

Item 2 – Material Changes	2
Item 3 -Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management.....	11
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	14
Item 9 – Disciplinary Information.....	19
Item 10 – Other Financial Industry Activities and Affiliations	20
Item 11 – Code of Ethics	50
Item 12 – Brokerage Practices	52
Item 13 – Review of Accounts	56
Item 14 – Client Referrals and Other Compensation.....	57
Item 15 – Custody.....	58
Item 16 – Investment Discretion.....	59
Item 17 – Voting Client Securities (Proxy Voting)	60
Item 18 – Financial Information.....	61

Item 4 – Advisory Business

Description of the Registrant

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

SPFS Advisors L.L.C. is the general partner and sole direct owner of the Registrant. Blackstone Intermediary Holdco L.L.C. is the managing member and principal direct owner of SPFS Advisors L.L.C. Blackstone Advisory Partners L.P. (**“BAP”**) is the managing member of Blackstone Intermediary Holdco L.L.C. Blackstone Holdings I L.P. is the general partner of BAP. Blackstone Holdings I/II GP Inc. is the general partner of Blackstone Holdings I L.P. The Blackstone Group L.P. is the controlling shareholder of Blackstone Holdings I/II GP Inc. The Blackstone Group L.P. is a publicly traded limited partnership that has units which trade on the New York Stock Exchange (Ticker: BX).

Description of Advisory Services

As described above, the Registrant provides advisory services to the Secondary Funds, the Direct Equity Program and the Advisory Accounts. The Registrant offers advice in respect of investments primarily in private investment fund interests, including private investment fund interests acquired through secondary market purchases, and certain other matters related thereto. The Secondary Funds generally seek to achieve capital appreciation through the purchase of secondary interests in mature private investment funds (including leveraged buyout funds, real estate funds, real asset and infrastructure funds, venture capital funds, distressed or mezzanine funds, fund of funds and other similar products), but the Secondary Funds may also invest, to a lesser extent, on a primary basis in other investment funds or directly in portfolio companies.

With respect to the Direct Equity Program, the Registrant provides advice in respect of co-investments that the Registrant believes are high-quality, by investing alongside aligned

sponsors (including Blackstone) and management in sponsor-backed private equity transactions. The co-investment opportunities considered for the Direct Equity Program may vary, including with respect to vintage year, fund sponsor, investment strategy, leverage level, type of asset (e.g., equity interests or debt instruments) and sector.

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

Assets Under Management

The Registrant's regulatory assets under management are approximately \$24,725,133,474 (measured as of December 31, 2017), \$24,177,364,595 of which are managed on a discretionary basis and \$547,768,879 of which are managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Management Fees

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

For its investment advisory services with respect to the Direct Equity Program, the Registrant or an affiliated entity generally receives a management fee per tranche on a quarterly basis of (i) 0.1875% on invested capital, per quarterly Management Fee period during each tranche's investment period and (ii) 0.1875% on NAV, per quarterly Management Fee period, thereafter. However, it is anticipated that fees for the Direct Equity Program may vary and the fees applicable to any particular Direct Equity Program vehicle will be disclosed in the applicable Direct Equity Program vehicle's governing documents.

For its investment advisory services with respect to the Advisory Accounts, the Registrant or an affiliated entity generally receives a management fee at an annual rate of, (i) during the Advisory Account's investment period, up to 0.40% of the Advisory Account's investable capital (excluding investable capital that has been committed to Other Blackstone Funds (as defined below)) and (ii) after the Advisory Account's investment period, up to 0.25% of the reported value (as provided by Underlying Funds) of the Advisory Account's managed capital (excluding the reported value of the Advisory Account's managed capital that is invested in Other Blackstone Funds). Fees for the Advisory Accounts may vary and are disclosed in the relevant Advisory Account governing documents.

While the Registrant's policy is that its fees are not negotiable, the Registrant reserves the right to waive or reduce its fees for certain investors. In particular, certain affiliates or employees of the Registrant or the Legacy Sponsor that are investors in the Secondary Funds and/or the interests held thereby are generally not subject to management fees. Further, Other Blackstone Funds (as defined below) may have investment objectives that overlap with those of the Funds or the Advisory Accounts in certain material respects, and the Registrant's or its affiliates' management thereof may give rise to conflicts of interest relating to the Funds or the Advisory Accounts from time to time. For example, differing management fees charged to the Funds or the Advisory Accounts on the one hand, and such Other Blackstone Funds on the other, that invest on a side-by-side basis, may create conflicts of interest for the Registrant and its affiliates, including with respect to the allocation of investment opportunities. The Registrant has an investment allocation policy

(see **Item 16 – Performance-Based Fees and Side-By-Side Management**) that addresses this conflict of interest.

Generally, the management fee payable by a Secondary Fund to the Registrant will be reduced by all or a portion (disclosed in the governing agreements of the relevant Fund) of any transaction fees (including commitment, closing, amendment, waiver, directors', topping, monitoring, financing, divestment, organizational, break-up or other similar fees in respect of a Fund's purchase, monitoring or disposition of an investment) received by the Registrant for transactions effected for such Fund's account.

Timing of Fee Payments

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

Additional Fees and Expenses

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

Generally, each Fund is responsible for all costs and expenses relating to the organization of such Fund and of maintaining the operations of such Fund and the investments made by or on behalf of such Fund, including, without limitation, (i) all organizational expenses of the Fund (in certain cases subject to a cap); (ii) all unreimbursed expenses incurred by or on behalf of the Fund in connection with the identification, investigation, structuring or making of any portfolio investment, proposed portfolio investment or temporary investment (including all such expenses relating to any investment which the Fund ultimately does not make, including any portions of such expenses that may ultimately have been borne by co-investors had the investment been consummated), or the holding, monitoring, financing or refinancing (including the delivery of guarantees of the Fund), pledging, sale or proposed financing, refinancing, pledging or sale of all or any portion of any such investment, including, in each case, travel and accommodation expenses (in certain cases, such travel and accommodation expenses not to exceed an annual cap, as

specified in the offering documents of the Funds), and including the costs of services provided to the Fund by persons who are not employees of the General Partner, including fees and expenses of attorneys, accountants, finders and consultants and fees and expenses of Affiliates of Blackstone and other third-party professionals; (iii) (a) legal, auditing, compliance, technological and consulting expenses, including expenses associated with the preparation of amendments to the governing agreements of the Fund and the solicitation of consent of such amendments and the Fund's financial statements, regulatory filings (such as Form PF and Alternative Investment Fund Managers Directive (AIFMD) reporting), compliance with U.S. federal, state, local, non-U.S. or other law and regulation relating to the Fund's activities, including compliance with AIFMD, including costs associated with any AIFMD marketing passport, reports to partners, tax returns and Schedule K-1s (including allocated costs and/or charges of Blackstone personnel specifically attributable to the administration of the Fund and/or the Fund's regulatory reporting obligations) and (b) accounting and administration expenses, including any additional tax return preparation and reporting expenses to the extent such expenses relate to services provided either by third party or by an Affiliate of the General Partner that is in the business of providing such services, as well as data collection costs, including costs allocated by Blackstone's internal research group (which are generally based on time spent), internal printing (including a flat service fee) and publishing (including time spent performing such internal printing and publishing services); (iv) expenses related to organizing, administering and maintaining any persons through or in which portfolio investments may be made; (v) an appropriate portion of expenses of the advisory committee of each Fund and its members, including expenses of any advisors retained by, or at the direction or for the benefit of, such advisory committee; (vi) costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles; (vii) taxes and other governmental charges, fees and duties payable by the Fund; (viii) all damages and expenses incurred in connection with any litigation, claim or proceeding involving the Fund (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; (ix) all unreimbursed expenses incurred in connection with the collection of amounts due to the Fund from any person; (x) all principal, interest, fees, expenses and other amounts payable in respect of or in connection with borrowings, financings or derivative transactions; (xi) all expenses incurred in connection with administrative proceedings relating to the determination of Fund items of income, gain, loss, deduction and credit at the Fund level, and any audit with respect to taxes; (xii) expenses of any third party advisory committee of the Fund; (xiii) fees and expenses incurred in connection with complying with or monitoring compliance with or amending (including pursuant to "most favored nations" provisions) any side letters or other written agreements between the Fund and one or more investors in the Fund; and (xiv) costs of winding up and liquidating the Fund.

Investors in a Fund are typically allocated (or otherwise bear) their pro rata share of such fees and expenses, which may be calculated based on capital commitments, invested

capital, available capital or other metrics as determined by the general partner of each Fund in its sole discretion. From time to time, a general partner of a Fund will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or the general partner or the Registrant, on the other. Certain expenses may be suitable for only a particular Fund, its parallel fund(s) and borne only by such fund, or, as is more often the case, expenses may be allocated pro rata among the Fund and all of its parallel funds, even if the expenses relate only to particular vehicle(s) and/or investor(s) therein. The general partner of the applicable Fund will make such judgments in its fair and reasonable, and in its sole, discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. There can be no assurance that a different manner of allocation would not result in a Fund bearing less (or more) expenses.

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

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

Similarly, the Advisory Accounts will bear the expenses incurred by the Registrant in connection with the services provided to the Advisory Accounts, including: (i) expenses incurred in connection with the identification, investigation, structuring or making of any investment or proposed investment or the monitoring, financing or refinancing, pledging, sale or proposed financing, refinancing, pledging or sale of all or any portion of such investment including, in each case travel and related expenses (such travel and related expenses not to exceed an amount as specified in the applicable investment management agreement); (ii) legal, auditing, technological and consulting expenses, including expenses associated with the preparation of reports to the applicable Advisory Account client; (iii) accounting and administration expenses of third parties; (iv) expenses related to organizing, administering and maintaining any persons through or in which investments may be made; (v) all fees and expenses owed to any independent U.S. registered investment adviser not affiliated with Blackstone that is retained by the Advisory Account client (an **"Independent Evaluator"**) in connection with such Independent Evaluator's services in respect of investments in the Funds; and (vi) costs of terminating the Advisory Accounts investment management agreement and transitioning the management of the managed capital to the Advisory Account client or its designee.

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

The Registrant, its affiliates and their respective personnel also can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds and Advisory Accounts, which will not offset the management fees payable by investors or otherwise be shared with the Funds, Advisory Accounts or investors therein. For example, airline travel or hotel stays incurred as Fund or Advisory Account expenses may be result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Registrant, its affiliates and their respective personnel (and not a Fund, Advisory Account or investors therein) even though the cost of the underlying service is borne by a Fund or Advisory Account. The Registrant, its affiliates and their respective personnel, and other related persons in certain instances also receive discounts on products and services provided by portfolio entities and/or customers or suppliers of such portfolio entities.

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

Employee Compensation for Sales of Securities

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

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

Performance-Based Allocations

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

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

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

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

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

Note that the existence of a performance-based allocation may incentivize the Registrant to manage a Fund’s assets in a more aggressive manner than if there were no such allocation. Further, Other Blackstone Funds may have investment objectives that overlap with those of the Funds or the Advisory Accounts in certain material respects, and the Registrant’s or its affiliates’ management thereof may give rise to conflicts of interest relating to the Funds or

the Advisory Accounts from time to time. For example, differing performance-based allocations or fees for Funds or Advisory Accounts on the one hand, and such Other Blackstone Funds or another Fund on the other, that invest on a side-by-side basis, may create conflicts of interest for the Registrant and its affiliates, including with respect to the allocation of investment opportunities. However, the Registrant will manage each Fund's or Advisory Account's assets in accordance with the investment strategy disclosed in each Fund's or Advisory Account's offering and/or governing documents to help ensure that investors are aware of the investment strategy and the risks associated with such strategy. The Registrant has an investment allocation policy (see **Item 16 – Investment Discretion**) that addresses this conflict of interest.

Timing of Performance-Based Allocations

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

Item 7 – Types of Clients

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

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

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

The Registrant also advises the Advisory Accounts. The Advisory Account clients currently consist of private retirement and pension plans and family offices.

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

Methods of Analysis

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

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

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

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

- Anticipated returns and risk profile of the investment (including appropriate commit size for the account given the circumstances)
- Pricing considerations
- Regulatory, legal or tax considerations
- The relative amounts of capital available for investment in each account
- The nature of the investment focus of each account
- Portfolio diversification concerns of each account
- The specific nature (including size, liquidity, holding period and anticipated maturity) of an investment

- The source of the investment opportunity (e.g., whether the investment was sourced from a particular account's limited partner)
- Other anticipated needs or uses of capital of each account
- The duration of the investment period of each account
- Whether the investment is a follow-on to a primary investment in a particular account
- Whether the investment is otherwise related to an existing investment held by a particular account (e.g., a direct co-investment alongside an Underlying Fund of the account)
- Such other considerations deemed relevant by the Registrant

The Registrant may, in its sole discretion, offer one or more of its limited partners, another Blackstone business or other third-parties, or the Direct Equity Program, an opportunity to co-invest with a Fund in any investment on such terms as may be agreed among such parties. In determining which limited partners may be offered co-investment opportunities, the Registrant expects to consider, among other things, (i) whether a limited partner played a role in sourcing a particular opportunity, (ii) the ability of a limited partner to execute a co-investment transaction quickly and efficiently, (iii) the reliability and creditworthiness of a limited partner, (iv) indications of interest from a limited partner in co-investment opportunities (it being understood, for the avoidance of doubt, that a limited partner's indication of its interest in co-investment opportunities will not ensure its consideration for any opportunity) and (v) any other strategic considerations (including, but not limited to, the length of time that a limited partner has had an investment relationship with the Registrant or Blackstone and the size of a limited partner's capital commitment to the Fund or product managed by the Registrant or Blackstone).

Investment Strategies

Secondary Funds

The specific investment strategy and corresponding method of analysis for each Secondary Fund is specified in the offering documents of such Secondary Fund. The Secondary Funds generally seek to achieve capital appreciation through the purchase of secondary interests in mature private investment funds (including leveraged buyout funds, real estate funds, venture capital funds, distressed or mezzanine funds, fund of funds and other similar products), but the Secondary Funds may also invest, to a lesser extent, on a primary basis in other investment funds or in underlying funds or directly in portfolio companies.

Direct Equity Program

The specific investment strategy and corresponding method of analysis for each Direct Equity Program vehicle is specified in the offering documents of such Direct Equity Program vehicle. The Direct Equity Program generally seeks to construct a portfolio of

high-quality co-investments in sponsor-backed private equity transactions, which may include investments with any of the primary investment mandates of other funds, accounts or investment vehicles sponsored by Blackstone (including the Registrant) or third-parties (including managers of Underlying Funds).

Advisory Accounts

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

Risk of Loss

An investment in a Fund or an Advisory Account, as applicable, entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks associated with an investment in a Fund or an Advisory Account, as applicable, and bearing the risks such investment represents. A successful program of investing is dependent upon and subject to certain risks, including risks relating to, among other things (i) the quality of the management and controls of the Funds or an Advisory Account, as applicable, the Underlying Funds and their portfolio companies; (ii) the ability of the management of the Funds or an Advisory Account, as applicable, and the Underlying Funds to identify and consummate attractive investment opportunities; (iii) general economic conditions; and (iv) the ability of the Funds or an Advisory Account, as applicable, and the Underlying Funds to liquidate their investments on attractive terms. The offering and/or governing documents of each Fund will contain detailed descriptions of certain of the risks associated with an investment in such Fund. Below is a non-exhaustive list of certain risks associated with such investments:

1. Loss of all or part of investment
2. No assurance of investment return
3. Changes in legal, fiscal, tax and regulatory regimes
4. Funds treated as partnerships for U.S. federal income tax purposes may be liable for adjustments to its tax returns as a result of recently enacted legislation
5. Lack of liquidity of Fund interests and of Underlying Fund interests
6. Highly competitive market for secondary investment opportunities
7. No established market for secondary investments

8. Secondary investment opportunities in Underlying Funds may be “pooled” opportunities from a seller on an “all or nothing” basis
9. Importance of valuation and acquisition terms
10. Reliance on the Registrant and certain of its professionals and employees and professionals and employees of the managers of the Underlying Funds
11. Reliance on Underlying Fund sponsors
12. Limited access to information from Underlying Funds
13. Restrictions on acquisitions of Underlying Fund interests by the Fund or Advisory Accounts
14. Restrictions on the Registrant’s use of Blackstone’s resources because of information walls and other internal policies and procedures
15. Consequences of a Fund’s or a Advisory Account’s failure to satisfy capital calls of an Underlying Fund
16. Illiquidity of Underlying Fund interests
17. Investments longer than the Fund’s or the Advisory Account’s term
18. Lack of coordination among investment decisions of Underlying Funds and their sponsors
19. The portfolio companies in which the Underlying Funds have invested or may invest may involve a high degree of business and financial risk
20. Misconduct of employees and third party service providers and of employees and service providers with respect to the Underlying Funds
21. General economic and market volatility
22. United Kingdom exit from the European Union
23. Nature of secondary investments, including reliance on management of the Underlying Funds, potential obligations to return distributions to satisfy Underlying Fund liabilities, and other matters related to holding secondary interests in Underlying Funds
24. Risks related to use of leverage by certain Funds and Underlying Funds
25. Risks related to bearing the additional layer of fees and expenses charged at the level of the Underlying Funds
26. Risks related to cyber security breaches and identity theft
27. Lack of diversification
28. Non-U.S. investments
29. Uncertainty of estimates and financial projections
30. Risk of limited number of portfolio investments
31. Non-controlling investments; investments and joint ventures with third parties
32. Public company holdings

- 33. “Platform” investments; additional capital
- 34. Access to information from Underlying Funds
- 35. Lack of diversification
- 36. Terrorist activities
- 37. Investments in regulated industries
- 38. Financial leverage; incurrence of indebtedness
- 39. Risks associated with the European Union
- 40. Increased government regulation
- 41. OFAC and FCPA considerations

In addition, the investment management agreement of each Advisory Account will contain acknowledgments of the applicable Advisory Account client of certain risks associated with such investment, including the Advisory Account’s reliance on the Underlying Fund sponsors. Investors in Advisory Accounts should be aware that there is significant blind pool risk associated with investing in Underlying Funds on a primary basis.

The Registrant cannot guarantee any level of performance or that investors in the Funds or the Advisory Accounts will not experience a loss of their investments.

Investors are advised to review the applicable governing documents for a more extensive description of the risks of investing in the Funds and Advisory Accounts.

Item 9 – Disciplinary Information

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

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a lawsuit or arbitration. Although there can be no assurance of the outcome of such legal actions, the Registrant does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect the Registrant or the Registrant's clients. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone's or the Registrant's public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the web site of the SEC (www.sec.gov) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>), and (ii) materials made available through Blackstone's BXAccess online portal related to the Funds, the Advisory Accounts and/or certain of their respective affiliates, which is accessible to Blackstone's limited partners for the funds and/or accounts in which they are invested. Anything disclosed in Blackstone's or the Registrant's public filings and/or which are otherwise made available to the Advisory Accounts or limited partners of the Funds, including by way of posting to Blackstone's online portal, is incorporated herein by reference, to the extent applicable, including with respect to litigation, investigations, settlements and similar proceedings.

Item 10 – Other Financial Industry Activities and Affiliations

From time to time, various potential and actual conflicts of interest may arise from the overall investment activities of the Registrant and its affiliates. The following briefly summarizes certain but not all of these potential conflicts, but is not intended to be an exclusive list of all such conflicts. Fund investors should consult the applicable Fund's offering documents or Advisory Account's investment management agreement for a more complete listing of applicable conflicts. Any references to Blackstone and the Registrant in this section will be deemed to include their respective affiliates, officers, directors and employees. In addition, as used herein, "Fund" or "Funds" shall include the Secondary Funds and the investment vehicles or accounts associated with Direct Equity Program, as the context so requires.

If any matter arises that the Registrant determines in its good faith judgment constitutes an actual conflict of interest, the Registrant will take such actions as it determines in good faith may be necessary or appropriate 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 will be deemed to have satisfied applicable fiduciary duties related thereto to the fullest extent permitted by law). These actions include, by way of example and without limitation, (i) presenting a conflict of interest to the advisory committee of the relevant Fund as provided for in such Fund's offering and/or governing documents; (ii) disposing of the investment giving rise to the conflict of interest; (iii) appointing an independent fiduciary to act or provide consent with respect to the matter giving rise to the conflict of interest; (iv) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the respective Fund advisory committee or an independent client representative (if any) regarding the conflict of interest and either obtaining a waiver or consent from such Fund advisory committee or independent client representative of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by such Fund advisory committee or independent client representative with respect to such conflict of interest; (v) disclosing the conflict, as applicable, to the Advisory Accounts or Fund investors (including, without limitation, in drawdown notices, quarterly letters or other communications); or (vi) implementing certain policies and procedures designed to ameliorate such conflict of interest. There can be no assurance that Blackstone or the Registrant will identify or resolve all conflicts of interest in a manner that is favourable to each Fund and Advisory Account. By acquiring an interest in a Fund or executing the investment management agreement of an Advisory Account, each limited partner or accountholder, as applicable, will be deemed to have acknowledged and consented to the existence or resolution of any such actual, apparent or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Blackstone Policies and Procedures. Specified policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will reduce the advantages across Blackstone's various businesses that the Registrant expects to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, including private equity, a credit business, a hedge fund business, a capital markets group and real estate advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses and to protect against the inappropriate sharing and/or use of information between the Registrant and the other business units at Blackstone, Blackstone has implemented certain policies and procedures (e.g., information walls) regarding the sharing of information that may reduce the positive synergies that the Registrant expects to utilize for purposes of identifying and managing attractive investments. For example, Blackstone will from time to time come into possession of material non-public information with respect to companies in which its private equity business may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to the Funds or Advisory Accounts, might become limited to those other respective businesses and otherwise be unavailable to the Funds or Advisory Accounts. In particular, although the Registrant intends to leverage the Blackstone platform to access, among other things, Blackstone's extensive knowledge of certain assets of a potential or existing Underlying Funds, the formal information barriers in place between Blackstone and the Registrant, along with procedures in place to identify potential business conflicts, will from time to time prevent the Registrant and other parts of Blackstone from discussing any specific investment. Further, confidentiality obligations owed by the Registrant to Underlying Funds prevent the Registrant from disclosing information to other parts of Blackstone concerning the portfolio investment information of any Underlying Fund. There can be no assurance, however, that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of the Funds or Advisory Accounts to effectively achieve their investment objectives by unduly limiting the investment flexibility of the Funds or Advisory Accounts and/or the flow of otherwise appropriate information between the Registrant and other business units at Blackstone. In addition, to the extent that Blackstone is in possession of material non-public information or is otherwise restricted from trading in certain securities, the Funds, Advisory Accounts and the Registrant may also be deemed to be in possession of such information or otherwise restricted. This could reduce the investment opportunities available to the Funds and Advisory Accounts, and there can be no assurance that such policies and procedures will be effective in accomplishing their stated purpose or that they will not otherwise adversely affect the ability of the Funds or Advisory Accounts to effectively achieve their investment objectives by unduly limiting the investment flexibility

of the Strategic Partners funds and/or the flow of otherwise appropriate information between business units at Blackstone. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone fund has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of the Funds, Advisory Accounts and/or their Underlying Funds and investments and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for the Funds and Advisory Accounts, may require the Funds or Advisory Accounts to share such opportunities or otherwise limit the amount of an opportunity the Funds and Advisory Accounts can otherwise take.

Investments in Other Blackstone Funds. The Secondary Funds hold significant investments in various funds, vehicles and accounts sponsored and/or managed by Blackstone as of the date hereof, including other Secondary Funds (collectively, “**Other Blackstone Funds**”). In addition, the Direct Equity Program will make co-investments through entities that are Other Blackstone Funds. Subject to applicable legal, regulatory and other applicable restrictions, the Funds may continue to acquire and/or hold secondary investments or co-investments in such Other Blackstone Funds; however, their ability to do so may be materially limited or impeded as a result of the Registrant and Funds being considered affiliates of Blackstone. Similarly, the Advisory Accounts may hold investments in Other Blackstone Funds. The Registrant expects, subject to any limitations described in the governing and/or offering documents of the Funds and Advisory Accounts, to conduct generally the same level of diligence and review of any potential investment in an Other Blackstone Fund as it would conduct in connection with an investment in any unaffiliated Underlying Fund.

To the extent the Funds and Advisory Accounts make or otherwise hold secondary investments, primary investments or co-investments in Other Blackstone Funds in accordance with applicable legal and/or regulatory restrictions, the Advisory Accounts and Fund investors will pay fees, expenses and, as applicable, carried interest both at the level of the Funds and Advisory Accounts and at the level of such Other Blackstone Funds. As a result, there may be circumstances where Blackstone has conflicting loyalties and responsibilities to the Funds and/or Advisory Accounts, on the one hand, and such Other Blackstone Funds, on the other hand, and conflicts of interest may arise as a result of the Funds and/or Advisory Accounts making or holding investments in Other Blackstone Funds. While Blackstone has policies and procedures in place designed to ameliorate such conflicts and will seek to resolve such conflicts of interest in a fair and equitable manner, there can be no assurance that such conflicts of interest will be resolved in favor of the Funds and/or Advisory Accounts.

Other Blackstone Business and Activities. As part of its regular business, Blackstone provides a broad range of services. In addition, from time to time, Blackstone and its affiliates will provide services in the future beyond those currently provided and may receive fees for such services. Funds and Advisory Accounts will not receive a benefit from any fees paid in connection with such services. In addition, the Funds and the Advisory Accounts may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make or have made. Further, such services and activities may give rise to actual or potential conflicts with respect to the Funds or Advisory Accounts, and there can be no assurance that such conflicts of interest will be resolved in favor of the Funds or Advisory Accounts.

In connection with its businesses, Blackstone may determine that there are conflicts of interest or come into possession of information that limits its and its affiliates' ability to engage in potential transactions. The Funds' and the Advisory Accounts' activities may be constrained as a result of the inability of Blackstone personnel to use such information. For example, employees of Blackstone may be prohibited by law or contract from sharing information with members of the Funds' or the Advisory Accounts' investment teams. Additionally, there may be circumstances in which one or more of certain individuals associated with Blackstone will be precluded from providing services related to the Funds' or the Advisory Accounts' activities because of certain confidential information available to those individuals or to other parts of Blackstone. In certain sell-side and fundraising assignments, the seller may permit the Funds or Advisory Accounts to act as a participant in such transaction, which would raise certain conflicts of interest inherent in such a situation (including as to the negotiation of the purchase price).

As more fully described elsewhere herein, one of the primary businesses at Blackstone is the management of Other Blackstone Funds (whether now in existence or subsequently established). Such Other Blackstone Funds may have investment objectives that overlap with those of the Funds or the Advisory Accounts in certain material respects, and Blackstone's management thereof may give rise to conflicts of interest relating to the Funds or the Advisory Accounts from time to time. While the Registrant will seek to resolve any such conflicts of interest in a fair and equitable manner, there can be no assurance that such conflicts will be resolved in favor of the Funds or the Advisory Accounts.

Conflicts of interest may also arise with respect to Blackstone's provision of services to the Funds, the Advisory Accounts, portfolio entities, the Other Blackstone Funds, and other clients of Blackstone, as well as actions taken by Blackstone on behalf of such Other Blackstone Funds and/or its affiliates. In performing services on behalf of the Funds, the Advisory Accounts, portfolio entities, Other Blackstone Funds and/or other clients and affiliates, Blackstone may take actions that may impact the Funds or the Advisory Accounts, and Blackstone's other activities, provision of services and management of such Other

Blackstone Funds and/or affiliates will generally be carried out independently from the Registrant's activities.

Blackstone has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on behalf of a Fund or an Advisory Account, the Registrant will consider those relationships, which may result in certain transactions that the Registrant will not undertake on behalf of the Fund or the Advisory Account in view of such relationships. Certain Funds or Advisory Accounts may also co-invest with clients of Blackstone in particular investment opportunities, and the relationship with such clients could influence the decisions made by the Registrant with respect to such investments.

Blackstone will from time to time participate in underwriting or lending syndicates with respect to portfolio entities of Other Blackstone Funds (including Other Blackstone Funds in which the Funds hold interests), or otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, any such Other Blackstone Fund's portfolio entities, or otherwise in arranging financing (including loans) for portfolio entities of such Other Blackstone Funds. Such underwritings will be on a firm commitment basis or on an uncommitted "best efforts" basis. A Blackstone broker-dealer will from time to time act as the managing underwriter or a member of the underwriting syndicate and purchase securities from an Other Blackstone Fund or such portfolio companies or advise on such transactions. Blackstone will from time to time also effect transactions, including transactions in the secondary markets where it may nonetheless have a potential conflict of interest regarding a Fund, an Advisory Account or Other Blackstone Fund and the other parties to those transactions to the extent it receives commissions or other compensation from a Fund, Advisory Account or Other Blackstone Fund and such other parties. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing (including loan servicing) fees, advisory fees, lending arrangement and consulting, monitoring, commitment, syndication, origination, organizational, financing and divestment fees (or, in each case, rebates of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or an Other Blackstone Fund or account is purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with the Funds or Advisory Accounts or the investors and the management fee paid by the Funds or Advisory Accounts generally will not be reduced by such amounts. Blackstone will from time to time have a potential conflict of interest regarding Funds and Advisory Accounts and the other parties to those transactions to the extent it receives commissions, discounts or such other compensation from such other parties. The Funds' and Advisory Accounts' general partners or managers will approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for a Fund or Advisory Account, or as dealer, broker or advisor, on the other side of a transaction with a Fund or Advisory

Account only where the Registrant believes in good faith that such transactions are appropriate for a Fund or Advisory Account, as applicable.

Blackstone employees, including employees of the Registrant, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of the Funds. Investors will not receive any benefit from any such investments.

In addition, professionals of the Registrant will participate in a Blackstone-sponsored program whereby any professional of the Registrant may receive carried interest or other compensation from another business unit of Blackstone in connection with such professional's successful referral of a transaction involving any Underlying Fund or portfolio company thereof to such other business unit of Blackstone. Such compensation may include carried interest generated by a fund managed by such other business of Blackstone. Investors should be aware that although professionals of the Registrant will be incentivized through their potential receipt of a portion of the carried interest generated by the Funds to maximize value for the Funds in referring any transaction to another business unit of Blackstone, there is a potential conflict of interest in that the potential receipt of carried interest or other compensation from such other Blackstone business unit may provide incentives to refer a transaction that may not always align with the interests of the Funds. However, it is not expected that the amount of any carried interest or other compensation received in connection with the Blackstone-sponsored program will be material. In addition, there is a conflict of interest in that any transaction referred by a professional of the Registrant to another Blackstone business unit may have been initially identified by such professional while conducting activities related to the Funds or the Advisory Accounts, and the costs associated with such activities may be expenses borne by the Funds or the Advisory Accounts, as applicable, and not by the Blackstone business unit to which the transaction was referred.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill 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 will not be an affiliate thereof, nevertheless conflicts may arise in connection with transactions between or involving the Funds and the Advisory Accounts and their portfolio entities on the one hand and PJT on the other. Specifically, given that PJT is not an affiliate of Blackstone, there may be fewer or no restrictions or limitations placed on transactions or relationships engaged in by PJT's new advisory business as compared to the limitations or restrictions that might apply to transactions engaged in by an affiliate of Blackstone. 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 in doing transactions involving PJT will still arise. The pre-existing relationship between Blackstone and its former personnel

involved in such financial and strategic advisory services, the overlapping ownership, co-investment and other continuing arrangements, may influence Blackstone in deciding to select or recommend PJT to perform such services for the Funds and the Advisory Accounts (or a portfolio entity) (the cost of which will generally be borne directly or indirectly by the Funds, the Advisory Accounts or such entity, as applicable). Nonetheless, the Registrant and its affiliates will be free to cause the Funds, the Advisory Accounts and portfolio entities to transact with PJT generally without restriction under the Funds' governing documents or the Advisory Accounts' investment management agreements notwithstanding such overlapping interests in, and relationships with, PJT.

In addition, other present and future activities of Blackstone and its affiliates (including the Registrant) will from time to time give rise to additional conflicts of interest relating to the Funds, the Advisory Accounts and their investment activities. In the event that any such conflict of interest arises, the Registrant will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of the Funds' and the Advisory Accounts' interests. In addition, pursuant to the Secondary Funds' governing documents, L.P. Advisory Committees have been or will be established and authorized to give consent on behalf of the Secondary Funds with respect to certain matters. If the L.P. Advisory Committee consents to a particular matter as to which it is consulted and the Registrant acts in a manner, or pursuant to the standards and procedures, approved by the L.P. Advisory Committee, or otherwise as provided in the applicable governing documents, then the Registrant and its affiliates will not have any liability to the Secondary Funds or the investors for such actions taken in good faith by them.

Service Providers and Other Counterparties. A Fund's or Advisory Account's, as applicable, advisors and service providers (including accountants, administrators, paying agents, depositaries, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms) or their affiliates provide goods or services to, or have business, personal, financial or other relationships with, Blackstone, its affiliates and portfolio entities. For example, certain portfolio entities enter into agreements regarding group procurement (such as the group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio entities and discounted due to scale) from a third party or a Blackstone affiliate, and other similar operational, administrative or management related initiatives that result in commissions, discounts or similar payments to Blackstone or its affiliates (including personnel), including related to a portion of the savings achieved by the portfolio entity, and such commissions or payments will not offset the Management Fee. Such advisors and service providers referred to above may be investors in the Funds or Advisory Accounts, sources of investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or Other Blackstone Funds have an investment, and payments by the Fund and/or such entities may indirectly benefit Blackstone and/or such Other Blackstone Funds.

Additionally, certain employees and other professionals of the Registrant or Blackstone may have family members or relatives employed by such advisors and service providers or otherwise actively involved in (or have business, financial or other relationships with) relevant industries. For example, such family members or relatives might be employees, officers, directors or owners of companies or assets which are actual or potential direct or underlying investments of the Funds or Advisory Accounts or other counterparties of the Funds or Advisory Accounts and their portfolio companies and/or assets. Moreover, in certain instances, the underlying portfolio investments of the Funds or the Advisory Accounts may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. These relationships may influence the Registrant in deciding whether to select or recommend such advisors or service providers to perform services for the Funds, the Advisory Accounts or portfolio companies (the cost of which will generally be borne directly or indirectly by the Funds, the Advisory Accounts or such entities, as applicable) and may incentivize Blackstone to engage such service provider over another third party. The fees for services provided by such service providers may or may not be at the same rate charged by other third parties and the General Partner undertakes no obligations to select service providers who may have lower rates. Because Blackstone has many different businesses, including the Blackstone Capital Markets Group, which Blackstone investment teams and portfolio entities may 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 subject to more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In most such circumstances, the applicable partnership agreement will not preclude the Funds or the Advisory Accounts from undertaking any particular investment activity and/or transaction. To the extent 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 the general partner. Blackstone-affiliated service providers, which are generally expected to receive competitive market rate fees (as determined by the General Partner) with respect to certain investments, include, without limitation:

COE. The Blackstone Center of Excellence, located in Gurgaon, India (the “COE”) is a captive center of resources administered by Blackstone and ThoughtFocus Technologies LLC (“ThoughtFocus”), an independent firm in which Blackstone holds a minority position and participates as a member of the board. The COE is expected to perform services for certain funds which may have historically been performed by Blackstone personnel, such as funds’ administrative services, data collection and management services, and technology implementation and support services, some of which may be paid for by the funds that receive such services. Blackstone, through its interest in ThoughtFocus, receives an indirect benefit resulting from the funds’ payments for such services. These fees do not offset Management Fees payable by the Limited Partners.

Entic. Entic Inc. (“Entic”) provides a cloud-based software that uses proprietary wireless sensors and advanced analytics to reduce energy consumption. Entic is anticipated to provide such services to certain of the assets of Other Blackstone Funds portfolio entities in exchange for fees at competitive market rates. Blackstone, which holds a minority position in and participates as a member of the board of Entic, receives an indirect benefit resulting from payments for such services. These fees do not offset the management fees payable by the limited partners of the Other Blackstone Funds. Part of Blackstone’s investment includes performance-based warrants giving Blackstone managed funds, including the Funds, the ability to earn shares of stock based on usage of Entic.

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 and insurance carriers 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 from providers that are believed to be more favorable than those that the portfolio entities could obtain on an individual basis. The fees received by Equity Healthcare in connection with services provided to Investments will not offset the Management Fee payable by the Limited Partners.

Intertrust Group. In 2013, certain Blackstone private equity funds acquired Intertrust Group. From time to time, Intertrust Group is expected to perform corporate and trust services on an arms-length basis for the funds, intermediate entities or portfolio entities.

BTIG. In December 2016 certain funds made a strategic minority investment in BTIG. BTIG is a global financial services firm that provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for the Funds, the Advisory Accounts, Other Blackstone Funds or any of their portfolio entities.

Optiv. Optiv is a portfolio entity held by certain Blackstone private equity funds that provides a full slate of information security services and solutions and may provide goods and services for the funds and their portfolio entities.

One or more such service providers may become available for acquisition by Other Blackstone Funds and in turn the Funds as a co-investment opportunity. In such transactions, Blackstone, one or more portfolio entities and/or Other Blackstone Funds may be a seller to another Other Blackstone Fund. The general partners and/or the Other Blackstone Fund are expected to establish a valuation methodology in relation to the acquisition of any such service provider. In addition, before entering into any such transaction with respect to any such service provider, it is anticipated that the general partners and/or Other Blackstone Fund will obtain such consents that may be required

under the Advisers Act or other applicable laws or regulations and, by executing a subscription agreement for interests in the applicable partnership agreement, a limited partner consents to all such transactions to the fullest extent permitted by law.

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

.Notwithstanding the foregoing, transactions relating to the Funds or the Advisory Accounts 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 includes, among other considerations, such service provider's provision of certain investment-related services and research that the Registrant believes to be of benefit to the Funds or Advisory Accounts. Advisors and service providers, or their affiliates, often charge different rates, including below market or no fee, or have different arrangements for specific types of services. With respect to service providers, for example, the fee for a given type of work may 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 Funds or Advisory Accounts are different from those used by Blackstone and its affiliates (including personnel), the Registrant or its affiliates (including personnel), and Blackstone or its affiliates may pay different amounts or rates than those paid by the Funds or Advisory Accounts.

In addition, certain advisors and service providers (including law firms) may temporarily provide their personnel to Blackstone, the Funds, the Advisory Accounts, Other Blackstone Funds or their portfolio entities pursuant to various arrangements including at cost or at no cost. While often the Funds, the Advisory Accounts, Other Blackstone Funds and their portfolio entities are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the Funds or the Advisory Accounts in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates and/or portfolio entities and any costs of such personnel may be allocated accordingly.

Similarly, Blackstone and its affiliates, including without limitation, the Funds, the Advisory Accounts, Other Blackstone Funds and/or their portfolio companies, may 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 may 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 without limitation, volume of transactions entered into with such counterparty by Blackstone, its affiliates, the Funds, the Advisory Accounts, Other

Blackstone Funds and their portfolio companies in aggregate. For example, certain portfolio entities enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio entities and discounted due to scale) from a third party or a Blackstone affiliate, and other similar operational, administrative or management related initiatives that result in commissions, discounts, rebates or similar payments to Blackstone or its affiliates (including personnel), including related to a portion of the savings achieved by the portfolio entity. However, the Registrant and its affiliates have 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 Fund for the same services.

Allocation of Personnel. The Registrant, its affiliates and their respective members, partners, officers, managers and employees will devote as much of their time to the activities of the Funds and the Advisory Accounts as they deem necessary and appropriate. Subject to the terms of the applicable offering and/or governing documents, the Registrant, Blackstone or any of their respective affiliates or any agent or representative of any of them are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Funds or Advisory Accounts and/or may involve substantial time and resources of the Registrant. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Registrant and its officers, managers, members and employees will not be devoted exclusively to the business of the Funds and the Advisory Accounts but will be allocated between the business of the Funds and the Advisory Accounts and the management of the assets of other advisees of the Registrant.

In addition, there can be no assurance that such investment professionals, including the investment professionals that joined Blackstone in connection with the Transaction, may ultimately remain actively involved in the business and affairs of the Funds and the Advisory Accounts. Such personnel may change over time for a variety of reasons, which may have an impact on the ability of the Funds and the Advisory Accounts to effectively achieve their investment objectives.

Portfolio Entity Relationships. In certain instances the Funds and the Advisory Accounts (or the Other Blackstone Funds in which they invest) are or will be counterparties or participants in agreements, transactions or other arrangements with portfolio entities of other investment funds managed by Blackstone or other Blackstone affiliates that would not have otherwise been entered into but for the affiliation or relationship with Blackstone, and which involve fees, commissions, servicing payments, discounts, rebates and or other benefits to Blackstone, its affiliates (including personnel) and/or a portfolio entity which are not subject to the management fee offset provisions described herein. For example, Blackstone may cause the Funds and the Advisory Accounts' underlying investments to

enter into agreements regarding group procurement (such as the group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio entities and discounted due to scale) and other operational, administrative or management related matters from a third party or a Blackstone affiliate, and other similar operational initiatives that result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio entity, and in each case payments made to Blackstone in connection therewith will not be subject to the Management Fee offset provisions otherwise described herein. To the extent that a portfolio entity of an Other Blackstone Fund is providing such a service, such portfolio entity and such Other Blackstone Fund will benefit, and the benefits received by such portfolio entity providing the service may be greater than those received by the Partnership and its portfolio entities receiving the service. As a part of such benefits management, certain of the Funds and the Advisory Accounts' underlying investments may enter into an employer health program arrangement or similar arrangements with Equity Healthcare LLC ("Equity Healthcare"), a Blackstone affiliate which negotiates with providers of standard administrative services for health benefit plans and other related services and insurance carriers for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, Equity Healthcare is able to negotiate pricing terms from providers that are believed to be more favorable than the companies could obtain for themselves on an individual basis.

The payments made to Blackstone in connection with Equity Healthcare, group purchasing, insurance and benefits management will not offset the management fee payable by the Funds or the Advisory Accounts. Additionally, Blackstone will from time to time hold equity or other investments in companies or businesses (even if they are not affiliates of Blackstone) that provide services to or otherwise contract with portfolio entities. Blackstone has in the past entered (and can be expected in the future to enter) into relationships with companies in the information technology and related industries whereby Blackstone acquires an equity or similar interest in such company. In connection with such relationships, Blackstone may also make referrals and/or introductions to portfolio entities (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting Blackstone that are tied or related to participation by portfolio entities). Blackstone has also entered into an investment management arrangement whereby it provides investment management services to Fidelity & Guaranty Life Insurance Company which will involve investments across a variety of asset classes (including investments that may otherwise be appropriate for the Funds and the Advisory Accounts' underlying investments), and in the future Blackstone may enter into similar arrangements with other portfolio vehicles. In particular as it relates to co-investment opportunities that may be appropriate for the Direct Equity Program, such arrangements may reduce the allocations of investments or co-investments to the Direct Equity Program, and Blackstone may be incentivized to allocate investments or co-investments away from the Direct Equity Program 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 Direct Equity Program. The Funds and the Advisory Accounts will not share in any fees or economics accruing to Blackstone as a result of these relationships and/or participation by portfolio entities.

Blackstone receives various kinds of portfolio entity data and information (including from portfolio entities of the Funds and Advisory Accounts or the Other Blackstone Funds in which they invest), including, without limitation, data and information sharing relating to business operations, trends, budgets, customers and other metrics (this includes data that is sometimes referred to as “big data”). As a result, Blackstone may be better able to anticipate macroeconomics and other trends, and otherwise develop investment themes, as a result of information learned from a portfolio entity. In furtherance of the foregoing, Blackstone has entered and may further enter into information sharing and use arrangements with portfolio entities.

Blackstone believes that access to this information furthers the interests of the limited partners of the Funds and the clients of the Advisory Accounts by providing opportunities for operational improvements across portfolio entities and in connection with the Registrants’ investment management activities. Blackstone, however, has and expects to utilize such information outside of the activities of the Funds and the Advisory Accounts in a manner that may provide a material benefit to Blackstone without compensating or otherwise benefiting the Funds or the Advisory Accounts.

Furthermore, while trading securities of the portfolio entity to which the information specifically relates may be legally restricted, due to, among other reasons, Blackstone’s contractual restrictions under a confidentiality agreement, Blackstone shall otherwise be under no duty to refrain from trading for the benefit of Blackstone and/or an Other Blackstone Fund in the securities of unaffiliated issuers while using or otherwise being in possession of such information. For example, Blackstone’s ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio company and/or entity in the same or related industry. Such trading may provide a material benefit to Blackstone without compensating or otherwise benefiting the Funds or the Advisory Accounts.

The sharing and use of “big data” and other information presents potential conflicts of interest and the limited partners of the Funds and the Advisory Accounts acknowledge and agree that any corresponding/resulting benefits received by Blackstone will not be subject to the management fee offset provisions or otherwise shared with such limited partners. As a result, the General Partner has an incentive to pursue Investments in companies and/or entities based on their data and information and/or to utilize such information in a manner that benefits Blackstone.

In addition, it is possible that certain portfolio entities of the Other Blackstone Funds or companies in which the Other Blackstone Funds have an interest will compete with the Direct Equity Program for one or more co-investment opportunities.

In addition, portfolio entities and affiliates of Blackstone may also establish other investment products, vehicles and platforms focusing on specific asset classes or industry sectors (such as reinsurance), which may compete with the Direct Equity Program for co-investment opportunities (it being understood that such arrangements may give rise to conflicts of interest that may not necessarily be resolved in favor of the Direct Equity Program).

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

Blackstone Strategic Relationships. Blackstone has entered, and it can be expected that Blackstone in the future will enter, into Strategic Relationships. A “Strategic Relationship” often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, one or more of which may include a Fund or Advisory Account. Investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts on and/or reimbursement of management fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone funds (including, without limitation, preferential allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone vehicles (including any carried interest and/or management fees to be charged with respect thereto)). The co-investment that is part of a Strategic Relationship may include co-investment in investments made by a Fund or Advisory Account. Strategic Relationships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to investors in the Fund or Advisory Account.

Line of Credit Disclosure. The Secondary Funds are typically parties to one or more subscription-based credit facilities and borrowings by the Secondary Funds under such facilities will generally be secured by each Secondary Fund’s investors’ capital

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

Reliance on Sponsors. The Secondary Funds and Advisory Accounts invest in primarily third party sponsored domestic and internationally privately offered funds managed by sponsors that are unrelated to Blackstone and, indirectly, in investments selected by such unrelated sponsors. The Direct Equity Program invests in sponsored co-investment opportunities made available either by sponsors that are unrelated to Blackstone or by Blackstone. The Registrant will not have an active role in the management of the Underlying Funds managed by such sponsors through which the Secondary Funds, the Direct Equity Program or the Advisory Accounts invest. In evaluating potential investment or co-investment opportunities, the General Partners and the Registrant will rely to a large extent on the due diligence and the materials provided by the sponsor of such opportunity and may have only limited access and opportunity to conduct due diligence of (and receive information directly from) the prospective Underlying Fund. Moreover, the Secondary Funds, the Direct Equity Program or the Advisory Accounts, as applicable, may not be able to dispose of its investment in an Underlying Fund if the General Partner or the Registrant is dissatisfied with such Underlying Fund's (or its underlying investments') performance. The sponsor of the Secondary Funds', the Direct Equity Program's or the Advisory Accounts' investments and co-investment will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing, monitoring and eventually divesting

investments made by Underlying Funds through which the Secondary Funds, the Direct Equity Program or the Advisory Accounts invest. Accordingly, the returns of the Secondary Funds, the Direct Equity Program or the Advisory Accounts will depend significantly on the performance of these unrelated sponsors and could be substantially adversely affected by the unfavorable performance of such sponsors. Moreover, the historical performance of fund sponsors is not a guarantee or prediction of their future performance, which can vary considerably. In addition, the day-to-day operations of each Underlying Fund will generally be the responsibility of such company's management team and similar risks arise as a result of the Secondary Funds', the Direct Equity Program's or the Advisory Accounts' dependence on such management.

While the General Partners (or an affiliate of the General Partners to the extent an Other Blackstone Fund is investing alongside the Direct Equity Program in such investment) will undertake due diligence as to the approach taken by such sponsors (and prospective Underlying Funds) as to portfolio and risk management, conflicts of interest, environmental, social and corporate governance issues and other relevant matters, the General Partners will generally not be in a position to change such approach. Similarly, while the General Partners will typically ascertain what, if any, transaction fees or directors', advisory, consulting, monitoring, banking or other similar types of fees (collectively, "Portfolio Company Fees") the sponsor (which, for the avoidance of doubt, may be affiliates of Blackstone) receive from the Underlying Funds, as well as the extent to which Portfolio Company Fees are offset against the management fees that are earned by the managers from Underlying Funds, the General Partners may not be in a position to negotiate the level of any such offset and further will not be responsible for determining whether managers are correctly calculating Portfolio Company Fees or fee offsets. Rather, it will be the responsibility of the managers and their service providers (including their administrators and auditors) to verify these calculations.

Possible Future Activities. Blackstone, the Registrant and their affiliates may expand the range of services that they provide over time. Except as provided herein, Blackstone, the Registrant and their affiliates will 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.

Conflicting Interests. Conflicts of interest may arise in circumstances where the Funds or the Advisory Accounts, as applicable, make an investment in an Underlying Fund (including Other Blackstone Funds) which in turn has an interest in a portfolio entity in which an Other Blackstone Fund or an affiliate of Blackstone also holds an interest. In addition, there may be circumstances where Other Blackstone Funds and/or affiliates may make investments in the same portfolio entity in which the Funds or the Advisory Accounts, as

applicable, have an indirect interest, including at different levels of such portfolio entity's capital structure.

To the extent any Other Blackstone Funds and/or affiliates hold interests relating to portfolio entities in which the Funds or the Advisory Accounts, as applicable, have an indirect interest that are different (or more senior) than those held by the Funds or the Advisory Accounts (or vice versa), Blackstone may be presented with decisions involving circumstances where the interests of the Funds or the Advisory Accounts, as applicable, are in conflict with those of such Other Blackstone Funds and/or affiliates. For example, Blackstone sponsors a number of Other Blackstone Funds that focus primarily on making debt, credit and mezzanine-oriented investments relating to portfolio entities, including portfolio entities in which the Funds or the Advisory Accounts, as applicable, may have an indirect interest, and also sponsors and/or manages Other Blackstone Funds which may, from time to time, make secondary investments that may otherwise be appropriate for the Funds or the Advisory Accounts.

To the extent any such Other Blackstone Funds and/or their affiliates acquire and/or otherwise hold debt securities or other similar interests in portfolio entities in which the Funds or the Advisory Accounts, as applicable, have an indirect equity interest, the interests of such Other Blackstone Funds and/or affiliates may diverge from the interests of the Funds or the Advisory Accounts, as applicable (including, in particular, in the event of financial distress or bankruptcy of such portfolio entities). The investment activities of such Other Blackstone Funds and/or affiliates will generally be carried out without regard to the activities of the Registrant, and affiliates of Blackstone may take actions or provide advice with respect to such Other Blackstone Funds and affiliates that may differ from or otherwise conflict with the interests of the Funds.

ERISA and Plan Assets Issues. To the extent the assets of any Funds or Advisory Accounts, as applicable, constitute "plan assets" within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), such Funds or the Advisory Accounts, as applicable, may be precluded from making investments, or further investments, as the case may be, in Other Blackstone Funds or otherwise engaging in transactions with affiliates of Blackstone as a result of the party-in-interest and "prohibited transaction" rules under ERISA. In the case of any Advisory Account whose assets constitute "plan assets," the Independent Evaluator will evaluate any proposed investment by such Advisory Account in such Other Blackstone Fund and such Advisory Account will only make such investment if it is approved by the Independent Evaluator. Such limitation could affect the ability of certain of the Funds or the Advisory Accounts, as applicable, to consummate attractive secondary investments and/or effectively achieve their investment objectives by precluding further investments in Other Blackstone Funds.

Other Blackstone Funds; Allocation of Investment Opportunities. While it is anticipated that the Secondary Funds will be the primary investment vehicles at Blackstone through

which mature secondary investments in Underlying Funds will be pursued, Blackstone currently manages, and may subsequently establish, Other Blackstone Funds, which may from time to time make secondary investments that would otherwise be appropriate for the Secondary Funds. Any such Other Blackstone Funds and/or affiliates (including other business units within Blackstone) will not be restricted from sourcing and/or making investments that may otherwise be appropriate for the Secondary Funds, which may result in increased competition for suitable investments opportunities and may ultimately affect the Secondary Funds' ability to effectively achieve their investment objectives. With respect to any such Other Blackstone Funds that have investment objectives or guidelines that overlap with those of the Secondary Funds, in whole or in part, investment opportunities that fall within such common objectives or guidelines will generally be allocated among the Secondary Funds and such Other Blackstone Funds on a basis that the general partner of such Secondary Funds determines is fair and reasonable in good faith in its sole discretion, subject to (i) any applicable investment parameters, limitations or other contractual provisions of such Secondary Funds and such Other Blackstone Funds, (ii) the Secondary Funds and such Other Blackstone Funds having available capital with respect thereto and (iii) legal, tax, regulatory and other considerations deemed relevant by the general partner of such Secondary Funds, including without limitation, the specific nature of the investment, size and type of the investment, relative investment strategy and primary investment mandates, other anticipated uses of capital, the source of the investment opportunity, the investment focus, guidelines, limitations, and strategy of each investment fund or vehicle, portfolio diversification concerns, contractual obligations, the anticipated tax treatment of the investment, anticipated holding period and remaining investment periods, co-investment arrangements, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to such Secondary Funds and such other vehicle, Blackstone's assessment of expected returns, and other considerations deemed relevant by the general partner of such Secondary Funds in good faith. As a result of the foregoing, the Secondary Funds may not participate (and/or not participate to the same extent) in certain investment opportunities in which they would have otherwise participated had the related allocations been determined without regard to such methodology and/or based only on the circumstances of those particular investments.

In addition, while the Secondary Funds and Advisory Accounts are not expected to participate in the ordinary course in the co-investment opportunities that the Direct Equity Program seeks to participate in, it is possible that the Registrant may determine in good faith that it is appropriate to allocate some or all of such co-investment opportunities to the Secondary Funds or Advisory Accounts. Furthermore, Blackstone currently manages, and may subsequently establish, Other Blackstone Funds, which may themselves (or whose limited partners) from time to time seek to participate in co-investments that would otherwise be appropriate for the Direct Equity Program, which may impact the available co-investment opportunities available to the Direct Equity Program.

In connection with allocating co-investment opportunities among Direct Equity Program vehicles, based on the offering and/or governing documents of the particular Direct Equity Program vehicle, it may be the case that one or more Direct Equity Program vehicles (or their limited partners) may not be eligible to participate in certain co-investment opportunities. In such case, the Registrant generally expects to allocate the portion of the opportunity otherwise attributable to the ineligible vehicle to the eligible vehicles, in good faith and in a manner that is fair and equitable.

The Registrant generally expects to select investments for the Funds that are suitable for the investment objectives of such funds. There may be circumstances in which an investment opportunity is suitable for more than one Fund and/or Advisory Account managed by the Registrant. Such investment opportunity may, in the discretion of the Registrant, be allocated on a basis that the Registrant believes to be fair and reasonable, taking into account such factors as it deems relevant.

A portion of each investment may be allocated to Blackstone and its affiliates. The Funds may lend an amount to Blackstone and its affiliates with respect to its pro rata share of such investments in those circumstances where such Fund is borrowing with respect thereto on a short-term basis; provided, that any such amounts so borrowed shall be (x) on a short-term basis (based on such Fund's general partner's reasonable belief at the time of the investment) and (y) on no more favorable terms than those applicable to such Fund's borrowing of the related proceeds. In addition, subject to the offering and/or governing documents of such Fund, that Fund's general partner may permit certain Blackstone personnel and other professionals responsible for portfolio operations and other similar operational initiatives with respect to one or more portfolio entities to participate in these side-by-side rights on an investment by investment basis. The general partners of the Funds intend to limit participation by any such professionals to investments involving portfolio entities with respect to which such general partners expect in good faith that such professionals will be materially involved following the consummation of such Investment. Blackstone's participation in such "Side-by-Side Investment" program is expected to include Blackstone professionals and employees, Other Blackstone Funds or entities, other key advisors/relationships of Blackstone and/or endowment funds, charitable programs and/or other similar or related entities associated with Blackstone or its affiliates. Such side-by-side investments do not bear fees and generally result in the Funds being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side investment rights. Additionally, Other Blackstone Funds will be (or have the preferred right to be) permitted to participate in Blackstone's side-by-side investment rights. In particular, certain funds, vehicles, accounts and other similar arrangements managed by Blackstone Multi-Asset Advisors L.L.C. ("**BMAA**," and such funds, the "**BMAA Advised Funds**") are expected to participate in investments alongside certain of the Funds pursuant to Blackstone's side-by-side investment rights or other co-investment arrangements. While such investments are expected to represent a small portion of the overall portfolio allocation of the BMAA Advised Funds, the BMAA Advised Funds may

nonetheless participate in investments alongside certain Funds, which will from time to time result in the BMAA Advised Funds receiving a share of a material portion of investments by such Funds. In such cases, the BMAA Advised Funds would be eligible to receive fees and carried interest on its portion of any such investment.

The existence of different rates of carried interest and/or management fees paid by the Secondary Funds, the Direct Equity Program and the Advisory Accounts may be less than or exceed the amount of carried interest charged and/or management fees paid by Other Blackstone Funds. Such variation may create an incentive for Blackstone to allocate a greater percentage of an investment opportunity to the Funds and/or Advisory Accounts, as applicable, or such Other Blackstone Funds, as the case may be.

In addition, there will be occasions when investment opportunities falling within the mandates of the Advisory Accounts will also meet the investment objectives of Other Blackstone Funds. In such circumstances, Blackstone or the Registrant (i) may be required or permitted to allocate such opportunities in whole or in part to one or more Other Blackstone Funds in accordance with the governing documents of such Other Blackstone Funds or (ii) may otherwise allocate such opportunities between the Advisory Accounts and any such Other Blackstone Funds on a basis that the Registrant determines to be fair and equitable, measured over time and taking into account considerations deemed relevant by the Registrant.

For further discussion of such considerations, please see **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.**

Co-Investment Opportunities. There will be circumstances where an amount that would have otherwise been invested by the Secondary Funds is instead allocated to co-investors (who may or may not be limited partners of such Secondary Funds or to investors in the Direct Equity Program, including, for greater certainty, limited partners of Other Blackstone Funds), and there is no guarantee for any limited partner that it will be offered any co-investment opportunities. As a general matter, the allocation of co-investment opportunities is entirely discretionary, and it is expected that many investors who may have expressed an interest in co-investment opportunities may not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested. The Registrant will take into account various facts and circumstances deemed relevant by the Registrant. Such factors are likely to include, among others, (i) whether a potential co-investor played a role in sourcing a particular opportunity, (ii) the ability of a potential co-investor to execute a co-investment transaction quickly and efficiently, (iii) the reliability and creditworthiness of a potential co-investor, (iv) indications of interest from a limited partner in co-investment opportunities (it being understood, for the avoidance of doubt, that a limited partner's indication of its interest in co-investment opportunities will not ensure its consideration for any opportunity) and (v) any other strategic considerations (including, but not limited

to, the length of time that a potential co-investor has had an investment relationship with Strategic Partners or Blackstone and the size of a potential co-investor's capital commitment to the Fund or other product managed by Strategic Partners or Blackstone) (for further discussion of such considerations, please see **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**). Blackstone may agree with investors to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to investors in the Funds. It is expected that many limited partners who may have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested.

In addition, the Registrant and/or its affiliates may be incentivized to offer certain potential co-investors the opportunities to co-invest since the amount of carried interest and/or management fee to which the Registrant and/or its affiliates are entitled under the arrangements with such co-investors, including with respect to such co-investor's participation in the Funds and/or Other Blackstone Funds, may depend on, among other things, the extent to which such co-investors participates in co-investments.

Further, it can be expected that Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral or sharing of investment opportunities. While it is possible that the Funds and/or Advisory Accounts will, along with Blackstone itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Funds and/or Advisory Accounts would instead be referred (in whole or in part) to such third party. For example, a firm with which Blackstone has entered into a strategic relationship may be afforded with "first-call" rights on a particular category of investment opportunities.

Significant Competition for Co-Investments Appropriate for the Direct Equity Program.

The activity of identifying, completing and realizing attractive private equity, credit and other opportunistic investments that fall within the Direct Equity Program's investment objective is highly competitive and involves a high degree of uncertainty. The availability of co-investment opportunities generally will be subject to market conditions. The Direct Equity Program expects that sponsors from which the Direct Equity Program may wish to seek co-investment opportunities (including Blackstone affiliates) will encounter competition from other entities having similar investment objectives and others pursuing the same or similar opportunities. In addition, in seeking co-investment opportunities, the Direct Equity Program expects to encounter competition from other entities having similar investment objectives and others pursuing the same or similar opportunities. In addition, the Direct Equity Program will be competing for co-investments opportunities with investors in the funds (including Underlying Funds) and accounts managed by sponsors

(including Blackstone and other managers of Underlying Funds) of the Direct Equity Program's potential co-investments as well as with financial institutions and other investors. Over the past several years, both the number of competitors for co-investment opportunities and their available capital have increased, and additional capital will likely be directed at this sector in the future. Some of the Direct Equity Program's competitors may have greater access to co-investment opportunities and greater ability to complete investments than the Direct Equity Program, or may have greater resources or different return criteria than the Direct Equity Program, any of which would afford them a competitive advantage. In connection with investments that the Direct Equity Program may seek to make in private companies, pre-emptive rights in such companies may create competition from existing investors with respect to investments in such companies.

Potential competitors include other alternative investment firms, financial sponsors, corporations, business development companies, strategic industry participants, sovereign wealth funds, hedge funds, other institutional investors and one or more affiliates of Blackstone (including the Other Blackstone Funds). Further, over the past several years, an increasing number of private equity, real estate, credit, opportunistic funds and other similar vehicles have been formed and others have been consolidated. Additional funds with the same or similar investment objectives (including Other Blackstone Funds) may be formed in the future by Blackstone and/or other unrelated parties (including certain investment funds managed by Patria), which may compete with the Direct Equity Program for appropriate co-investment opportunities. In addition, certain Other Blackstone Funds that have investment objectives that overlap with those of the Direct Equity Program (whether now in existence or subsequently established) may share and/or receive priority with respect to certain investment opportunities falling within the primary focus of such Other Blackstone Funds or otherwise receive allocations of investments otherwise appropriate for the Direct Equity Program (including, for example, Other Blackstone Funds established to primarily pursue investments relating to specific geographic regions or asset classes). The Direct Equity Program may also incur sourcing, bid, due diligence or other costs on investments which may not be successful. As a result, the Direct Equity Program may not recover all of its costs, which may adversely affect returns. To the extent that the Direct Equity Program, or a sponsor, or an Underlying Fund through which the Direct Equity Program intends to make its investment, encounters competition for investments, returns to the participants in the Direct Equity Program may decrease.

Multiple Exposure to Portfolio Entities. The Direct Equity Program will generally co-invest in Underlying Funds alongside funds, investment vehicles or accounts managed by sponsors (including Other Blackstone Funds). Other funds advised by the Registrant as well as Other Blackstone Funds may also co-invest alongside the Direct Equity Program. To the extent an investor in the Direct Equity Program is also invested in a sponsor's fund, investment vehicle or account (including a Secondary Fund) with which the Direct Equity Program is co-investing or holds an investment in an Other Blackstone Fund that is co-

investing with the Direct Equity Program, such investor's exposure to the applicable investment (and the risks related thereto) will increase and such investor's investment portfolio will be more concentrated than would otherwise be the case.

Certain Investment-Related Potential Conflicts Relating to the Funds and the Advisory Accounts. The Registrant serves as investment manager for (i) the Secondary Funds, which focus primarily on making secondary investments in or relating to mature private investment funds, (ii) the Direct Equity Program, which focus primarily on making co-investments directly in issuers (typically through an Other Blackstone Fund), and (iii) the Advisory Accounts, which focus primarily on making primary investments in or relating to private investment funds. While the Registrant does not expect cross transactions to occur between a Secondary Fund, a Direct Equity Program vehicle and/or an Advisory Account, it is possible that an interest in a primary investment initially made by an Advisory Account could be sold to a Secondary Fund in a secondary transaction, or that a co-investment made by one Direct Equity Program vehicle could be sold to another Direct Equity Program vehicle. Any such transaction would give rise to actual or potential conflicts of interest. If any such cross transaction between a Fund on the one hand and an Advisory Account or other Fund on the other, is effected, such transaction (x) will be conducted in accordance with the Registrant's fiduciary responsibility to such participating Fund and Advisory Account and applicable law, (y) must be in the best interest of such participating Fund and Advisory Account and (z) must be consistent with the Registrant's duty to seek best execution.

Additionally, the side by side management of the Advisory Accounts and the Funds may give rise to potential conflicts of interest. For example, a manager of an Underlying Fund may be more likely to offer its consent to a Secondary Fund's investment in such Underlying Fund on a secondary basis, or to a Direct Equity Program vehicle's participation in a co-investment alongside an Underlying Fund, if an Advisory Account or a separate Secondary Fund is invested or is planning to invest on a primary basis in such Underlying Fund, or another Underlying Fund managed by such manager. Further, in certain circumstances, a manager of an Underlying Fund may require a primary investment in such Underlying Fund or another Underlying Fund managed by such manager, or may require participation in a co-investment alongside an Underlying Fund managed by such manager, as a condition to receipt of its consent to invest on a secondary basis. In such situations, the Registrant may be incentivized to make investments for an Advisory Account, Secondary Fund or Direct Equity Program vehicle that it would not otherwise recommend in order to benefit a separate Fund. Furthermore, the fact that an Advisory Account or Secondary Fund is invested in an Underlying Fund, or that a Direct Equity Program vehicle is invested in a co-investment opportunity, may lead to opportunities for a separate Fund to engage in a transaction or co-investment with respect to such Underlying Fund that may benefit such Fund and not such Advisory Account or separate Fund. In addition, the Registrant may receive information in connection with primary investments of an Advisory Account or secondary investment or co-investment of a Fund that assists the Registrant in evaluating

transactions for the Funds not holding such investments or co-investments. The Registrant may also transact with respect to an Underlying Fund on a secondary basis at a price that differs from the value of an investment in such Underlying Fund as reported by its manager; in such case, the price difference may serve to benefit or harm an Advisory Account, Direct Equity Program vehicle or Secondary Fund invested in (or through) such Underlying Fund to the extent such price difference influences prices for its Underlying Fund interest or co-investments. Finally, the Registrant may be able to negotiate more favorable terms for Advisory Accounts or Funds with Underlying Funds or co-investments, when making a primary investment than it is able to negotiate for the Secondary Funds or Direct Equity Program vehicles investing on a secondary or co-investment basis, as negotiations are often limited when investing on a secondary or co-investment basis.

Below is a listing of the Registrant's affiliates:

Broker-Dealer Entities	
Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Alight Financial Solutions, LLC*	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Incenter Securities Group LLC***	Provides a variety of limited investment banking services
Investment Advisor Entities	
Alight Financial Advisors, LLC*	Provides advisory services to participants of plan sponsored 401(k) retirement plans
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds and UCITS

Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Debt Advisors L.P.	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone 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 Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds

Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private 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 Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds

Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt-focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third party insurance company
CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt-focused separately managed accounts
GSO Capital Partners International LLP	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts

GSO Capital Partners LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
GSO/Blackstone Debt Funds Management 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 Master Limited Partnerships and the North American energy market
Incenter Capital Management LLC***	Provides investment advisory services to mortgage related asset private funds and managed accounts
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to the registrant
Newstar Capital LLC*	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in liquid credit
Newstar Commercial Loan Originator II LLC*	Provides investment advisory services to CLO's specializing in middle market credit
Newstar Financial, Inc*	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in middle market credit
Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities	
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
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 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

Blackstone Strategic Capital Advisors L.L.C. (CPO)	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Treasury Solutions Advisors L.L.C. (CPO)	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Insurance Entities	
Agents National Title Holding Company***	A wholly owned subsidiary of Incenter and is a title insurance broker serving consumers and lenders through a network of independent title agents
Boston National Holdings LLC***	A wholly owned subsidiary of Incenter and is a title insurance agency
HealthMarkets Insurance Agency, Inc.*	An independent health insurance agency that distributes healthcare and Medicare advantage insurance products from more than 200 insurance companies, as well as its own underwritten supplemental insurance products
Lexington National Land Services**	Places title insurance and provides title services for real property owned by various funds and/or their portfolio entities
Rothsay Life Plc***	Life insurer specializing in bulk annuities and other de-risking solutions for defined benefit pension schemes and insurance companies

* Portfolio entity of affiliated private equity fund

** Joint venture between Blackstone and an existing title agent

*** Portfolio entity of affiliated Tactical Opportunities funds

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

Potential Conflicts of Interest Specific to Blackstone Advisory Partners L.P.

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

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

Item 11 – Code of Ethics

A. Code of Ethics

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

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

The Code addresses, among other things, the following:

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

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

Potential Conflicts of Interest

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

The Registrant’s related persons may from time to time have bought or sold, or may subsequently buy or sell, for their personal accounts, securities which may also be purchased or sold for the account of the Funds or the Advisory Accounts. The Registrant

and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that all such personal securities transactions receive pre-clearance from the legal and compliance department. These guidelines are designed to comply with SEC requirements that registered investment advisors have a Code of Ethics. In addition, Blackstone has implemented certain policies and procedures (e.g., information walls) to restrict access to material non-public information. Blackstone's Code of Ethics is available for review upon request.

You may request a copy of the Code of Ethics by contacting the Registrant's Chief Compliance Officer, Jeffrey Iverson, at +1 (646) 482-8996 or Jeffrey.Iverson@Blackstone.com.

Item 12 – Brokerage Practices

Best Execution

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

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

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

The Registrant's brokers and other service providers also may be investors in the Secondary Funds or the Direct Equity Program. As consideration for services provided,

these brokers and other service providers will receive reasonable and customary fees or commissions.

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

Principal Trading

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

Cross Transactions

The Registrant, to the extent permitted under applicable law, may effect cross transactions in which the Registrant causes a transaction to be effected between a Fund or an Advisory Account on the one hand and another account advised by the Registrant or any of its affiliates on the other. Cross trades will be conducted in accordance with the Registrant’s fiduciary responsibility to each participating Fund or Advisory Account, as applicable, must be in the best interest of each participating Fund or Advisory Account, as applicable, and must be consistent with the Registrant’s duty to seek best execution.

Allocation and Aggregation Procedures

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

Secondary Funds

While it is intended that the Secondary Funds will be the primary vehicles managed by Blackstone for secondary investments in mature private equity funds meeting the

Secondary Funds' investment criteria, there is no requirement that affiliates of the Registrant offer opportunities to make secondary investments exclusively to the Secondary Funds (as more fully described in the governing agreements of the Secondary Funds). Blackstone currently manages, and may subsequently establish, Other Blackstone Funds, which may from time to time make secondary investments that would otherwise be appropriate for the Secondary Funds, which may impact the available investment opportunities for the Secondary Funds.

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

Direct Equity Program

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

Advisory Accounts

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

Fund, the amounts of capital available for investment and other considerations deemed relevant by the Registrant in good faith.

Trade Errors

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

Item 13 – Review of Accounts

Ongoing Review of Accounts

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

- Compliance with the investment strategy and restrictions provided in the specific offering documents of the relevant Fund or Advisory Account
- 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 may be 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 may meet and discuss the review of investment advisory accounts on a more frequent, informal basis. The Investment Committee also conducts regular credit reviews based on monitoring and analysis performed by investment analysts.

Reports

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

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

Item 14 – Client Referrals and Other Compensation

For certain of the Funds, the Registrant has entered into distribution and/or placement agent arrangements. In a typical distribution/placement arrangement, the Registrant agrees to pay a third party solicitor for referring investors in the Funds.

Typically, the third party solicitors will receive a portion of the management fee paid and/or performance allocation made to the Registrant or its affiliates (although other payment arrangements could exist). A prospective investor solicited by a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be paid by the Registrant and the investor will not be subject to any increased or additional fees or charges. Third party solicitors in the U.S. will be registered as broker-dealers with the SEC. Third party solicitors outside the U.S. may be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

Item 15 – Custody

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

Item 16 – Investment Discretion

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

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

Item 17 – Voting Client Securities (Proxy Voting)

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

The Funds and Fund investors and the Advisory Account clients may request a copy of the Proxy Voting Policies and Procedures by contacting Jeffrey Iverson at +1 (646) 482-8996 or Jeffrey.Iverson@Blackstone.com.

Item 18 – Financial Information

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