

Item 1 – Cover Page

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as of March 30, 2020

Form ADV, Part 2A; the “Disclosure Brochure” or “Brochure” provides information about the qualifications and business practices of Clarus Ventures, LLC (the “Advisor”).

If you have any questions about the contents of this Brochure, please contact us at (617) 949-2200. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The Advisor is registered with the SEC as an investment adviser. The Advisor’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications the Advisor provides to you, including this Brochure, serve as information for you to use to evaluate the Advisor and should be considered in your decision whether to invest in an investment vehicle advised by the Advisor.

Additional information about the Advisor is also available at the SEC’s website www.adviserinfo.sec.gov (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in “Clarus Ventures”). The search results will provide you with both Parts 1 and 2A of our Form ADV.

Item 2 – Material Changes

There has not been a material change to this Brochure since the last annual update on March 29, 2019 other than updated information regarding the conversion of the Advisor's indirect parent company from a limited partnership to a corporation effective July 1, 2019.

However, please carefully read Items 5, 8 and 10, which have expanded upon the description of certain fees and expenses, potential risk of loss and potential conflicts of interest (including, for example, in respect of Portfolio Entity relationships), respectively.

The Advisor, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (e-mail) or in hard copy form). If you would like another copy of this Brochure, please download it from the SEC's website as indicated on the cover of this Brochure, or you may contact us at (617) 949-2200.

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Item 4 – Advisory Business

The Advisor is a Delaware limited liability company. The Advisor provides investment advisory services to Clarus Lifesciences I, L.P.; Clarus Lifesciences II, L.P.; Clarus Lifesciences III, L.P.; Clarus Defined Exit I, L.P.; Clarus Defined Exit II, L.P.; Clarus IV-A, L.P.; Clarus IV-B, L.P.; Clarus IV-C, L.P.; and Clarus IV-D, L.P. and to any parallel or alternative investment vehicle formed in connection therewith (together, the “Funds”). Affiliates of the Advisor serve as the general partner (the “General Partners”) of each of the Funds.

References throughout this Brochure to the term “Sponsor” describe, as the context or applicable law requires, individually and collectively, the General Partner of the applicable Fund(s) and the Advisor, and all references herein to the Sponsor or to any rights, powers, responsibilities, or activities of the Sponsor are qualified in all respects by the offering documents and Organizational Documents (as defined below) of the applicable Fund(s), all of which should be carefully reviewed by each potential investor in a Fund for, among other things, a more detailed description of the relative rights, powers, responsibilities and activities of each of the applicable General Partner(s) and the Advisor.

The ultimate parent of the Advisor is The Blackstone Group Inc., which is a publicly traded corporation listed on the New York Stock Exchange and which trades under the ticker symbol “BX”. The Blackstone Group Inc. (together with its affiliates, “Blackstone”) is a leading global alternative investment manager with investment vehicles focused on the private equity, real estate, hedge fund solutions, non-investment grade credit, secondary private equity funds of funds and multi-asset class strategies. Effective as of July 1, 2019, The Blackstone Group Inc. converted from a Delaware limited partnership named The Blackstone Group L.P. to a Delaware corporation.

Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.

The Advisor’s regulatory assets under management were \$1,745,005,781 as of December 31, 2019.

References throughout this Brochure to the term “Other Blackstone Clients” describes, as the context requires, individually and collectively, any of the following in existence on the date hereof and those that may be formed in the future: (i) any funds, vehicles or accounts, including separately managed accounts, managed or advised by Blackstone other than the Funds and (ii) any vehicles formed in connection with Blackstone’s side-by-side or additional general partner investments relating thereto.

Description of Advisory Services:

The Sponsor serves as investment advisor to the Funds pursuant to the terms of the investment advisory agreements (the “Advisory Agreements”) with respect to each of the Funds, and makes investment decisions for the Funds including by evaluating investments for the Funds.

The individual needs of the investors in the Funds are not the basis of investment decisions by the Sponsor. Investment advice is provided directly to the Funds by the Sponsor and not individually to the Funds' investors.

Item 5 – Fees and Compensation

Management Fees and Performance Fees

Per the Advisory Agreements with each of the Funds, the Sponsor is entitled to compensation for its services in the form of a management fee (the “Management Fee”), generally payable quarterly in advance. The Management Fee is based on either invested capital or committed capital, depending on the Fund and whether its investment period is currently active. Prorated refunds would be provided for partial quarters, if any, to the extent applicable. As set forth in Item 6 below, the Sponsor is also eligible to receive performance-based or “carried interest” allocations. The Confidential Private Placement Memorandum (as supplemented from time to time) and the Partnership Agreement and Advisory Agreements (collectively, the “Organizational Documents”) of each Fund include further details on fees and compensation and related matters.

Management Fees and performance-based allocations are either withheld from distributions or invoiced at an appropriate time pursuant to a capital call notice (in the case of Management Fees).

Other Fees Payable to the Sponsor and its Affiliates

In addition to the Management Fee and performance-based allocations (see Item 6 below), the Sponsor and its affiliates may receive a variety of other fees as part of the investment activities of the Funds and with respect to the Funds’ Portfolio Entities. The Management Fee paid by investors in the Funds will generally be offset by the amount of certain fees, including directors’ fees, commitment fees, break-up fees, monitoring fees and success fees, or other remuneration paid by the Funds to the Sponsor (but excluding any fees or remuneration paid to any “venture partner”, “entrepreneur in residence” or other similar employee, or consultant to, the Sponsor, or with respect to any of the foregoing persons plus executives and officers, any Development Company) net of expenses, subject to the terms of the Organizational Documents of the applicable Fund.

Any such fees that result in an offset to the Management Fee only apply to the extent it is made as part of the Funds’ investments in such Portfolio Entity. As a result, in the case of directors’ fees with respect to a Portfolio Entity, the Management Fee will not be reduced or offset to the extent any Blackstone and/or Sponsor employees or professionals receive directors’ fees relating to continued director service after the Funds have exited the Portfolio Entity and/or following the termination of such employee’s employment with Blackstone and/or the Sponsor. In addition, the Sponsor may also engage and retain on behalf of its Funds and/or their Portfolio Entities, venture partners, entrepreneurs in residence, senior advisors, consultants, and other similar professionals who are not employees or affiliates of the Sponsor and who may, from time to time, receive payments from, or allocations with respect to, Portfolio Entities

or the Funds, and such amounts will not offset the Management Fee paid by the Funds (See “Advisors, Consultants and Partners” in Item 10 below).

The precise amount of, and the manner and calculation of, the fees and compensation described above, including the Management Fee and performance-based compensation, are established by the Sponsor through negotiations with investors in each Fund, and the offering documents, the Organizational Documents and the Advisory Agreement of each Fund include further details on such fees, compensation and related matters.

Expenses

The following is a list of expenses that are typically borne by the Funds (and indirectly by the investors in the Funds). This list is not intended to be exhaustive; prospective and existing investors in the Funds are advised to review the applicable Fund offering materials and Organizational Documents for a more extensive description of the expenses associated with an investment in the Funds.

- all costs and expenses incurred in identifying, investigating, developing, negotiating, structuring, acquiring, sourcing, trading, settling, monitoring, tracking and holding investments (whether or not consummated), including legal, tax, accounting and travel expenses (including first or business class commercial travel and, in the event the Sponsor determines in its reasonable discretion that commercial air travel would be impractical, the actual cost of non-commercial air travel at rates not in excess of customary commercial rates) in connection therewith;
- expenses (including legal, advisory and accounting expenses) incurred in connection with the identification, negotiation and structuring of corporate partnerships and other strategic corporate relationships of the Funds and their affiliates;
- costs and expenses of third party appraisals of prospective investments (whether or not consummated);
- broken-deal expenses;
- brokerage fees and commissions and prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs;
- fees and expenses attributable to “back office” support functions provided by third party service providers;
- payments to legal counsel, tax advisors, auditors, accountants, administrators, custodians, consultants and other outside advisors;
- reasonable expenses of each Fund’s Investor Committee attributable to such Fund and its activities;
- costs and expenses in connection with the Funds’ legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other laws and regulations applicable to the Funds

(including, for example, expenses associated with compliance with the AIFMD) and third-party expenses incurred in connection with the preparation and administration of filings in connection with such laws or regulations;

- expenses incurred in connection with the managed distribution of marketable securities;
- insurance premiums and other related costs;
- market data costs;
- research-related expenses (including, without limitation, news and quotation equipment, software and services);
- other expenses related to the purchase, monitoring, sale, settlement, custody or transmittal of assets of the Funds;
- costs of any investigation, litigation or threatened litigation relating to the business or activities of the Funds or the Sponsor;
- all indemnification obligations set forth in the Organizational Documents;
- principal, interest and other expenses for borrowed money (including but not limited to legal and other costs associated with the negotiation and documentation of agreements with one or more lenders);
- any taxes, fees or government charges that may be assessed against the Funds;
- any extraordinary expense of the Funds, including fees and expenses associated with any tax or other audit, investigation, settlement or review of the Funds;
- liquidation expenses and costs of the Funds (including payment of any liquidation or similar fee);
- costs and expenses of annual and special meetings of each Fund's Investor Committee or otherwise holding meetings or conferences with investors in a Fund, whether individually or in a group (including the travel and other out-of-pocket costs and expenses incurred by the Sponsor in planning and attending such meetings such as for example, set-up, room and board, honorarium, dining, entertainment, and related expenses);
- costs of preparing financial statements and reports and delivering the same to the investors in the Funds and the Funds' affiliates, including but not limited to web portal and other technology costs, as well as tax returns and Schedule K-1s;
- compliance with specialized reports, assistance or documentation requested by specific investors;

- costs incurred in connection with preventing, enforcing or otherwise addressing any event of default by an investor;
- organizational expenses;
- data management and data-related services;
- Management Fees;
- Expenses related to certain personnel of the Sponsor and/or Blackstone and their affiliates, including Consultants, seconded to Portfolio Entities, vendors or service providers of the Funds and Other Blackstone Clients to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Funds or other parties (see “Secondments and Internships” in Item 10 below); and
- all other expenses properly chargeable to the activities of the Funds.

Investors in a Fund are allocated their *pro rata* share of such additional fees and expenses. Pursuant to the Organizational Documents of certain Funds, all expenses (including organizational, legal, reporting and compliance-related expenses and other expenses described in Item 5 above) are generally allocated between such Funds on a *pro rata* basis.

From time to time, the Sponsor will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or the Sponsor, on the other, and/or whether and how certain costs and expenses should be allocated between or among the Funds and/or Other Blackstone Clients. Certain expenses may be suitable for only a particular Fund and borne only by such Fund, or, as is more often the case, expenses may be allocated *pro rata* among the Funds even if the expenses relate only to particular vehicle(s) and/or investor(s) therein.

With respect to broken deal expenses, the Funds will generally be required to bear their *pro rata* portion of broken deal expenses in accordance with the amount they were expected to invest in the unconsummated deal. However, in the event that a proposed co-investment opportunity in a new or existing Defined Exit Investment is not consummated but certain costs and expenses have been incurred by one or more Funds in pursuit of such investment opportunity, including (without limitation) legal, financial, travel and other business diligence costs and expenses, such costs and expenses generally will be paid solely by the applicable Fund(s), and it is expected that any potential co-investors will not bear any portion of such “broken deal” costs and expenses. If a co-investment does close, the portion of unreimbursed transaction expenses incurred by the applicable Fund(s) in connection with such investment, unreimbursed expenses incurred by such Fund(s) in connection with the ongoing monitoring of its investment in the applicable company and any other unreimbursed expenses incurred by such Fund(s) with respect to such investment that are payable by the co-investors (if any) will be determined on a case-by-case basis. The Sponsor will have no obligation to cause co-investors to bear any expenses incurred by the Funds or to bear any particular portion of such

expenses (and will have no obligation to pro rate or otherwise reduce the amount paid by the applicable Fund(s) in respect of any such expenses to take into account the co-investment).

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

In addition to the Management Fees and other fees described in Item 5 that are received by the Sponsor or its affiliates, the Sponsor receives a portion of the profits of all investment proceeds from each Fund with respect to each limited partner (other than those that are affiliates of the Sponsor), which is equal to twenty percent of the net gain in respect of such limited partner (as set forth in the applicable Fund's Organizational Documents). Such allocation of profits is only allocated to the Sponsor when specific conditions are met, including the return to the limited partner of an aggregate amount equal to all capital contributed to the applicable Fund by such limited partner and the receipt of a preferred return on such amounts.

As described in Item 10 — "Performance-Based Compensation", the fact that the Sponsor is in part compensated based on the performance of the Funds creates a greater incentive for the Sponsor to make investments on behalf of a Fund that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement, or time the sale of investments in a manner motivated by the personal interests of the Sponsor's personnel (or personnel of Blackstone). However, the significant commitment by the Sponsor to invest in the Funds, and clawback provisions (which are provisions in the Organizational Documents that require the Sponsor to return excess amounts of performance based allocations that have been received) should reduce the incentives to make more speculative investments or otherwise time the sale of investments based on considerations related to performance-based compensation.

The General Partner clawback potentially creates other misalignments of interests between the Sponsor and investors in the Funds, such as an incentive for the Sponsor to defer disposition of an investment that would result in a realized loss or a return on investment that was less than the preferred return and trigger the clawback, or delay the dissolution and liquidation of a Fund if doing so would trigger a clawback obligation.

Item 7 – Types of Clients

The Sponsor manages the Funds. The Funds' investors may consist of some or all of the following:

- Insurance companies
- Public and private retirement and pension plans
- Trusts and estates
- Charitable organizations and foundations, including endowment funds thereof
- State and municipal government agencies
- Private investment funds
- High net worth individuals
- Family offices

All investors are subject to applicable suitability requirements. The Sponsor requires that each investor in the Funds be (i) an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, and meet other suitability requirements (including, in some circumstances, a person that is not a U.S. Person as defined in Regulation S under the Securities Act). Generally, investors must invest a minimum dollar amount as determined in the Sponsor’s sole discretion. The Sponsor reserves the right, in its sole discretion, to waive the minimum dollar amount.

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

Investment Strategies:

The Sponsor offers advice to the Funds to invest in opportunistic investments in certain royalties and other structured investments in which funding requirements, success milestones and contractual return parameters are pre-negotiated prior to the initial investment, in each case, in the life sciences, health care and pharmaceuticals space ("Defined Exit Investments"). In the past, the Sponsor has also offered advice to certain of the Funds to invest in life sciences venture capital investments in therapeutics, medtech and diagnostics companies ("Venture Capital Investments"); however, the Funds that are currently actively making new investments generally do not make Venture Capital Investments.

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

The Sponsor has, in partnership with two other life sciences specialist investors (the "Syndicate Partners"), seed-funded three special purpose development companies: SFJ Pharmaceuticals, Avillion and Nuvelution (each a "Development Company" and collectively, the "Development Companies"). Representatives of the Sponsor sit on the board of directors of all three of these companies, each of which is controlled by the Sponsor and its Syndicate Partner(s) in that Development Company. The sole purpose of each of the Development Companies is to source and diligence high-quality assets in pharmaceutical pipelines, to negotiate, with their board's input, satisfactory terms for risk-sharing deals with pharmaceutical companies on these assets and, in many cases, to take the lead in executing the agreed development plans through the mutually-agreed success milestone. Members of the Sponsor's team take a lead role in the defined exit selection, diligence and negotiation with pharmaceutical companies, and the forming of the financing syndicate for each investment opportunity. The Sponsor and its Syndicate Partners in each company have the exclusive rights to all deal flow sourced by each of these three Development Companies, and the Sponsor is entitled to its *pro rata* share of each investment opportunity based on its relative percentage ownership of each Development Company. Moreover, the Sponsor can fund (or offer as co-investment opportunities) up to all of the remaining balance of a financing if one of the other seed investors in the applicable Development Company does not take its full *pro rata* share of an investment opportunity. The Sponsor conducts independent confirmatory diligence on each Defined Exit Investment product development opportunity, is actively involved in the structuring and economics of each investment opportunity, carefully reviews draft deal documentation at various stages throughout the negotiation using independent counsel in addition to the applicable Development Company's counsel. Together with its Syndicate Partner(s) in the particular

Development Company, the Sponsor has final authority over all key deal terms and structures in each Defined Exit Investment opportunity consummated by a Development Company. Please also see “Development Companies” in Item 10 below.

The management teams of each Development Company source and diligence Defined Exit Investment opportunities. Each Development Company independently triages and prioritizes such opportunities and, with the input of its board, submits preliminary term sheet proposals when it feels a program has the potential to meet the Sponsor’s (and its fellow seed investors’) investment criteria and returns targets. If further diligence and negotiation indicates the potential for a deal to be of interest to the Sponsor (and its Syndicate Partner(s) in such Development Company), then the Sponsor’s Managing Director(s) responsible for that Development Company discuss the opportunity with the broader Sponsor team, and an independent Sponsor diligence team will be assembled to vet the opportunity. The Sponsor also works closely with the Development Companies and the pharmaceutical counterparty in the final design of the clinical development plan for each Defined Exit Investment opportunity.

The Sponsor also independently sources, evaluates and consummates select Defined Exit Investment opportunities that fall outside the mandates of the Development Companies, or where another development team may have unique knowledge of, or rights to, a particular asset. Defined Exit Investments may also include Sponsor collaborating with an existing, smaller biotech company to finance the development of one or more of its assets through to a pre-agreed success milestone, which would in turn trigger a pre-negotiated acquisition of the company (or its program financed by the Sponsor) by a larger pharmaceutical acquiror.

In addition to the extensive diligence conducted by the Development Company teams (where applicable), the Sponsor performs its own independent confirmatory diligence on each Defined Exit Investment opportunity. For a Defined Exit Investment opportunity proposed by a Development Company, the Sponsor’s deal team will include additional members of the Sponsor’s investment team who are not on the board of such Development Company.

All decisions for a Fund to invest in a particular investment opportunity require the unanimous support of the Sponsor’s investment committee (the “Investment Committee”). The Sponsor’s entire team meets weekly to discuss ongoing diligence as well as updates on existing investments. The Sponsor’s team also meets in groups on a regular basis to discuss portfolio investments and industry trends in greater detail, and the Sponsor conducts comprehensive in-person offsite reviews of the Funds’ entire portfolio twice a year.

Risk of Loss:

An investment in the Funds entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks such investments represent. Set forth below is a non-exhaustive list of such risks (some of which may not apply to a particular Fund):

1. Nature of Defined Exit Investments;

2. Uncertainty of Financial Results;
3. Past Performance is Not Indicative of Future Results;
4. No Assurance of Profit or Distributions;
5. Uncertainty of Future Results;
6. Risks Associated with Investments in Life Sciences and Healthcare Products;
7. Investment Concentration;
8. Dependence on Single Products;
9. Uncertainty Related to Health Care Reimbursement and Reform Measures;
10. Economic and Market Risks;
11. Competition;
12. Leverage;
13. Bankruptcy;
14. Hedging Techniques;
15. Availability of Investment Capital;
16. Illiquidity of the Interests;
17. Long-Term Investment; No Assurance of Returns;
18. Illiquidity of Portfolio Investments;
19. Management of the Fund;
20. Dependence on the Managing Directors;
21. Reliance Upon Company Personnel;
22. Resolution of Conflicts; Investor Committee Approvals;
23. Regulatory and Enforcement Risks;
24. "Bad Actor" Disqualification for Private Placements under Regulation D;
25. Impact of the AIFM Directive;
26. European Union Uncertainty;
27. Political Risks;

28. Certain Health Care Reform Measures;
29. Certain Litigation Risks;
30. Recourse to the Fund's Assets;
31. Service on Boards and as Executives;
32. Risk of Dilution;
33. Side Agreements;
34. Cybersecurity;
35. Fund Expenses;
36. Difficulty in Valuing Investments;
37. Distributions in Kind;
38. Contingent Liabilities on Disposition of Investments;
39. Controlled Group Risks;
40. The Fund as a Potential Party in Interest to Investing ERISA Plans;
41. Possibility of United States Internal Revenue Service ("IRS") Examination or Other Audit;
42. Taxation;
43. Indemnification and Exculpation;
44. Return of Distributions;
45. Non-controlling Investments;
46. Material Non-Public Information;
47. Limited Access to Information;
48. Freedom of Information/Sunshine Laws;
49. Government Plan Partners;
50. Reserves;
51. Uncertain Time Frame for Winding-Up Affairs;
52. Non-U.S. Investments;
53. Capital Calls;

- 54. Penalty for Failure to Make Capital Calls;
- 55. Failure of Limited Partners to Fulfill Their Commitment Obligations;
- 56. Fund Size;
- 57. Functional Currency;
- 58. Confidential Information;
- 59. Industry Specific Terminology;
- 60. Tax Laws;
- 61. Financial and Tax Situation;
- 62. Withholding and Other Taxes;
- 63. Legal Counsel;
- 64. Factual Statements;
- 65. Track Record Information;
- 66. Lack of Operating History;
- 67. Definitive Terms and Conditions;
- 68. Special Caution for Investors in Second or Later Closings;
- 69. General tax considerations;
- 70. Development and Regulatory Approval;
- 71. Permits, approvals and licenses;
- 72. Uncertainty regarding the future utilization of LIBOR;
- 73. CFIUS;
- 74. ESG;
- 75. GDPR/Privacy; and
- 76. Cayman EU blacklisting.

Investors are advised to review the applicable Fund's offering materials for a more extensive description of the applicable investment strategies and the risks of investing in such Fund.

Economic, political, regulatory, technological and industry conditions fluctuate substantially over time, and performance of any investment, including Defined Exit Investments (despite

their structured nature), is not guaranteed. As a result, there is a risk of loss of value in the assets which the Sponsor manages that is out of the Sponsor's control. The Sponsor cannot guarantee any level of performance or that investors in the Funds will not experience a substantial or complete investment loss. There is no assurance that the Funds will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategies. The marketability and value of any investment by a Fund will depend upon many factors beyond the control of the Sponsor. The expenses of the Funds may exceed their income, and an investor in a Fund could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a Fund as part of an overall investment strategy, and only if the investor can withstand a total loss of its investment. The past investment performance of the Funds cannot be taken to guarantee future results of the Funds or any investment in the Funds.

Additionally, certain countries have been susceptible to epidemics, most recently COVID-19, which has been designated as a pandemic by world health authorities. The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and thereby is expected to adversely affect the performance of the Funds' investments. In addition, if any clinical trial (including enrollment therein) or regulatory approval process for pharmaceuticals is delayed, otherwise hindered or abandoned as a result of such epidemics or pandemics (including COVID-19), this could have a negative impact on the ability of the Funds' investments to engage in trials or receive approvals, and thereby could adversely affect the performance of the Funds' investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their investments.

Item 9 – Disciplinary Information

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

On occasion, in the ordinary course of its business, the Sponsor or Blackstone is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, the Sponsor does not believe that any current legal proceeding or claim to which it or Blackstone is a party would individually or in the aggregate materially affect the Sponsor and/or the Funds’ results of operations, financial position or cash flows. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone’s public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the website of the SEC (www.sec.gov) 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, which is accessible to each Fund’s limited partners with respect to such Fund.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities and Affiliations

The Sponsor has conflicts of interest, or conflicting loyalties, as a result of the activities and relationships of the Sponsor, Blackstone, the Funds and the Portfolio Entities of the Funds and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, and, by the numerous activities and relationships of Blackstone, the Funds, the Other Blackstone Clients, the Portfolio Entities of the Funds and Other Blackstone Clients and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included below, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. In addition, certain terms described herein may only be applicable to certain of the Funds but not others. Potential investors in the Funds should review this section and the applicable Fund's Organizational Documents carefully for additional risks and conflicts disclosure before making an investment decision.

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

Any references to Blackstone and/or the Sponsor in this section will be deemed to include their respective affiliates (including the General Partners), partners, members, shareholders, officers, directors and employees. References herein to "Portfolio Entity" describes, individually and collectively, any entity owned, directly or indirectly through subsidiaries, by the Funds or Other Blackstone Clients, including, as the context requires, portfolio companies, holding companies, special purpose vehicles and other entities through which investments are held.

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

Actions that could be taken by the Sponsor or its affiliates to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described in this Brochure and/or the applicable Fund's Organizational Documents, (ii) obtaining from the applicable Fund's investor committee (an "Investor Committee") advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by such Fund's Investor Committee to address the conflict, (iii) disposing of the investment or security giving rise to the conflict of interest, (iv) disclosing the conflict to the applicable Fund's Investor Committee or the investors in such Fund (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications), (v) in the case of conflicts among clients, creating groups of personnel within the Sponsor separated by

information barriers (which may be temporary and limited purpose in nature), each of which would advise or represent one of the clients that has a conflicting position with other clients, (vi) implementing policies and procedures reasonably designed to mitigate the conflict of interest, or (vii) otherwise handling the conflict as determined appropriate by the Sponsor in its discretion.

There can be no assurance that the Sponsor will identify or resolve all conflicts of interest in a manner that is favorable to the Funds or their investors.

Performance-Based Compensation. As noted in Item 6 above, the Sponsor's carried interest creates a greater incentive for the Sponsor to make more speculative investments on behalf of a Fund or time the purchase or sale of investments in a manner motivated by the personal interests of the Sponsor's personnel than if such performance-based compensation did not exist, as the Sponsor receives a disproportionate share of profits above the preferred return hurdle. However, as provided in Item 6, the significant commitment by the Sponsor to invest in the Funds (which commitment, for the avoidance of doubt, may not be allocated pro rata among the Funds) and the General Partner clawback and related guarantees (if any) should reduce the incentives for the Sponsor to make more speculative investments or otherwise time the purchase or sale of investments based on considerations related to carried interest. The General Partner clawback potentially creates other misalignments of interests between the Sponsor and investors in the Funds, such as an incentive for the Sponsor to defer disposition of an investment that would result in a realized loss or a return on investment that was less than the preferred return and trigger the clawback, or delay the dissolution and liquidation of a Fund if doing so would trigger a clawback obligation. In addition, the Tax Reform Bill enacted in 2017 provides for a lower capital gains tax rate on performance-based compensation from investments held for at least three years, which can be expected to incentivize the Sponsor to cause a Fund to accelerate deployment of capital at the beginning of such Fund's investment period, hold investments longer to ensure long-term capital gains treatment or dispose of investments prior to any change in law that would result in a higher effective income tax rate on carried interest. Furthermore, upon a withdrawal by an investor from a Fund in certain circumstances and upon the liquidation of a Fund, the Sponsor may receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the Sponsor and could incentivize the Sponsor to value the securities higher than if there were no carried interest. The Sponsor can engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third party opinion of value, but there can be no assurance such an opinion will reflect value accurately.

Management Fee. The Management Fee is payable through the complete liquidation of a Fund. In instances where a Funds' Management Fee is calculated based on invested capital rather than capital commitments, there may be an incentive for the Sponsor to defer realization of Investments, make more speculative Investments than it otherwise would have made if Management Fees were based on capital commitments, seek to deploy the capital commitments in Investments at an accelerated pace and/or hold Investments longer than it

otherwise would have if Management Fees were based on capital commitments. The Sponsor may waive the Management Fee otherwise payable to it, in whole or in part (whether by a flat discount or a percentage discount, or otherwise), with respect to one or more investments, in its sole discretion.

Allocation of Personnel. The Sponsor will devote such time to the Funds as it determines to be necessary to conduct its business affairs in an appropriate manner. However, personnel of the Sponsor and/or Blackstone, including members of the Investment Committee, will work on other projects, serve on other committees (including boards of directors) and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients and their Portfolio Entities, including other investment programs to be developed in the future. Even key personnel of Blackstone and/or the Sponsor who devote substantially all of their time to investment programs within the Blackstone Life Sciences group, a sub group of the Blackstone Private Equity group, may not be devoting time predominantly, or solely, to a Fund, as the such personnel may also devote time to other groups within the Blackstone Private Equity group (including funds managed by Blackstone Tactical Opportunities Advisors L.L.C. (which includes Blackstone Growth Advisors L.P. and its related vehicles/entities and successor funds)), and such personnel might also be shared with the infrastructure group. Time spent on these other initiatives diverts attention from the activities of the Funds, which could negatively impact the Funds and investors in the Funds. Furthermore, the Sponsor, Blackstone and personnel of the Sponsor and/or Blackstone derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the Blackstone Life Sciences group share in the fees and performance-based compensation from the Funds; similarly, the Blackstone Life Sciences group personnel share in the fees and performance-based compensation generated by Other Blackstone Clients. These and other factors create conflicts of interest in the allocation of time by personnel of the Sponsor and/or Blackstone. The Sponsor's determination of the amount of time necessary to conduct the Funds' activities will be conclusive, and investors in the Funds rely on the Sponsor's judgment in this regard.

Outside Activities of Principals and Other Personnel and their Related Parties. Certain personnel of Blackstone will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to the Funds, Other Blackstone Funds and their respective Portfolio Entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the Funds, including if such other entities compete with the Funds for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than the performance of the Funds. This involvement may create conflicts of interest in making investments on behalf of the Funds and such other funds, accounts and other entities. Although the Sponsor will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Funds. Also,

Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interests. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by other Blackstone clients, including the Funds, or otherwise relate to companies or issuers in which the Funds have or acquire a different principal investment (including, for example, with respect to seniority). There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Funds. Investors in the Funds will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to the Funds.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including the advisors and service providers described above) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential investments of the Funds or other counterparties of the Funds and their Portfolio Entities and/or assets. Moreover, in certain instances, the Funds or their Portfolio Entities can be expected to purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, the Organizational Documents will not preclude the Funds from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies can be expected to be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Sponsor. The limited partners rely on the Sponsor to manage these conflicts in its sole discretion.

Secondments and Internships. Certain personnel of the Sponsor and/or Blackstone and their affiliates, including Consultants (as defined herein), will, in certain circumstances, be seconded to one or more Portfolio Entities, vendors or service providers of the Funds and Other Blackstone Clients to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Funds or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by the Sponsor and/or Blackstone and their affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors or service providers (including law firms and accounting firms) will, in certain

circumstances, be seconded to, or serve internships at or otherwise provide consulting services to, the Sponsor, Blackstone and Portfolio Entities of the Funds and Other Blackstone Clients. While often the Funds, Other Blackstone Clients and their Portfolio Entities are often the beneficiaries of these types of arrangements, the Sponsor and/or Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the personnel, vendor or service provider or otherwise also provides services to the Funds, Other Blackstone Clients or Blackstone in the ordinary course. The Sponsor, Blackstone, the Funds, Other Blackstone Clients or the Portfolio Entities may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Entity pays the cost it will be borne directly or indirectly by the Funds. The Sponsor, Blackstone, the Funds, Other Blackstone Clients or the Portfolio Entities could receive benefits from these arrangements at no cost, or alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements and if a Portfolio Entity pays the cost it will be borne directly or indirectly by the applicable Fund, although the Management Fee may be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to the Sponsor, Blackstone, the Funds, Other Blackstone Clients, Portfolio Entities, each of their respective affiliates and related parties, and Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to Blackstone, the Funds, Other Blackstone Clients, Portfolio Entities and other parties based on time spent by the personnel or another methodology Blackstone deems appropriate in a particular circumstance.

Other Benefits. The Sponsor, its affiliates and their personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Funds, which will not offset or reduce Management Fees or otherwise be shared with the Funds, their Portfolio Entities or the investors in the Funds. For example, airline travel or hotel stays will result in “miles” or “points” or credit in loyalty or status programs, and such benefits will, whether or not *de minimis* or difficult to value, inure exclusively to the benefit of the Sponsor, its affiliates or their personnel or related parties receiving it, even though the cost of the underlying service is borne by the Funds as partnership expenses and/or by their respective Portfolio Entities. Similarly, the Sponsor, its affiliates and their personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Portfolio Entities and customers or suppliers of such Portfolio Entities. The investors in the Funds consent to the existence of these arrangements and benefits.

Advisors, Consultants and Partners. The Sponsor, Blackstone, their affiliates and their respective personnel and related parties engage and retain venture partners, syndicate partners, strategic advisors, consultants, senior advisors, specialty experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of the Sponsor, Blackstone, their affiliates or Portfolio Entities of the Funds or Other Blackstone Clients, including the Development Companies (collectively, “Consultants”), to provide a variety of services. Similarly, the Funds, the Development Companies, Other Blackstone Clients and their Portfolio Entities retain and pay compensation to Consultants to

provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by the Funds, the Development Companies or a Portfolio Entity to Consultants in connection with the above services, including cash fees, profits or equity interests in a Portfolio Entity, discretionary bonus awards, performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as partnership expenses or expenses of the Development Companies or the Portfolio Entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Sponsor or its affiliates, be chargeable to the Sponsor or its affiliates or deemed paid to or received by the Sponsor or its affiliates, or, because Consultants are not affiliates of the Sponsor, offset or reduce any Management Fees to the Sponsor or its affiliates or be subordinated to return of capital to investors in the Funds. Amounts charged by Consultants will not necessarily be confirmed as being comparable to market rates for such services.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, Consultants advise Blackstone on transactions, provide the Sponsor with industry or product-specific insights and feedback on investment themes, assists in transaction due diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of Portfolio Entities and contributing to the identification and origination of new investment opportunities. The Funds may rely on these Consultants to recommend the Sponsor and Funds as a preferred investment partner and carry out its investment program, but there is no assurance that any Consultant will continue to be involved with the Funds for any length of time. The Sponsor and the Funds can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of “employees” of Blackstone and/or the Sponsor (e.g., they can be expected to have dedicated offices at Blackstone, receive administrative support from personnel of the Sponsor and/or Blackstone, participate in general meetings and events for personnel of the Sponsor and/or Blackstone or work on Sponsor and/or Blackstone matters as their primary or sole business activity, have Blackstone-related or Sponsor-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for employees of the Sponsor and/or Blackstone), even though they are not employees, affiliates or personnel of the Sponsor or Blackstone for purposes of the Organizational Documents, and their salary and related expenses are paid by the Funds as partnership expenses or by Portfolio Entities without any reduction or offset to Management Fees. Some Consultants work only for the Funds, the Development Companies and their Portfolio Entities, while other Consultants may have other clients. Consultants could have conflicts of interest between their work for the Funds, the Development Companies and their Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and the Sponsor is limited in its ability to monitor and mitigate these conflicts. Additionally, Consultants may provide services on behalf of both the Funds and Other Blackstone Clients, and any work performed by Consultants retained on behalf of the Funds may benefit such Other Blackstone Clients (and alternatively, work performed by Consultants

on behalf of Other Blackstone Clients may benefit the Funds), and the Sponsor shall have no obligation to allocate any portion of the costs to be borne by the Funds in respect of such Consultant to such Other Blackstone Funds, except as described below.

As an example of the foregoing, in certain investments by the Funds including involving a “platform company,” the Funds will in certain circumstances enter into an arrangement from time to time with one or more individuals (who may be former personnel of Blackstone or current or former personnel of Portfolio Entities of the Funds or Other Blackstone Clients, may have experience or capability in sourcing or managing investments, and may form a management team) to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The services provided by such individuals or relevant Portfolio Entity, as the case may be, could include the following with respect to investments of the Funds: origination or sourcing, due diligence, evaluation, negotiation, servicing, development, management (including turnaround) and disposition. The individuals or relevant Portfolio Entity could be compensated with a salary and equity incentive plan, including a portion of profits derived from the Funds or a Portfolio Entity or asset of the Funds, or other long term incentive plans. Compensation could also be based on assets under management, a waterfall similar to a carried interest, respectively, or other similar metric. The Funds could initially bear the cost of overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and the sourcing, diligence and analysis of investments, as well as the compensation for the individuals and entity undertaking the build-up strategy. Such expenses could be borne directly by the Funds as partnership expenses (or broken deal expenses, if applicable) or indirectly through expenditures by a Portfolio Entity. None of such Portfolio Entities or Consultants will be treated as affiliates of the Advisor for purposes of the Organizational Documents and none of the fees, costs or expenses described above will reduce or offset the Management Fee.

In addition, the Sponsor will, in certain circumstances, engage third parties as Consultants (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such Consultants may receive reimbursement of reasonable related expenses by Portfolio Entities or a Fund and may have the opportunity to invest in a portion of the equity available to a Fund for investment which may be taken by the Sponsor and its affiliates. If such Consultants generate investment opportunities on the Funds’ behalf, such Consultants may receive special additional fees or allocations comparable to those received by a third party in an arm’s length transaction.

Multiple Blackstone Business Lines. Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Funds, Other Blackstone Funds, Portfolio Entities of the Funds and Other Blackstone Funds and third parties will, in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits the Funds’ ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be

prohibited by law or contract from sharing information with the Sponsor that would be relevant to monitoring the Funds' investments and other activities. Additionally, Blackstone or Other Blackstone Funds can be expected to enter into covenants that restrict or otherwise limit the ability of the Funds or their Portfolio Entities and their respective affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Funds could have granted exclusivity to a joint venture partner that limits the Funds and Other Blackstone Funds from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Fund could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact the ability of a Fund to implement its investment program. (See also "—Other Blackstone Clients; Allocation of Investment Opportunities" herein.) Finally, Blackstone personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, including other business activities, in which case the Funds will not benefit from their experience. The Investors in the Funds will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to the Funds. Blackstone has long-term relationships with a significant number of corporations and their senior management. The Sponsor will consider those relationships when evaluating an investment opportunity, which may result in the Sponsor choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client or other person with whom Blackstone has a relationship). The Funds may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone and its affiliates may have or transactions or investments that Blackstone and its affiliates may make or have made. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to the Funds. The Funds may also co-invest with clients of Blackstone or other persons with whom Blackstone has a relationship in particular investment opportunities, and other aspects of these Blackstone relationships could influence the decisions made by the Sponsor with respect to the Funds' investments and otherwise result in a conflict (See also "—Other Blackstone Clients; Allocation of Investment Opportunities" herein.)

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

Blackstone Policies and Procedures; Information Walls. Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Because Blackstone has many different asset management and advisory businesses, including private equity, a credit business, a hedge fund business, a capital markets group, a life sciences business and a real estate advisory business, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual

requirements across its various businesses and to protect against the inappropriate sharing and/or use of information between the Funds and the other business units at Blackstone, Blackstone has implemented certain policies and procedures (e.g., Blackstone's information wall policy, which also has the effect of reducing firm wide synergies and collaboration) regarding the sharing of information that may reduce the positive synergies that the Funds expect 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 a Fund, might become restricted to those other respective businesses and otherwise be unavailable to such 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 to effectively achieve their investment objective by unduly limiting the investment flexibility of the Funds and/or the flow of otherwise appropriate information between the Sponsor and other business units at Blackstone. Personnel of Blackstone may be unable, for example, to assist with the activities of a Fund as a result of these walls. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally.

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

Data. Blackstone receives or obtains various kinds of data and information from the Funds, Other Blackstone Clients and their Portfolio Entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as "big data." Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from the Funds, Other Blackstone Clients and their Portfolio Entities. Blackstone has entered and will continue to enter into information sharing and use arrangements with the Funds, Other Blackstone Clients, their Portfolio Entities, related parties and service providers, which may give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course. Although Blackstone believes that these activities improve Blackstone's investment management activities on behalf of the Funds and Other Blackstone Clients, information obtained from the Funds and their Portfolio Entities also provides material benefits to Blackstone or Other

Blackstone Clients without compensation or other benefit accruing to the Funds or investors in the Funds. For example, information from Portfolio Entities owned by the Funds can be expected to enable Blackstone to better understand the life sciences industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Clients that do not own an interest in the Portfolio Entity, without compensation or benefit to the Funds or their Portfolio Entities.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, Blackstone is generally free to use data and information from the Funds' activities to assist in the pursuit of Blackstone's various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Client. Any confidentiality obligations in the Organizational Documents of any Fund do not limit Blackstone's ability to do so. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a Portfolio Entity in the same or related industry. Such trading is expected to provide a material benefit to Blackstone without compensation or other benefit to the Funds or investors in the Funds.

The sharing and use of "big data" and other information presents potential conflicts of interest and the investors in the Funds acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not be subject to the Management Fee offset provisions or otherwise shared with the Funds or investors in the Funds. As a result, the Sponsor has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Clients.

Blackstone Strategic Relationships. Blackstone has entered, and it can be expected that Blackstone in the future will enter, into strategic relationships with investors (and/or one or more of their affiliates) that involve an overall relationship with Blackstone that could incorporate one or more strategies in addition to the Funds' strategies ("Strategic Relationships"). A Strategic Relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, one of which may be a Fund. Investors in the Funds will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect in the "most-favored nations" election process any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts or reductions on and/or reimbursement or rebates of Management Fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone funds (including, without limitation, preferential or favorable allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone vehicles (including any carried interest and/or Management Fees to be charged with respect thereto, as well as any additional discounts, reductions, reimbursements or rebates thereof or other penalties that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). The co-investment that is part of a Strategic Relationship may include co-investment in investments made by the Funds. To the extent any allocations are made pursuant to the

Organizational Documents based on unused capital commitments, any such discount or reduction of Management Fees will cause the unused capital commitments of the applicable investor to fluctuate disproportionately as compared to the unused capital commitments of any other Fund investor without such Management Fee discount or reduction. Blackstone, including its personnel, may receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from the Funds to or source investment opportunities for Strategic Relationships. Strategic Relationships will, in certain circumstances, result in fewer co-investment opportunities (or reduced allocations) being made available to Investors in the Funds. (See also “Additional Potential Conflicts of Interest with respect to Co-Investment” herein.)

Buying and Selling Investments or Assets from Certain Related Parties. The Funds and their Portfolio Entities may purchase investments or assets from or sell investments or assets to investors in the Funds, Portfolio Entities of Other Blackstone Clients or their respective related parties. Purchases and sales of investments or assets of the Funds between the Funds or their Portfolio Entities, on the one hand, and investors in the Funds, Portfolio Entities of Other Blackstone Clients or their respective related parties, on the other hand, are not subject to the approval of any Investor Committee or any investor in the Funds. These transactions involve conflicts of interest, as Blackstone may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction, including different financial incentives Blackstone may have with respect to the parties to the transaction. For example, there can be no assurance that any investment or asset sold by a Fund to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties. Blackstone will not be required to solicit third party bids or obtain a third party valuation prior to causing a Fund or any of its Portfolio Entities to purchase or sell any asset or investment from or to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties as provided above.

Blackstone’s Relationship with Pátria. Blackstone owns 40% of the equity interests in Pátria Investimentos Ltd. (“Pátria”), a leading Brazilian alternative asset manager and advisory firm. Pátria’s alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds (e.g., a multi-strategy fund and a long/short equity fund). Each of Blackstone’s and Pátria’s respective investment funds continues to pursue investment opportunities in accordance with their existing mandates. While it is not expected that there will be material overlap between the Funds’ investment programs and Pátria’s investment activities, there may be instances in which investment opportunities otherwise appropriate for the Funds will be shared with (or allocated in their entirety to) Pátria. Therefore, there may be opportunities available to Pátria that are not shared with the Funds, and there may be opportunities available to the Funds that are shared with one or more Pátria funds. Pátria is not considered an “affiliate” of Blackstone under the Organizational Documents of any Fund, and therefore these transactions will not be subject to approval of any Investor Committee and/or the investors in the Funds.

Other Blackstone Clients; Allocation of Investment Opportunities. Blackstone invests its own capital and third-party capital on behalf of Other Blackstone Clients and the Funds in a wide variety of investment opportunities throughout the world. Although the Funds generally served as Blackstone's primary life sciences Defined Exit Investment vehicles while their investment periods were active, certain opportunities within that mandate were permitted to be made by (to the potential exclusion of the Funds), or shared with, one or more Other Blackstone Clients. In addition, certain exceptions exist that allow specified types of investment opportunities that fall within the Funds' investment objectives or strategy to be allocated in whole or in part to Blackstone itself and/or Other Blackstone Clients, such as strategic investments made by Blackstone itself and the exception for Other Blackstone Clients that have investment objectives and/or guidelines similar to or overlapping, in whole or in part, with those of the Funds to some extent, or pursue similar returns as a Fund but have a different investment strategy or objective. It is expected that some activities of Blackstone, the Other Blackstone Clients and their Portfolio Entities will compete with the Funds and their Portfolio Entities for one or more investment opportunities that are consistent with the Funds' investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to the Funds. Blackstone may also from time to time make and hold investments of various types with or in lieu of Other Blackstone Clients. Although such investments would be limited or restricted by the Organizational Documents or the agreements for Other Blackstone Clients, to the extent Blackstone does make or hold such investments, many of the conflicts of interest associated with the activities of Other Blackstone Clients also apply to such investment activities of Blackstone. The Sponsor has conflicting loyalties in determining whether an investment opportunity should be allocated to the Funds, Blackstone or an Other Blackstone Client, and these conflicts may not necessarily be resolved in favor of the Funds. Blackstone has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

- **Overlapping Objectives and Strategies:** In circumstances in which any Other Blackstone Clients have investment objectives or guidelines that overlap with those of the Funds, in whole or in part, Blackstone generally determines the relative allocation of investment opportunities between or among such vehicles on a fair and reasonable basis in good faith according to guidelines and factors determined by it. However, the application of those guidelines and factors may result in the Funds not participating, or not participating to the same extent, in investment opportunities in which they would have otherwise participated, or participated to a greater extent, had the related allocations been determined without regard to such guidelines. The Sponsor could also determine not to pursue opportunities as discussed below in "—Certain Investments inside the Funds' Mandates That are Not Pursued by the Funds." Among the factors that the Sponsor considers in making investment allocations among the Funds and Other Blackstone Clients are the following: (i) any applicable investment objectives, parameters, limitations and other contractual provisions relating to the Funds and such Other Blackstone Clients, (ii) available capital of the Funds and such Other Blackstone Clients, and the duration of the investment period, (iii) legal, tax, accounting, regulatory and other considerations, (iv) primary and permitted investment strategies and

objectives of the Funds and the Other Blackstone Clients, including, without limitation, with respect to Other Blackstone Clients that expect to invest in or alongside other funds or across asset classes based on expected return, (v) sourcing of the investment, (vi) the sector and geography/location of the investment, (vii) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment, (viii) expected investment return, (ix) risk profile of the investment, (x) expected leverage on the investment, (xi) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (xii) capital expenditure required as part of the investment, (xiii) portfolio diversification concerns (including, but not limited to, whether a particular fund already has its desired exposure to the investment, sector, industry, geographic region or markets in question), (xiv) relation to existing investments in a fund, if applicable (e.g., “follow on” to existing investment, joint venture or other partner to existing investment, or same security as existing investment), (xv) avoiding allocation that could result in de minimis or odd lot investments, and (xvi) other considerations deemed relevant by the Sponsor in good faith.

- Investments Outside of the Funds’ Mandates: Investment opportunities that the Sponsor makes a good faith determination are not expected to yield the Funds’ targeted return profile or are otherwise inappropriate for a Fund given considerations described in Organizational Documents or as otherwise determined by the Sponsor, will generally not be allocated to a Fund.
- Certain Investments Inside the Funds’ Mandates That Are Not Pursued by the Funds: Under certain circumstances, Blackstone can be expected to determine not to pursue some or all of an investment opportunity within the Funds’ mandates, including without limitation, as a result of business, reputational or other reasons applicable to the Funds, Other Blackstone Clients, their respective Portfolio Entities or Blackstone. In addition, the Sponsor may determine that the Funds should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because the Funds have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Sponsor in its sole discretion, or the investment is not appropriate for the Funds for other reasons as determined by the Sponsor in its good faith sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Clients or Portfolio Entities or investors in the Funds or Other Blackstone Clients, joint venture partners, related parties or third parties, and such parties may pursue the opportunity. Some examples of types of investments for which the Sponsor will have discretion to allocate away from certain of the Funds include: (i) purchases of securities that are traded on a public securities market; (ii) investment opportunities contemporaneously made available to the Funds and any successor Blackstone life sciences fund; (iii) investment opportunities in entities (or successors to such entities) in which a managing director or principal of the Sponsor or an account for which such principal controls the investment decisions has an existing investment (other than an

indirect investment through the Funds); (iv) investments which are deemed inappropriate for the Funds because of size (*e.g.*, less than \$1,000,000) or other characteristics that are inconsistent with the Funds' investment strategy, because of the stage of the Funds (*e.g.*, the number of years remaining in the applicable Fund's term) or the investment opportunity (*e.g.*, clinical stage), or because of the remaining available and unreserved subscriptions of the applicable Fund and subscriptions of other Funds and/or Other Blackstone Clients, in each case, as determined in good faith by the Sponsor; (v) purchases of securities pursuant to options or warrants received in connection with services rendered; (vi) purchases of securities that are approved by the Investor Committee of the applicable Fund; (vii) purchases of securities by a warehousing entity; (viii) investment opportunities in defined exit investments made available to another Fund; and (ix) investment opportunities arising in instances where an affiliate of Blackstone acts as the general partner or investment manager (or any similar capacity) for another permitted investment vehicle and such other investment vehicle has investment objectives or guidelines in common with those of the Funds. In such instances, investment opportunities which are within such common objectives or guidelines will be allocated between the Funds and such other vehicle by the Sponsor on a basis that the Sponsor believes in good faith to be fair and reasonable (which may result in the Funds not participating and/or not participating to the same extent in such investment opportunity). In making its good faith determination as to what is "fair and reasonable" under the circumstances, the Sponsor and its affiliates shall be permitted to consider a number of factors including, without limitation, the specific nature of the investment, size and type of the investment, relative investment strategies and primary investment mandates, portfolio diversification concerns, contractual obligations, applicable investment limitations or guidelines and other terms of such funds, relative amounts of available capital for each investment fund, duration of the investment period of each fund, source of the investment opportunity, the investment focus of each fund, anticipated holding period and remaining investment periods, co-investment arrangements, the nature and extent of involvement of the respective teams of investment professionals dedicated to the Funds when compared to the Other Blackstone Clients, legal, tax, regulatory, accounting and other similar considerations, and other considerations deemed relevant in good faith. The arrangements described herein may result in investments that fit within the primary investment mandates of the Funds being wholly or partially allocated to one or more Other Blackstone Clients. Any such Other Blackstone Clients may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than the Sponsor believes to be the case. In any event, there can be no assurance that the Sponsor's assessment will prove correct or that the performance of any investments actually pursued by the Funds will be comparable to any investment opportunities that are not pursued by the Funds. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts

paid by the Funds to the Sponsor. In some cases, Blackstone earns greater fees when Other Blackstone Clients participate alongside or instead of the Funds in an investment.

- Financial Compensation to Allocate Investment Opportunities to Other Blackstone Clients: When the Sponsor determines not to pursue some or all of an investment opportunity for the Funds that would otherwise be within the Funds' objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Clients, Blackstone, including its personnel (including life sciences personnel), can be expected to receive compensation from the Other Blackstone Clients, whether or not in respect of a particular investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by the Funds to the Sponsor. As a result, the Sponsor (including life sciences personnel who receive such compensation) could be incentivized to allocate investment opportunities away from the Funds to or source investment opportunities for Other Blackstone Clients. In addition, in some cases Blackstone can be expected to earn greater fees when Other Blackstone Clients participate alongside or instead of the Funds in an investment.
- Basis for Investment Allocation Determinations: The Sponsor makes good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate and such determinations require it to make subjective judgment regarding application of the guidelines and arrangements described herein. Information unavailable to the Sponsor, or circumstances not foreseen by the Sponsor at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Sponsor determines to be consistent with the return objectives of a lower return fund rather than the Funds may not match the Sponsor's expectations and underwriting and generate an actual return that would have been appropriate for the Funds. Conversely, an investment that the Sponsor expects to be consistent with the Funds' return objectives will, in certain circumstances, fail to achieve or exceed them. Any such judgments and application involves inherent conflicts and risks that assumptions regarding investment opportunities may not ultimately prove correct. As such, there can be no assurance that the subjective judgments made by the Sponsor will prove correct in hindsight.
- Investment alongside Other Blackstone Clients: The Funds will also invest alongside Other Blackstone Clients (including other vehicles in which Blackstone or its personnel invest) in investments that are suitable for one or more of the Funds and such Other Blackstone Clients. To the extent a Fund jointly holds investments with any Other Blackstone Client that has a different expected duration or liquidity terms, conflicts of interest will arise between such Fund and such Other Blackstone Client with respect to the timing and manner of disposition of investments. In order to mitigate any such conflicts of interest, such Fund may recuse itself from participating in any decisions relating or with respect to the investment by such Fund or the Other Blackstone Client. If the Other Blackstone Client maintains control rights with respect to its investments, or

if such Fund does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to such Fund and such Other Blackstone Clients, which may adversely impact such Fund. (See also “—Other Blackstone Clients; Allocation of Investment Opportunities” herein.) Even if the Funds (or any such Other Blackstone Clients and/or co-investment or other vehicles) invest in the same investment, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Funds and/or such Other Blackstone Clients and vehicles may not be the same. Additionally, the Funds and/or such Other Blackstone Clients and/or vehicles will generally have different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, the Funds and/or such Other Blackstone Clients may dispose of any such shared investment at different times and on different terms.

Furthermore, the Blackstone Life Sciences private investment platform was initiated with Blackstone’s acquisition in November 2018 of the Sponsor. The investment objective of the Life Sciences private investment platform and its related vehicles/entities and successor funds managed by Blackstone Life Sciences Advisors L.L.C. (the “BXLS Funds”) is largely consistent with that of the Sponsor, and it is possible that certain of the investment opportunities within the investment objectives of BXLS Funds may fit within, or overlap with, the investment objectives of the Funds and such investment opportunities may be allocated in whole or in part to such other funds and may result in the Funds participating less or not participating at all in such investment opportunities. Blackstone Life Sciences Advisors L.L.C. makes good faith determinations for allocation decisions based on expectations that may prove inaccurate and such determinations require it to make subjective judgments regarding application of the guidelines and arrangements described in its organizational documents.

Blackstone has also entered into an investment management arrangement whereby it provides investment management services for compensation to Fidelity & Guaranty Life Insurance Company, a Portfolio Entity of certain Other Blackstone Clients, which will involve investments across a variety of asset classes (including investments that may otherwise be appropriate for the Funds), and in the future Blackstone will likely enter into similar arrangements with other Portfolio Entities of the Funds or Other Blackstone Clients. Such arrangements may reduce the allocations of investments to the Funds, and Blackstone may be incentivized to allocate investments away from the Funds 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 Funds.

Transactions with Clients of Blackstone Insurance Solutions. Blackstone Insurance Solutions (“BIS”) is a business unit of Blackstone that is comprised of two affiliated registered investment advisers. BIS provides investment advisory services to insurers (including insurance companies that are owned, directly or indirectly, by Blackstone or Other Blackstone Clients, in whole or in

part). Actual or potential conflicts of interest will likely arise in relation to the funds, vehicles or accounts BIS advises or sub-advises, including accounts where an insurer participates in investments directly and there is no separate vehicle controlled by Blackstone (collectively, “BIS Clients”). BIS Clients will engage in a variety of activities, including participating in transactions related to a Fund and/or its Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Under certain circumstances (e.g., where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client will not be an “Affiliate” under the Organizational Documents of a Fund, in which case any limitations or obligations pursuant to such Organizational Documents with respect to transactions with affiliates will not apply. BIS Clients have invested and are expected to continue investing in Other Blackstone Clients and the Funds. BIS Clients may have investment objectives that overlap with those of the Funds or their Portfolio Entities, and such BIS Clients may invest alongside the Funds or such Portfolio Entities in certain investments, which will reduce the investment opportunities otherwise available to the Funds or such Portfolio Entities. BIS Clients will also participate in transactions related to the Funds and/or their Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Other transactions in which BIS Clients will participate include, without limitation, investments in debt or other securities issued by Portfolio Entities or other forms of financing to Portfolio Entities (including special purpose vehicles established by the Funds or such Portfolio Entities). When investing alongside the Funds or their Portfolio Entities or in other transactions related to the Funds or their Portfolio Entities, BIS Clients may not invest or divest at the same time or on the same terms as the Funds or the applicable Portfolio Entities. BIS Clients will also from time to time acquire investments and Portfolio Entities directly or indirectly from the Funds, including one or more royalty streams, which may be securitized along with other royalty streams. In circumstances where a the Sponsor determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone or the Sponsor implements, the Sponsor is not required and does not intend to seek approval of any Investor Committee or the investors in the Funds. In order to seek to mitigate any potential conflicts of interest with respect to such transactions (or other transactions involving BIS Clients), Blackstone may, in its discretion, involve independent members of the board of a Portfolio Entity or a third party stakeholder in the transaction to negotiate price and terms on behalf of the BIS Clients or otherwise cause the BIS Clients to “follow the vote” thereof, and/or cause an independent client representative or other third party to approve the investment or otherwise represent the interests of one or more of the parties to the transaction. In addition, Blackstone or the Sponsor may limit the percentage interest of the BIS Clients participating in such transaction, or obtain appropriate price quotes or other benchmarks, or, alternatively, a third-party price opinion or other document to support the reasonableness of the price and terms of the transaction. BIS will also from time to time require the applicable BIS Clients participating in a transaction to consent thereto (including in circumstances where the Sponsor does not seek the consent of an Investor Committee or the investors in the Funds). There can be no assurance that any such measures or other measures that may be implemented by Blackstone will be effective at mitigating any actual or potential conflicts of interest. Moreover, under certain circumstances (e.g. where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in

a transaction), a BIS Client (or any other Blackstone client participating via a similar arrangement) will not be an “Affiliate” under the Organizational Documents nor subject to review by any Investor Committee, in which case any limitations or obligations pursuant to the Organizational Documents with respect to transactions with affiliates will not apply.

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

Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally. A Fund can be expected to hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by Other Blackstone Clients. In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, such Fund may recuse itself from participating in any decisions relating or with respect to such investment by such Fund or the applicable investments by such Other Blackstone Clients, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the actions described below that Blackstone may take to mitigate the conflict, Blackstone will, in certain circumstances, be required to take action when it will have conflicting loyalties between its duties to such Fund and such Other Blackstone Clients, which will, in certain circumstances, adversely impact such Fund. If such Fund recuses itself from decision-making, they will generally rely upon a third party to make decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made. Except to the extent expressly subject to the Management Fee offset provisions in

the Organizational Documents, the investors in the Funds will in no way receive any benefit from fees paid to Blackstone from a Portfolio Entity in which any Other Blackstone Client also has an interest (including, for greater certainty, any fees received by Blackstone as a result of the provision of services by Blackstone).

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

Debt financing to the Funds and their Portfolio Entities is expected to be provided, from time to time, by investors in the Funds, Other Blackstone Clients, and investors therein, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Clients and their Portfolio Entities, as well as by Blackstone itself in accordance with the terms of the Organizational Documents. Blackstone could have incentives to cause the Funds and their Portfolio Entities to accept less favorable financing terms from an investor in a Fund, Other Blackstone Clients, their Portfolio Entities, Blackstone, investors therein and other parties with material relationships with Blackstone than it would from a third party. The same concerns apply when any of these other parties invest in a more senior position in the capital structure of a Portfolio Entity than the Funds, even if the form of the transaction is not a financing. Although less common, the Funds or a Portfolio Entity could also occupy a different position in the capital structure than an investor in a Fund, Other Blackstone Client, their Portfolio Entities and other parties with material relationships with Blackstone, in which case Blackstone could have an incentive to cause the Funds or Portfolio Entity to offer more favorable terms to such parties. In the case of a related party financing between the Funds or their Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Clients or their Portfolio Entities, on the other hand, the Sponsor could, but is not obligated to, rely on a third party agent to confirm the terms offered by the counterparty are consistent with market terms, or the Sponsor could instead rely on its own internal analysis, which the Sponsor believes is often superior to third party analysis given Blackstone's scale in the market. If however any of Blackstone, a Fund, an Other Blackstone Client or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a joint venture partner, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Blackstone related vehicle impacts the market terms. For example, in the case of a loan extended to the Funds or a Portfolio Entity by a financing syndicate in which an

Other Blackstone Client has agreed to participate on terms negotiated by a third party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if such Other Blackstone Client had not participated; it is also possible that the frequent participation of Other Blackstone Clients in such syndicates could dampen interest among other potential financing providers, thereby lowering demand to participate in the syndicate and increasing the financing costs to the Funds. The Sponsor does not believe either of these effects is significant, but no assurance can be given to investors in the Funds that these effects will not be significant in any circumstance. The Sponsor will not be required to obtain any consent or seek any approvals from investors in the Funds or the applicable Investor Committee in the case of any of these conflicts.

Blackstone could cause actions adverse to the Funds to be taken for the benefit of Other Blackstone Clients that have made an investment more senior in the capital structure of a Portfolio Entity than the Funds (e.g., provide financing to a Portfolio Entity, the equity of which is owned by a Fund) and, *vice versa*, actions will, in certain circumstances, be taken for the benefit of the Funds and their Portfolio Entities that are adverse to Other Blackstone Clients. Blackstone could seek to implement procedures to mitigate conflicts of interest in these situations, as provided in the fifth and sixth paragraphs of this Item 10, such as (i) a forbearance of rights, including some or all non-economic rights, by the Funds or relevant Other Blackstone Client (or their respective Portfolio Entities, as the case may be) by, for example, causing such Other Blackstone Client to decline to exercise certain control- and/or foreclosure-related rights with respect to a Portfolio Entity by agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing the Funds or relevant Other Blackstone Client (or their respective Portfolio Entities, as the case may be) to hold only a non-controlling interest in any such Portfolio Entity, (iii) retaining a third party loan servicer, administrative agent or other agent to make decisions on behalf of the Funds or relevant Other Blackstone Client (or their respective Portfolio Entities, as the case may be), or (iv) create groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise one of the clients that has a conflicting position with other clients. As an example, to the extent an Other Blackstone Client holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by the Funds or their Portfolio Entities, Blackstone may decline to exercise, or delegate to a third party, certain control, foreclosure and other similar governance rights of the Other Blackstone Client. In these cases, Blackstone would generally act on behalf of one of its clients, though the other client would generally retain certain control rights, such as the right to consent to certain actions taken by the trustee or administrative or other agent of the investment, including a release, waiver, forgiveness or reduction of any claim for principal or interest; extension of maturity date or due date of any payment of any principal or interest; release or substitution of any material collateral; release, waiver, termination or modification of any material provision of any guaranty or indemnity; subordination of any lien; and release, waiver or permission with respect to any covenants.

In connection with negotiating loans and bank financings in respect of Blackstone-sponsored transactions, Blackstone will generally obtain the right to participate (for its own account or an Other Blackstone Client) in a portion of the financings with respect to such Blackstone-sponsored transactions on the same terms negotiated by third parties with Blackstone or other terms the Sponsor determines to be consistent with the market. Although Blackstone could rely on third parties to verify market terms, Blackstone may nonetheless have influence on such third parties. No assurance can be given that negotiating with a third party, or verification of market terms by a third party, will ensure that the Funds and their Portfolio Entities receive market terms. In certain circumstances, the Funds may be required to commit funds necessary for an investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, Other Blackstone Clients and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. Such bridge financing and/or commitment would not be considered “co-investment” under the Organizational Documents and would be sold down ahead of equity invested by the Funds. In any such circumstance, the Other Blackstone Client and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of Management Fees payable by the limited partners. The conflicts applicable to Other Blackstone Clients who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations. (See also “—Securities and Lending Activities” herein.)

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

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

Any financing provided by an investor in the Funds or an affiliate to the Funds or a Portfolio Entity is not a capital contribution to the Funds and does not reduce the unused Capital Commitment of such Fund investor. To the extent any investor in a Fund (or any investor in any Other Blackstone Client) or any of its affiliates provides debt financing to the Funds or their Portfolio Entities, it will not be considered “co-investment” and any applicable covenants regarding co-investments in the Organizational Documents do not apply.

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

Related Financing of Counterparties to Acquire Investments or Assets from, or Sell Assets to, the Funds and their Portfolio Entities. In certain transactions, Other Blackstone Clients will commit to and/or provide financing to third parties that bid for and/or purchase assets from the Funds and their Portfolio Entities. In addition, the Funds and their Portfolio Entities will from time to time purchase assets or portfolio companies from third parties that obtain, or currently have outstanding, debt financing from Other Blackstone Clients. Although Blackstone believes that the participation by Other Blackstone Clients in such debt financings could be beneficial to the Funds by supporting third parties in their efforts to bid on the sale of investments or assets by, and to sell assets to, the Funds and their Portfolio Entities, Blackstone will have an incentive to cause the Funds or relevant Portfolio Entity to select to sell an asset to, or purchase an investment or asset from, a third party that obtains debt financing from an Other Blackstone Client to the potential detriment of the Funds. For example, although price is often the deciding factor in selecting from whom to acquire, or to whom to sell, an asset, other factors at times influence the buyer or seller, as the case may be. The Sponsor could therefore cause the Funds or a Portfolio Entity to sell an investment or asset of the Funds to, or buy an asset from, a third party that has received financing from an Other Blackstone Client, even when such third party has not offered the most attractive price. Investors in the Funds rely on the Sponsor to select in its sole discretion the best overall buyer in sales of, and the best overall seller in the acquisition of, Funds' investments or assets, despite any conflict related to the parties financing the buyer or seller, as applicable.

Related Financing Providers. The Sponsor may request in the ordinary course proposals from lenders and other sources to provide financing to the Funds. The Sponsor takes into account various facts and circumstances it deems relevant in selecting financing sources, including whether a potential lender has a history of participating in debt financing opportunities generally and with Blackstone in particular, the size of the potential lender's loan amount, the timing of the relevant cash requirement, the availability of other sources of financing, the creditworthiness of the lender, whether the potential lender has demonstrated a long term or continuing commitment to the success of Blackstone and its funds, and such other factors that Blackstone deems relevant under the circumstances. The cost of debt alone is not determinative.

Debt financing to the Funds and their Portfolio Entities is expected to be provided, from time to time, by Other Blackstone Clients, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Clients and their Portfolio Entities. Blackstone could have incentives to cause the Funds and their Portfolio Entities to accept less favorable financing terms from Other Blackstone Clients, their Portfolio Entities and other parties with material relationships with Blackstone than it would from a third party.

Co-Investment Opportunities. The Funds will co-invest with investors in the Funds, investors of Other Blackstone Clients, Blackstone affiliates and other parties with whom Blackstone has a material relationship. The Organizational Documents of certain of the Funds provide that certain investors in such Funds with commitments to the Funds above a specified amount will receive priority access to their *pro rata* share of co-investment opportunities presented to other investors in the Funds or third parties. Other than with respect to this priority right, the allocation of co-investment opportunities is entirely and solely in the discretion of the Sponsor, and it is expected that many investors who will, in certain circumstances, have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities (notwithstanding any agreement by the Sponsor to consider a Fund investor for co-investment opportunities) or will, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested. Furthermore, co-investment offered by the Sponsor will be on such terms and conditions (including with respect to management fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as the Sponsor determines to be appropriate in its sole discretion on a case-by-case basis, which can be expected to differ amongst co-investors with respect to the same co-investment. In addition, the performance of Other Blackstone Clients co-investing with a Fund is not considered for purposes of calculating the carried interest payable by such Fund to the Sponsor. Furthermore, the Funds and co-investors will often have different investment objectives and limitations, such as return objectives and maximum hold period. The Sponsor, as a result of the foregoing, will have conflicting incentives in making decisions with respect to such opportunities. Even if the Funds and any such parties invest in the same investments on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the investors, among other items.

- General Co-Investment Considerations: There are expected to be circumstances where an amount that would have otherwise been invested by the Funds is instead allocated to co-investors (who may or may not be investors in the Funds or investors of Other Blackstone Clients) or supplemental capital vehicles, and, except that certain investors in certain of the Funds may have a priority right to participate in co-investment opportunities pursuant to the Organizational Documents of the applicable Fund, there is no guarantee that any investor in any Fund will be offered any particular co-investment opportunity. The Sponsor will take into account various facts and circumstances deemed relevant by the Sponsor in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the Sponsor's assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the maximum number of investors that can realistically participate in the transaction) and the Sponsor's assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required timeframe of the particular transaction. Additional considerations can be expected to also include, among others and without limitation, the size of a potential co-investor's commitments to the Funds, Other Blackstone Clients and strategic third party investors; whether a potential co-investor has a history of participating in co-investment

opportunities with the Sponsor and/or Blackstone; whether a potential co-investor has committed to an Other Blackstone Client; the size of the potential co-investor's interest to be held in the underlying Portfolio Entity as a result of the Funds' investment (which is likely to be based on the size of the potential co-investor's capital commitment and/or investment in the Funds); whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Sponsor, Blackstone, the Funds, other affiliated funds and/or co-investments (including size of commitment); and/or Other Blackstone Clients (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to the Funds or Other Blackstone Clients and their Portfolio Entities, or whether the co-investor has significant capital under management by the Sponsor and/or Blackstone or intends to increase such amount); whether the potential co-investor has an overall strategic relationship with the Sponsor that provides it with more favorable rights with respect to co-investment opportunities; whether the potential co-investor is considered "strategic" to the investment because it is able to offer the Funds certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the Portfolio Entity or the possession of certain expertise; the transparency, speed and predictability of the potential co-investor's investment process; whether the Sponsor and/or Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential co-investor, whether a potential co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the familiarity the Sponsor and/or Blackstone has with the personnel and professionals of the potential co-investor in working together in investment contexts in the Funds, its predecessor funds or Other Blackstone Funds (which may include such potential co-investor's history of investment in the Funds or Other Blackstone Funds and/or other Blackstone co-investment opportunities); the extent to which a potential co-investor has been provided a greater amount of co-investment opportunities relative to others; the ability of a potential co-investor to invest in potential follow-on or add-on acquisitions for the Portfolio Entity or participate in defensive investments; the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the potential co-investor would be willing to defer to the Sponsor and Blackstone and assume a more passive role in governing the Portfolio Entity); any interests a potential co-investor may have in any competitors of the underlying Portfolio Entity; the tax profile of the potential co-investor and the tax characteristics of the investment (including whether or not the potential co-investor would require particular structuring implementation or covenants that would not otherwise be required but for its participation or whether such co-investor's participation is beneficial to the overall structuring of the investment); whether a potential co-investor's participation in the transaction would subject the Funds and/or any of their Portfolio Entities to additional regulatory requirements, review and/or scrutiny, including any necessary governmental approvals required to consummate the investment; the potential co-investor's relationship with the potential management team of the Portfolio Entity; whether the

potential co-investor has any existing positions in the Portfolio Entity (whether in the same security in which a Fund is investing or otherwise); whether there is any evidence to suggest that there is a heightened risk with respect to the potential co-investor maintaining confidentiality; whether the potential co-investor has demonstrated a long term and/or continuing commitment to the potential success of the Funds, other affiliated funds and/or other co-investments, including the size of such commitment; whether the potential co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for distributions; whether the expected holding period and risk-return profile of the investment is consistent with the stated goals of the potential co-investor; and such other factors that the Sponsor may in good faith deem relevant and believes to be appropriate in the circumstances. The Sponsor has established certain of the Funds as dedicated co-investment vehicles to invest alongside certain other of the Funds that are no longer making new investments in Defined Exit Investments and may in the future establish additional co-investment vehicles (including dedicated or “standing” co-investment vehicles) for one or more investors (including third party investors and investors in the Funds) in order to co-invest alongside the Funds in one or more future investments. The existence of these vehicles could reduce the opportunity for other investors in the Funds to receive allocations of co-investment, and the amount and frequency of co-investment by any such co-investment vehicles would be at the discretion of the Sponsor. Also, the Sponsor will, in certain circumstances, agree with investors (including investors in the Funds, Blackstone strategic relationships and third party investors) to more favorable rights or pre-negotiated terms with respect to co-investment opportunities, including with respect to discounts or rebates of performance-based compensation or management fees. Finally, under the terms of the Organizational Documents of certain of the Funds, investors in such Funds with capital commitments to such Funds or certain other Funds greater than a certain amount will have a priority right to participate in co-investments ahead of other investors. Such arrangements will result in fewer co-investment opportunities being made available to other investors in the Funds. In addition, the allocation of investments to Other Blackstone Clients, including as described under “—Other Blackstone Clients; Allocation of Investment Opportunities” herein, can be expected to result in fewer co-investment opportunities to investors in the Funds.

Additionally, it can be expected that Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral, sourcing or sharing of investment opportunities. Blackstone will, in certain circumstances, pay management fees and performance-based compensation in connection with such arrangements. Blackstone may also provide for or receive reimbursement of certain expenses incurred or received in connection with these arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. The amount of these rebates can be expected to relate to allocations of co-investment opportunities. While it is possible that the

Funds 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 would instead be referred (in whole or in part) to such third party.

- **Additional Potential Conflicts of Interest with respect to Co-Investment:** The Sponsor and its affiliates will in certain circumstances be incentivized to offer certain potential co-investors opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation or management fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor's relationship with the Sponsor. The Management Fees, carried interest and other fees received by the Sponsor from and the amount of expenses charged to the Funds can be expected to be less or more than such amounts paid by or charged to co-investment vehicles pursuant to the terms of such vehicles' organizational documents and other agreements with co-investors, and such variation in the amount of fees and expenses can be expected to create an economic incentive for the Sponsor to allocate a greater or lesser percentage of an investment opportunity to the Funds or such co-investment vehicles or co-investors, as the case may be. In addition, other terms of existing and future co-investment vehicles can be expected to differ materially, and in some instances will be more favorable to the Sponsor, than the terms of the Funds, and such different terms can be expected to create an incentive for the Sponsor to allocate a greater or lesser percentage of an investment opportunity to the Funds or such co-investment vehicles, as the case may be. Such incentives will give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to the Funds or investors in the Funds through co-investment will be made available. There may be circumstances, including in the case where there is a seller who is seeking to dispose of a pool or combination of assets, properties, securities or instruments, where a Fund and Other Blackstone Clients participate in a single or related transactions with a particular seller where certain of such assets, properties, securities or instruments are specifically allocated (in whole or in part) to any of the Funds and such Other Blackstone Clients. The allocation of such specific items generally would be based on the Sponsor's determination of, among other things, the expected returns for such items (e.g., specific items with lower expected returns may be allocated to the Funds whereas those with higher relative expected returns may be allocated to an Other Blackstone Client), and in any such case the combined purchase price paid to a seller would be allocated among the multiple assets, properties, securities or instruments based on a determination by the seller, by a third-party valuation firm and/or by the Advisor and its affiliates.

Liability Arising From Transactions Entered into Alongside Other Blackstone Clients.

Participating in investments alongside Other Blackstone Clients will subject the Funds to a number of risks and conflicts. At times, a transaction counterparty will, in certain circumstances, require facing only one fund entity, which can be expected to result in (i) if a

Fund is a direct counterparty to a transaction, such Fund being solely liable with respect to its own share as well as other Funds' and Other Blackstone Clients' shares of any applicable obligations, or (ii) if a Fund is not the direct counterparty, such Fund having a contribution obligation to the relevant other Funds and Other Blackstone Clients. Alternatively, a counterparty may agree to face multiple funds, which could result in the Funds being jointly and severally liable alongside other Funds and Other Blackstone Clients for the full amount of the applicable obligations. In cases in which the Funds could be responsible for the liability of other Funds or an Other Blackstone Client, or vice versa, the applicable parties would generally enter into a back-to-back or other similar contribution or reimbursement agreement. For these transactions, it is anticipated that the Funds would then enter into back-to-back trade confirmations or other similar arrangements with the relevant other Funds and Other Blackstone Clients. The party owing under such an arrangement may not have resources to pay its liability, however, in which case the other party will bear more than its *pro rata* share of the relevant loss. It is not expected that the Funds or Other Blackstone Clients will be compensated for agreeing to be primarily liable vis-à-vis a third party counterparty. Moreover, in connection with the divestment of all or part of a Portfolio Entity (e.g., an initial public offering), Blackstone will seek to track the ownership interests, liabilities and obligations of the Funds and any Other Blackstone Clients owning an interest in the Portfolio Entity comprising such operating business, but it is possible that the Funds and applicable Other Blackstone Clients will, in certain circumstances, incur shared, disproportionate or crossed liabilities. Furthermore, depending on various factors including the relative assets, expiration dates, investment objectives and return profiles of each of the Funds and such Other Blackstone Clients, it is possible that one or more of them will have greater exposure to legal claims and that they will have conflicting goals with respect to the price, timing and manner of disposition opportunities.

Broken Deal Expenses. The Sponsor is not required to and in most circumstances will not seek reimbursement of broken deal expenses (*i.e.*, expenses incurred in pursuit of an investment that is not consummated) from third parties, including counterparties to the potential transaction or potential co-investors. Examples of such broken deal expenses include, but are not limited to, reverse termination fees, extraordinary expenses such as litigation costs and judgments, travel and entertainment expenses incurred, costs of negotiating co-investment documentation, and legal, accounting, tax and other due diligence and pursuit costs and expenses. Any such broken deal expenses could, in the sole discretion of the Sponsor, be allocated solely to the applicable Funds and not to Other Blackstone Clients or co-investment vehicles that could have made the investment, even when the Other Blackstone Client or co-investment vehicle commonly invests alongside the Funds in its investments or Blackstone or Other Blackstone Clients in their investments. In such cases the Funds' shares of expenses would increase. In the event broken deal expenses are allocated to an Other Blackstone Client or a co-investment vehicle, the Sponsor or the Funds may advance such fees and expenses without charging interest until paid by the Other Blackstone Client or co-investment vehicle, as applicable.

Other Blackstone Business Activities. Blackstone, Other Blackstone Clients, their Portfolio Entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to

the Funds, the Development Companies and their Portfolio Entities, such as fees for asset and property management; underwriting, syndication or refinancing of a loan or investment; loan servicing; special servicing; administrative services; advisory services on purchase or sale of an asset or company; investment banking services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; and other products and services. Such parties will also provide products and services for fees to Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities, and their personnel and related parties, as well as third parties. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to the Funds, the Development Companies, Other Blackstone Clients and their Portfolio Entities, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, the Funds and their Portfolio Entities would provide not only current income to the business and its stakeholders, but could also create significant enterprise value in them, which would not be shared with the Funds or investors in the Funds and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Clients and their Portfolio Entities, and their personnel and related parties will, in certain circumstances, receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by the Funds and their Portfolio Entities. The Funds, the Development Companies and their Portfolio Entities will incur expense in negotiating for any such fees and services, which will be treated as partnership expenses. In addition, a General Partner may receive fees associated with capital invested by co-investors relating to investments in which a Fund participates or otherwise, in connection with a joint venture in which a Fund participates or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which a General Partner performs services.

The Sponsor, Other Blackstone Clients and their Portfolio Entities, and their affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraph with respect to investments sold by the Funds or a Portfolio Entity to a third party buyer after the sale is consummated. Such post-disposition involvement will give rise to potential or actual conflicts of interest, particularly in the sale process. Moreover, the Sponsor, Other Blackstone Clients and their Portfolio Entities, and their affiliates, personnel and related parties may acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

The Sponsor does not have any obligation to ensure that fees for products and services contracted by the Funds or their Portfolio Entities are at market rates unless the counterparty is considered an “Affiliate” of the Sponsor, as determined in accordance with the applicable Organizational Documents, and, given the breadth of Blackstone’s investments and activities the Sponsor may not be aware of every commercial arrangement between the Funds and their Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Clients and their Portfolio Entities, and personnel and related parties of the foregoing, on the other hand.

The Management Fees paid by the Funds and investors in the Funds will generally be offset by the amount of certain fees, including directors’ fees, commitment fees, break-up fees,

monitoring fees and success fees, or other remuneration paid by the Funds to the Sponsor (but excluding any fees or remuneration paid to any “venture partner”, “entrepreneur in residence” or other similar employee, or consultant to, the Sponsor, or with respect to any of the foregoing persons plus executives and officers and/or any Development Company) net of expenses; however, the Funds and investors in the Funds will otherwise not receive the benefit (e.g., through an offset to the Management Fee or otherwise) of any fees or other compensation or benefit received by the Sponsor, its affiliates or their personnel and related parties (see also “—Service Providers, Vendors and Other Counterparties Generally” and “—Other Blackstone Business Activities” herein). The Sponsor, Blackstone and their affiliates and their personnel and related parties will receive fees attributable to Other Blackstone Clients (including co-investment vehicles) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of the Management Fees payable by investors in the Funds or otherwise be shared with the Funds, their Portfolio Entities or the investors in the Funds, even if (i) such Other Blackstone Clients (including co-investment vehicles) provide for lower or no management fees for the investors or participants therein (ii) such fees result in an offset to management fees or carried interest payable by any of such Other Blackstone Clients (including co-investment vehicles). As noted in “Co-Investment Opportunities” above, this creates an incentive for the Sponsor and/or Blackstone to offer co-investment opportunities and can be expected to result in other fees being received more frequently (or exclusively) with investments that involve co-investment.

Data Management Services. Blackstone or an affiliate of Blackstone formed in the future may provide data management services to Portfolio Entities and may also provide such services directly to the Funds and Other Blackstone Clients (collectively, “Data Holders”). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to the limitations in the Organizational Documents and any other applicable contractual limitations, with the Funds, Other Blackstone Clients, Portfolio Entities and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Clients make investments, and Portfolio Entities thereof). If Blackstone enters into data services arrangement with Portfolio Entities and receives compensation from such Portfolio Entities for such data services, each Fund will indirectly bear its share of such compensation based on their pro rata ownership of such Portfolio Entities. Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by Blackstone in its sole discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation may also include fees, royalties and

cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). Additionally, Blackstone may determine to share the products from such Data Management Services within Blackstone or its affiliates (including Other Blackstone Clients or their Portfolio Entities) at no charge and, in such cases, the Data Holders would not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone could create incentives for Blackstone to cause the Funds to invest in Portfolio Entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain. (See also “Data Management Services” herein)

Securities and Lending Activities. Blackstone, its affiliates and their related parties and personnel participate in underwriting and lending syndicates and otherwise act as arrangers of financing, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by, the Funds and their Portfolio Entities. Underwritings and financings can be on a firm commitment basis or on an uncommitted, or “best efforts”, basis, and the underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract. Blackstone can be expected to also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by Portfolio Entities and Other Blackstone Clients. A Blackstone broker-dealer will from time to time act as the managing underwriter, a member of the underwriting syndicate or broker for the Funds or their Portfolio Entities, or as dealer, broker or advisor to a counterparty to the Funds or a Portfolio Entity, and purchase securities from or sell securities to the Funds, Other Blackstone Clients or Portfolio Entities of the Funds or Other Blackstone Clients. Blackstone will also from time to time, on behalf of the Funds or their Portfolio Entities, or other parties to a transaction involving the Funds or their Portfolio Entities, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by the Funds or their Portfolio Entities or the counterparty to the transaction, thereby creating a potential conflict of interest. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets, advisory fees, lending arrangement fees, asset/property management fees, insurance (including title insurance) fees and consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, the Funds, an Other Blackstone Client or their Portfolio Entities are purchasing debt) or other compensation with respect to the foregoing activities; however, the Management Fee with respect to an investor in a Fund generally will be reduced by such amounts. The Sponsor has sole discretion to approve the foregoing arrangements if the Sponsor believes in good faith that such transactions are appropriate for the Funds.

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

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

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

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

PJTP. On October 1, 2015, Blackstone spun off the financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill Group fund placement businesses and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman (“PJTP”). While PJTP operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJTP for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving the Funds, on the one hand, and PJTP, on the other. The pre-existing relationship between Blackstone and its former personnel, the overlapping ownership and certain continuing arrangements between PJTP and Blackstone can be expected to influence the Sponsor to select or recommend PJTP to perform services for Blackstone managed funds, including the Funds, the cost of which will generally be borne directly or indirectly by the Funds and investors in the Funds (to the extent of their ownership therein). Given that PJTP is no longer an affiliate of Blackstone, the Sponsor and its affiliates will be free to transact with PJTP generally without restriction under the Organizational Documents of the Funds, notwithstanding the historical relationship between Blackstone and PJTP (See also “—Service Providers, Vendors and Other Counterparties Generally” herein).

Portfolio Entity Relationships Generally. Blackstone, Portfolio Entities of the Funds, the Development Companies and Other Blackstone Clients are and will be counterparties or participants in agreements, transactions and other arrangements with the Funds, Other Blackstone Clients, and/or Portfolio Entities of the Funds and Other Blackstone Clients or other Blackstone affiliates for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or other benefits to Blackstone, a Blackstone affiliate and/or a Portfolio Entity, none of which will result in any offset to the Management Fees because Portfolio Entities are generally not considered to be affiliates of the Sponsor, the Funds or

Blackstone under the Organizational Documents of the Funds, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by the Sponsor. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds and/or such Other Blackstone Client or the consent of the applicable Investor Committee and investors in the Funds or such Other Blackstone Client (including, without limitation, in the case of minority investments by the Funds in such Portfolio Entities or the sale of assets from one Portfolio Entity to another). This is because, among other considerations, Portfolio Entities of the Funds and Portfolio Entities of Other Blackstone Clients are not considered affiliates of the Sponsor, the Funds or Blackstone under the Organizational Documents of the Funds. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to the Funds as otherwise would be the case if the counterparty were not related to Blackstone.

In addition, it is possible that certain Portfolio Entities of the Funds or Other Blackstone Clients or entities in which Other Blackstone Clients have an interest will compete with the Funds for one or more investment opportunities. It is also possible that certain Portfolio Entities of the Other Blackstone Clients or companies in which Other Blackstone Clients have an interest will engage in activities that may have adverse consequences on the Funds and/or their Portfolio Entities (including, by way of example only, as a result of laws and regulations of certain jurisdictions (e.g., bankruptcy, environmental, consumer protection and/or labor laws) that may not recognize the segregation of assets and liabilities as between separate entities and may permit recourse against the assets of not just the entity that has incurred the liabilities, but also the other entities that are under common control with, or part of the same economic group as, such entity, which may result in the assets of the Funds and/or their Portfolio Entities being used to satisfy the obligations or liabilities of one or more Other Blackstone Clients, their Portfolio Entities and/or affiliates).

In addition, Blackstone and affiliates of Blackstone may also establish other investment products, vehicles and platforms focusing on specific asset classes or industry sectors that fall within a Fund's investment strategy, which may compete with the Fund for 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 Fund).

In addition, Portfolio Entities with respect to which the Fund may elect members of the board of directors may, as a result, subject the Fund and/or such directors to fiduciary obligations to make decisions that they believe to be in the best interests of any such Portfolio Entity. Although in most cases the interests of the Fund and any such Portfolio Entity will be aligned, this may not always be the case. This may create conflicts of interest between the relevant director's obligations to any such Portfolio Entity and its stakeholders, on the one hand, and the interests of the Funds, on the other hand. Although the Sponsor will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Funds.

Portfolio Entity Service Providers and Vendors. The Funds, the Development Companies, Other Blackstone Clients and their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of the Funds and Other Blackstone Clients to provide corporate support

services (including, without limitation, accounts payable accounting/audit (including valuation support services), account management, insurance, procurement, placement, brokerage, consulting, cash management, corporate secretarial services, domiciliation, data management, directorship services, finance/budget, human resources, information technology/systems support, internal compliance/KYC, judicial processes, legal, operational coordination (*i.e.*, coordination with JV partners, property managers), risk management, reports, tax analysis and compliance (*e.g.*, CIT and VAT compliance), transfer pricing and internal risk control, treasury and valuation services) and other services. Similarly, Blackstone, Other Blackstone Clients and their portfolio entities can be expected to engage Portfolio Entities of the Funds to provide some or all of these services. Some of the services performed by Portfolio Entity service providers could also be performed by the Sponsor from time to time and vice versa. Fees paid by a Fund or its Portfolio Entities to other Portfolio Entity service providers do not offset or reduce the Management Fee payable by the investors in the Funds and are not otherwise shared with the Fund, unless otherwise required by the Organizational Documents.

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

Kryalos. Blackstone through one or more of its funds has made a minority investment in Kryalos, an operating partner in certain real estate investments made by Other Blackstone Clients, and Kryalos will perform services for the Funds and Other Blackstone Clients.

The Funds and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Funds or Other Blackstone Clients, including through incentive based compensation payable to their management teams and other related parties. Some of these service providers and vendors owned by the Funds or Other Blackstone Clients will charge the Funds and their Portfolio Entities for goods and services at rates generally consistent with those available in the market for similar goods and services.

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

characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by the Funds, Other Blackstone Clients and their respective Portfolio Entities and will not offset the Management Fee. Finally, in certain circumstances the Sponsor may determine that third party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law or because Blackstone has access to adequate market data to make the determination without reference to third party benchmarking.

Other service providers and vendors owned or controlled by the Funds or Other Blackstone Clients pass through expenses on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for the benefit of the Funds and their Portfolio Entities to them, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space (including, without limitation, rent and refurbishment costs) and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a Portfolio Entity; taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period, and therefore the Funds could pay more than their *pro rata* portion of fees for services. The allocation of overhead among the entities and assets to which services are provided can be expected to be based on any of a number of different methodologies, including, without limitation, "cost" basis as described above, "time-allocation" basis, "per unit" basis, "per square footage" basis or "fixed percentage" basis. There can be no assurance that a different manner of allocation would result in the Funds and their Portfolio Entities bearing less or more costs and expenses. Furthermore, Blackstone will generally not perform or obtain any benchmarking analysis or third party verification of expenses with respect to services provided on a cost reimbursement, no profit or break even basis. There can be no assurances that amounts charged by Portfolio Entity service providers that are not controlled by the Funds or Other Blackstone Clients will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. If benchmarking is performed, the related expenses will be borne by the Funds, Other Blackstone Clients and their respective Portfolio Entities and will not offset the Management Fee. A Portfolio Entity service provider will, in certain circumstances, subcontract certain of its responsibilities to other Portfolio Entities. In such circumstances, the relevant subcontractor could invoice the Portfolio Entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The Portfolio Entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above.

Portfolio Entity service providers described in this section are generally owned and controlled by one or more Blackstone funds, such as the Funds and Other Blackstone Clients. In certain

instances a similar company could be owned and controlled by Blackstone directly. Blackstone could cause a transfer of ownership of one of these service providers from the Funds to an Other Blackstone Client, or from an Other Blackstone Client to the Funds.

Service Providers, Vendors and Other Counterparties Generally. Certain third party advisors and other service providers and vendors to the Funds and their Portfolio Entities (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms) are owned by Blackstone, the Funds or Other Blackstone Clients or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Funds, the Other Blackstone Clients and their respective Portfolio Entities and affiliates and personnel of the foregoing. Such advisors and service providers referred to above may be investors in the Funds or Other Blackstone Clients, affiliates of the Sponsor, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone, the Funds and/or Other Blackstone Clients have an investment, and payments by the Funds and/or such entities may indirectly benefit Blackstone, the Funds, the Other Blackstone Clients (including co-investment vehicles) and their respective Portfolio Entities or any affiliates or personnel of the foregoing. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to the Funds and their Portfolio Entities could have other commercial or personal relationships with Blackstone, Other Blackstone Clients, co-investment vehicles and their respective Portfolio Entities, or any affiliates, personnel or family members of personnel of the foregoing. Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above will, in certain circumstances, influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for the Funds or a Portfolio Entity, the cost of which will generally be borne directly or indirectly by the Funds and can be expected to incentivize Blackstone to engage such service provider over a third party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to pay such service providers and vendors higher fees or commissions than would be the case absent the conflict. The incentive could be created by current income and/or the generation of enterprise value in a service provider or vendor; Blackstone can be expected to also have an incentive to invest in or create service providers and vendors to realize on these opportunities. Furthermore, Blackstone will from time to time encourage third party service providers to a Fund and its Portfolio Entities to use other Blackstone-affiliated service providers and vendors in connection with the business of a Fund, Portfolio Entities, and unaffiliated entities, and Blackstone has an incentive to use third party services providers who do so as a result of the indirect benefit to Blackstone and additional business for the related service providers and vendors. Fees paid by the Funds or their Portfolio Entities to or value created in these service providers and vendors do not offset or reduce the Management Fee payable by the investors in the Funds and are not otherwise shared with the Funds unless required by the Organizational Documents. In the case

of brokers, Blackstone has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those it enters into on behalf of the Funds and their Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discounted rate, such that if the Funds and their Portfolio Entities consummate a higher percentage of transactions with a particular law firm than Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities, the investors in the Funds could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, the Funds or Other Blackstone Clients or their Portfolio Entities. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by the Funds and their Portfolio Entities are different from those used by Blackstone, Other Blackstone Clients and their Portfolio Entities, and their affiliates and personnel, the Funds and their Portfolio Entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Funds, the Other Blackstone Clients and their Portfolio Entities and affiliates can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors.

Blackstone may, from time to time, encourage service providers to funds and investments to use, at market rates and/or on arm's length terms, Blackstone-affiliated service providers in connection with the business of the Funds, Portfolio Entities, and unaffiliated entities. This practice provides an indirect benefit to Blackstone in the form of added business for Blackstone-affiliated service providers.

Some of the services performed by Blackstone-affiliated service providers could also be performed by Blackstone from time to time and vice versa. Fees paid by a Fund or its Portfolio Entities to Blackstone-affiliated service providers do not offset or reduce the management fee payable by the limited partners of such Fund and are not otherwise shared with such Fund, unless otherwise required by the Organizational Documents.

Blackstone and Other Blackstone Clients, including Blackstone Strategic Capital Holdings ("BSCH") and its related parties, regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone. The Funds, Other Blackstone Clients and their respective Portfolio Entities can be expected to from time to time engage in similar investment transactions, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and portfolio entities. Typically, the Blackstone-related party with an interest in the asset management firm would be entitled to

receive a share of carried interest/performance based incentive compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third party asset management firm that are included in the transaction or activities of the third party asset management firm, or a subset of such activities such as transactions with a Blackstone related party. In addition, while such minority investments are generally structured so that Blackstone does not “control” such third party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. In addition, Blackstone could in certain cases have control rights. Although Blackstone and Other Blackstone Clients, including BSCH, do not intend to control such third party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone and Other Blackstone Clients, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third party asset managers will not be deemed “affiliates” of Blackstone for any purpose, Blackstone may, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic / revenue sharing interest therein may give rise to conflicts of interest. Participation rights in a third party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of the Funds to claims by third parties in connection with such investments (as indirect owners of such asset management firms or similar businesses) that may have an adverse financial or reputational impact on the performance of the Funds. The Funds, their affiliates and their respective Portfolio Entities may from time to time engage in transactions with, and buy and sell investments from, any such third party asset managers and their sponsored funds and transactions and other commercial arrangements between such third-party asset managers and the Funds and their Portfolio Entities are not subject to Investor Committee approval. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and the Funds and their Portfolio Entities, on the other hand, will be at arm’s length or that Blackstone will not receive a benefit from such transactions, which can be expected to incentivize Blackstone to cause these transactions to occur.

Development Companies. Prior to its acquisition by Blackstone, the Sponsor and/or the Funds, in partnership with other life sciences specialist investors, seed-funded the Development Companies as described in Item 8. Representatives of the Sponsor sit on the board of directors of each Development Company, each of which is controlled by the Sponsor and its Syndicate Partner(s) in that Development Company. The sole purpose of the Development Companies is to source and diligence assets in pharmaceutical pipelines, to negotiate satisfactory terms for risk-sharing deals on these assets and, in many cases, to take the lead in executing the agreed development plans through the mutually agreed success milestones. The Sponsor and its Syndicate Partner(s) in each Development Company have exclusive rights to all deal flow

sourced by such Development Company, and a substantial portion of the Funds' investments will be sourced from the Development Companies. The representatives of the Sponsor on the Development Companies' boards of directors are subject to fiduciary obligations to make decisions that they believe in the best interests of the Development Companies. Although in most cases the Funds' and the Development Companies' interests are expected to be aligned, this may not always be the case. For example, certain staff of a Development Company may earn an incentive fee, bonus or other form of remuneration in connection with an investment reaching a milestone and/or regulatory approval or otherwise upon the disposition of an investment. Any such remuneration will reduce returns to the Funds and their investors and will be borne by the investors in the applicable Fund(s). In such circumstances, there may be conflicts between the relevant director's obligations to the applicable Development Company and its stakeholders, including the Sponsor, on the one hand, and the interests of the Funds, on the other hand.

Certain staff of a current or future Development Company may earn an incentive fee, bonus or some other form of remuneration in connection with a Defined Exit Investment reaching a milestone and/or regulatory approval or otherwise upon the disposition of such investment. Members of management at the relevant Development Company will also receive a percentage of the profits on each Defined Exit Investment. Such remuneration reduces returns to the applicable Fund and investors in such Fund prior to the application of any performance allocation, Management Fees or other expenses and will be borne indirectly by the investors in such Fund.

Transactions with Portfolio Entities. Blackstone and Portfolio Entities of the Funds and Other Blackstone Clients operate in multiple industries and provide products and services to or otherwise contract with the Funds and their Portfolio Entities, among others. In connection with any such investment, Blackstone, the Funds and Other Blackstone Clients and their respective Portfolio Entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to Portfolio Entities of the Funds or Other Blackstone Clients. Such referrals may be made by Blackstone in an effort, in part, to increase the customer base of such companies or businesses (and therefore the value of the investment held by the Funds or Other Blackstone Client) or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, participation in revenue share and/or milestones benefitting the referring or introducing party that are tied or related to participation by the Portfolio Entities of the Funds and/or of Other Blackstone Clients, accruing to the party making the introduction. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a Portfolio Entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, ongoing account services (e.g., dealing with banks/KYC, risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services) to such portfolio entities that are referred to the joint venture or business by Blackstone. Such joint venture or business could use data obtained from such portfolio entities (see "Data Management Services" herein). The Funds and the investors in the Funds typically

will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Clients and their Portfolio Entities as a result of the introduction of the Funds and their Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that the Funds or their Portfolio Entities share in some or all of any resulting financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where the Funds or one of their Portfolio Entities is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, cash payments, equity ownership, participation in revenue share and/or milestones) may be similarly shared with the participating Funds, Other Blackstone Clients or their respective Portfolio Entities.

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

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

Cross-Guarantees and Cross-Collateralization. In certain circumstances the Funds and their Portfolio Entities can be expected to enter into cross-collateralization or any cross-guarantee or similar arrangements with Other Blackstone Clients (including co-investment vehicles) and their Portfolio Entities, particularly in circumstances in which better financing terms are available through a cross-collateralized arrangement. Also, it is expected that cross-collateralization will generally occur at Portfolio Entities rather than the Funds for obligations that are not recourse to the Funds except in limited circumstances such as "bad boy" events. Any cross-collateralization arrangements with Other Blackstone Clients could result in the Funds losing their interests in otherwise performing investments of the Funds or other assets due to poorly performing or non-performing investments or other assets of other Funds or of Other

Blackstone Clients in the collateral pool, or such persons otherwise defaulting on their obligations under the terms of such arrangements. The Fund investors may also be required to fund capital contributions to cover the Funds' obligations under such a default. (See also "—Liability Arising From Transactions Entered into Alongside Other Blackstone Clients" herein.)

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

Joint Venture Partners. The Funds have and will from time to time enter into one or more joint venture arrangements with third party joint venture partners, including the Development Companies themselves and/or members/owners of the Development Companies. Investments of the Funds made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as determined by the Sponsor in its sole discretion. The joint venture partners could provide services similar to those provided by the Sponsor to the Funds. Yet, no compensation or fees paid to the joint venture partners would reduce or offset Management Fees or carried interest payable to the Sponsor to the extent such joint venture partners are not considered affiliates of the Sponsor under the Funds' Organizational Documents. Additional conflicts would arise if a joint venture partner is related to Blackstone in any way, such as a limited partner investor in, lender to, a shareholder of, or a service provider to Blackstone, the Funds, Other Blackstone Clients, or their respective Portfolio Entities, or any affiliate, personnel, officer or agent of any of the foregoing. See also "—Development Companies" herein.

Valuation Matters. The fair value of all investments (including any asset received in exchange for any investments or interests in the Funds, as applicable) will ultimately be determined by the Sponsor in accordance with the Organizational Documents and the Funds' valuation policy and procedures. It will, in certain circumstances, be the case that the carrying value of an investment may not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value from time to time and the ultimate sales price could be material. The valuation methodologies used to value any investment will involve subjective judgments and projections and will, in certain circumstances, not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. For example, the Sponsor could believe that capitalization rates will be lower upon a sale of an investment than they ultimately are, or that interest rates will

decline during the hold period of an investment thereby creating attractive value even though rates do not decline. Valuation methodologies may permit reliance on a prior period valuation of particular investments. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone's and the Sponsor's control. There will be no retroactive adjustment in the valuation of any investment, the offering price at which interests in a Fund were purchased by investors in the Funds or repurchased by a Fund, as applicable, or the fees and/or performance-based compensation paid to the Sponsor to the extent any valuation proves to not accurately reflect the realizable value of an asset in a Fund.

The valuation of investments will affect the amount and timing of the Sponsor's performance-based compensation and, under certain circumstances, the amount of Management Fees and servicing fees (if any) payable to the Sponsor. The valuation of investments of Other Blackstone Clients will, in certain circumstances, affect the decision of potential investors to subscribe for interests in a Fund. Similarly, the valuation of investments of a Fund will, in certain circumstances, affect the ability of Blackstone to form and attract capital to Other Blackstone Clients. As a result, there may be circumstances in which Blackstone is incentivized to determine valuations that are higher than the actual fair value of investments, which generally remains in the sole discretion of Blackstone.

Diverse Investor Group. The investors in the Funds may have conflicting investment, tax and other interests with respect to their investments in the Funds and with respect to the interests of investors in Other Blackstone Clients that participate in the same investments as the Funds. The conflicting interests of investors in the Funds and/or investors in other investment vehicles would generally relate to or arise from, among other things, the nature, structuring, financing, tax profile and timing of disposition of investments of the Funds. The Sponsor will, in certain circumstances, as a result have conflicts in making these decisions, which can be expected to be more beneficial for one or more (but not all) investors in the Funds than for other investors in the Funds. In addition, the Funds will, in certain circumstances, make investments that may have a negative impact on related investments made by the investors in the Funds in separate transactions. In selecting and structuring investments appropriate for the Funds, the Sponsor will consider the investment and tax objectives of the Funds and their partners as a whole (and those of investors in Other Blackstone Clients that participate in the same investments as the Funds), not the investment, tax or other objectives of any investor in a Fund individually. Additionally, the Sponsor may elect to exclude certain investors in the Funds from particular investments for legal, tax, regulatory or other reasons applicable to any such investment in which case non-excluded investors in the Funds will be allocated a greater proportionate interest in such investment. In addition, certain investors in the Funds may also be limited partners in Other Blackstone Clients, including supplemental capital vehicles and co-investment vehicles that may invest alongside the Funds in one or more investments of the Funds, which could create conflicts for the Sponsor in the treatment of different investors in the Funds. Investors in the Funds can be expected to also include affiliates of the Sponsor. All Sponsor related investors in the Funds will have equivalent rights to vote and withhold consents as nonrelated investors in the Funds, unless otherwise provided by the terms of the Organizational Documents of the Funds. Nonetheless, Blackstone may have the ability to influence, directly or

indirectly, these Sponsor related investors in the Funds. It is also possible that the Funds or the Funds' Portfolio Entities may be counterparties (such counterparties dealt with on an arm's length basis) or participants in agreements, transactions or other arrangements with an investor in a Fund or its affiliates (which may occur in connection with such investor or its affiliates making a capital commitment to a Fund or Other Blackstone Client), including with respect to one or more investments (or types of investments). Such transactions may include agreements to pay performance fees to a management team and other related persons in connection with the Funds' investment therein, which will reduce the Funds' returns and will not necessarily be subordinated to the return of the Capital Contributions made by the investors in the Funds. Such investors in the Funds described in the previous sentences may therefore have different information about Blackstone and the Funds than investors in the Funds not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealings with any such investors in the Funds, and the Sponsor and its affiliates may not be motivated to act solely in accordance with its interests relating to the Funds. (See also "— Other Blackstone Business Activities" herein.) Similarly, not all investors in the Funds monitor their investments in vehicles such as the Funds in the same manner. For example, certain investors in the Funds may periodically request from the Sponsor information regarding the Funds and their Portfolio Entities and investments that is not otherwise included in the reporting and other information delivered to all investors in the Funds—for instance, pre-quarterly reporting valuation. In such circumstances, the Sponsor may provide such information to such Fund investor and not to other investors in the Funds. As a result, certain investors in the Funds may receive more information from the Sponsor about the Funds and their Portfolio Entities or may receive information about the Funds and their Portfolio Entities at an earlier time than other investors in the Funds, and the Sponsor will have no duty to ensure all investors in the Funds receive the same information regarding the Funds and their Portfolio Entities. Therefore, certain investors in the Funds may be able to take actions on the basis of such information which, in the absence of such information, other investors in the Funds do not take. Furthermore, at certain times Blackstone may be restricted from disclosing to the investors in the Funds material non-public information regarding any assets in which the Funds invests, particularly those investments in which an Other Blackstone Client or Portfolio Entity that is publicly registered co-invests with the Funds. In addition, investment banks or other financial institutions, as well as Blackstone personnel, may also be investors in the Funds. These institutions and personnel are a potential source of information and ideas that could benefit the Funds, and may receive information about the Funds and their Portfolio Entities in their capacity as a service provider or vendor to the Funds and their Portfolio Entities.

Investors in the Funds' Outside Activities. An investor in a Fund shall be entitled to and can be expected to have business interests and engage in activities in addition to those relating to the Funds, including business interests and activities in direct competition with the Funds and their Portfolio Entities, and may engage in transactions with, and provide services to, the Funds or their Portfolio Entities (which will, in certain circumstances, include providing leverage or other financing to the Funds or their Portfolio Entities as determined by the Sponsor in its sole discretion). None of the Funds, any investor a Fund or any other Person shall have any rights by virtue of the Organizational Documents of the Funds or any related agreements in any business

ventures of any investor in a Fund. The applicable investor, and in certain cases the Sponsor, will have conflicting loyalties in these situations.

Insurance. The Funds will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure the Funds, Portfolio Entities, the Sponsor, Blackstone and their respective directors, officers, employees, agents and representatives, and members of the Investor Committee and other indemnified parties (and in certain circumstances, such person's agents and representatives), against liability in connection with the activities of the Funds. This includes a portion of any premiums, fees, costs and expenses for one or more "umbrella," group or other insurance policies maintained by Blackstone that cover one or more of the Funds and Other Blackstone Clients, the Sponsor and Blackstone (including their respective directors, officers, employees, agents, representatives and members of the Investor Committee and other indemnified parties). The Sponsor will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella," group or other insurance policies among one or more of the Funds and Other Blackstone Clients, the Sponsor and/or Blackstone on a fair and reasonable basis, in their sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable.

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

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

Coronavirus and Public Health Emergencies. As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines,

prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their Portfolio Entities and could adversely affect the Funds' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Funds' and their Portfolio Entities' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' Portfolio Entities, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve its investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their Portfolio Entities, and the Sponsor may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Other Conflicts. In addition, other present and future activities of the Sponsor, Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities, the Development Companies, affiliates (including the Sponsor) and related parties will from time to time give rise to additional conflicts of interest relating to the Funds and its investment activities. The Sponsor generally attempts to resolve conflicts in a fair and equitable manner, but conflicts will not necessarily be resolved in favor of the Funds' interests. In addition, pursuant to the Organizational Documents, an Investor Committee has or will be established and authorized to give consent on behalf of the Funds with respect to certain matters as described more fully in the Organizational Documents. If the Investor Committee of a Fund consents to a particular matter and the Sponsor acts in a manner consistent with, or pursuant to the standards and procedures approved by, such Investor Committee or otherwise as provided in the Organizational Documents of such Fund, then the Sponsor and its affiliates will not have any liability to such Fund or the investors in the Funds for such actions taken in good faith by them.

Additional Potential Conflicts of Interest. The officers, directors, members, managers and personnel of the Sponsor can be expected to trade in securities and make personal investments for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies or as otherwise determined from time to time by the Sponsor. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which the Funds hold or acquire an interest (either directly through a privately negotiated investment or indirectly through the purchase of securities or other traded instruments related thereto) and (ii) entities that have interests which are adverse to those of the Funds or pursue similar investment opportunities as the Funds. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of the Sponsor can be expected to take into account certain considerations and other factors in connection with the management of the business and affairs of the Funds and their affiliates that would not necessarily be taken into account if Blackstone were not a public company. The directors of Blackstone have fiduciary duties to shareholders of the public company that may conflict with their duties to the Funds. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to the Funds and Other Blackstone Funds, the Sponsor could decline to undertake investment activity or transact with a counterparty on behalf of the Funds for reputational reasons, and this decision could result in the Funds foregoing a profit or suffering a loss.

Other Financial Industry Affiliations

The Sponsor is an affiliate of the following entities:

Broker-Dealer Entities	
Alight Financial Solutions, LLC*	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Assetpoint Financial, LLC*	Operates a service that facilitates the entry by banks and other financial institutions in to repurchase agreement transactions for themselves or as agent for their customers
Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
Dealerweb Inc.*	Operates as an interdealer broker in fixed income securities including U.S. government mortgage-backed securities, repurchase agreements, U.S. treasuries, collateralized mortgage obligations, asset backed securities, EFPs, and municipal securities; and operates as an alternative trading system for fixed income securities

FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Incenter Securities Group LLC**	Provides a variety of limited investment banking services
Redi Global Technologies LLC*	Operates an EMS (“REDI”) that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Redi Technologies Ltd*	The FCA entity that operates “REDI” EMS, that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Refinitiv Transaction Services Limited*	UK registered company, whose main activity is the provision of electronic trading venues for foreign exchange spot and forward/swaps foreign exchange instruments
Tradeweb Direct LLC*	Operates an alternative trading system for taxable and tax-exempt fixed income securities and serves as a venue for matching buyers and sellers in the fixed income marketplace for retail sized orders
Tradeweb Europe Limited*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments in the United Kingdom and throughout the European economic area
Tradeweb L.L.C.*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments
Investment Advisor Entities	
Alight Financial Advisors, LLC (D/B/A Aon Hewitt Financial Advisors, LLC)*	Provides advisory services to participants of plan sponsored 401(k) retirement plans
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (i.e., fund of hedge funds)
Blackstone Alternative Investment Advisors 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 Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone ISF Advisors LP	Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	Provides investment advisory services to Blackstone Life Sciences V L.P.
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 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 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 Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds

Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end 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 Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
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 and separately managed accounts
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 CLO Management LLC (Management Series)	Provides investment advisory services to U.S. CLOs
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.
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT

BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
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 Alternative Credit, LLC*	Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts and co-mingled funds
First Eagle Alternative Credit SLS, LLC*	Provides investment advisory services to clients in below investment grade investment opportunities in bank loans, high yield debt, collateralized loan obligations (" <u>CLOs</u> "), including CLO debt or equity mandates, and other securities
First Eagle BDC Adviser LLC*	Investment adviser created to provide investment advisory services to a business development company that has not yet launched
First Eagle Commercial Loan Originator II LLC*	Provides investment advisory services to CLO's specializing in middle market credit
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
First Eagle Private Credit Advisors, LLC*	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in liquid credit
First Eagle Private Credit, LLC*	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in middle market credit
GSO Asset Management LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
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 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
Refinitiv Global Markets Inc. (D/B/A IFR, Municipal Market Data)*	Provides investment advisory services to U.S. treasuries and U.S. municipal markets
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
THL Credit, Inc.*	Provides investment advisory services to certain private funds and separate accounts that have invested alongside THL Credit, Inc.
THL Credit Direct Lending Manager III LLC*	Serves as the manager of a private direct lending fund
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Assessoria em Investimento Ltda.	Brazilian investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds
Blackstone Insurance Solutions Europe LLP	Provides investment advisory services to one or more private investment funds and managed accounts focusing on European investment grade securities, investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies and origination opportunities
Blackstone Real Estate Australia Pty Limited	Australia investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant

Blackstone (Shanghai) Equity Investment Management Co. Ltd.	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
Blackstone (Shanghai) Equity Investments Management Co. Ltd. – Beijing Branch Office	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant
BX Mexico Advisors S.A. de C.V.	Mexican advisory entity which provides services to certain publicly registered trusts
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
The Blackstone Group Spain SLU	Spain investment advisory firm, which serves as a sub-advisor to the registrant
Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities	
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
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 provide title services for real property owned by various funds and/or their portfolio entities
Partners Life Limited**	Life and medical insurance company in New Zealand
Rothsay Life Plc**	Life insurer specializing in bulk annuities and other de-risking solutions for defined benefit pension schemes and insurance companies

*Portfolio company of affiliated private equity fund

**Portfolio company of affiliated Tactical Opportunities funds

Item 11 – Code of Ethics

The Sponsor recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of investors come first; and (iii) it has a fiduciary duty to its investors to act in the best interests of the Funds it manages. The Sponsor personnel are required to act in accordance with the implied contractual covenants of good faith and fair dealing in respect of their dealings with investors and are required to comply with all applicable laws.

The Sponsor is governed by the Blackstone Code of Ethics (the “Code”). The Code governs a number of potential conflicts of interest which exist in connection with the Funds it manages. The Code is reasonably designed to ensure that the Sponsor meets its fiduciary obligations to Fund investors (or prospective investors) and to instill a culture of compliance within the Sponsor. An additional benefit of the Code 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 Sponsor also supplement the Code with ongoing monitoring of employee activity.

The Code includes, among other items, the following:

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

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

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

The Sponsor and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that such trading be conducted for

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

You may request a copy of the Code by contacting Omar Rehman – Chief Compliance Officer; 212-583-5000; Omar.Rehman@Blackstone.com.

Item 12 – Brokerage Practices

The Sponsor will, in certain circumstances, trade in public securities; however, in the event the Sponsor executes a brokerage transaction for one or more Funds (e.g., trades in public securities as part of or following an initial public offering of a Portfolio Entity) or enters into hedging transactions, the Sponsor will generally consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, and the broker's reputation and responsiveness to requests for trade data and other financial information.

Item 13 – Review of Accounts

REVIEW OF ACCOUNTS

Currently, the only accounts under the supervision of the Sponsor are the relevant Funds' accounts. The Funds' accounts and investment positions are monitored by the Sponsor's personnel on a regular and current basis. The Sponsor's Investment Committee meets as necessary to review general portfolio composition, investment opportunities, market conditions, potential conflicts, and recent trading activities. The Sponsor's Investment Committee consists of a minimum of 5 persons and additional members depending on the particular investment, all of whom are Senior Managing Directors of the Blackstone Life Sciences business. The Sponsor might periodically review on an expedited basis the assets of the Fund following a unique occurrence in the financial industry or market generally. The Investment Committee may also draw on regional experts within Blackstone as appropriate given the specific profile of each investment opportunity.

REPORTS TO INVESTORS

Investors in the Funds generally will receive written quarterly reports which will include capital balance and Fund performance statistics. Investors also will receive written annual audited financial statements for the Fund in which they are invested. The Sponsor makes use of Blackstone's online portal, BX Access, available at www.bxaccess.com for the distribution of reports and other information to investors in Clarus IV-A, L.P., Clarus IV-B, L.P., Clarus IV-C, L.P., and Clarus IV-D, L.P. and to any parallel or alternative investment vehicle formed in connection therewith.

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

Item 14 – Client Referrals and Other Compensation

While it is the case that the Funds are no longer being actively marketed, there were placement arrangements in place with affiliated and non-affiliated third party solicitors pursuant to which on-going payments may still be due and owing.

Item 15 – Custody

Rule 206(4)-2, as amended (the “Custody Rule”), of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) defines custody as holding client securities or funds or having any authority to obtain possession of them. The Funds generally have a Sponsor affiliate acting as general partner and, as such, the Sponsor is generally deemed to have custody of the Funds’ funds. The Sponsor generally complies with the Advisers Act custody rule by, among other things, providing all investors in the Funds with audited financial statements.

Item 16 – Investment Discretion

The Sponsor maintains the authority to manage or advise the relevant Funds on a discretionary basis, subject to the overall supervision of the Sponsor, in accordance with the investment guidelines, objectives, limitations, other provisions and terms set forth in the Funds' Organizational Documents.

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

Proxy Policy

Rule 206(4)-6 under the Advisers Act (the “Proxy Rule”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because the Sponsor will generally be deemed to have authority to vote proxies relating to the companies in which its clients invest, the Sponsor maintains a set of policies and procedures (together, the “Policy”) in compliance with the Proxy Rule. To the extent that the Sponsor exercises or is deemed to be exercising voting authority over its clients’ securities, the Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, “proxies”) is exercised in a manner that serves the best interest of the Funds, as determined by the Sponsor in its sole discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, the Sponsor may not always vote proxies in accordance with the Policy. In addition, many possible proxy matters are not covered in the Policy. Generally, the Sponsor will vote proxies in favor of management’s recommendations, including, but not limited to, the following matters: (i) the election of the board of directors; and (ii) the approval of financial statements as presented by management; and (iii) will generally vote in favor of the selection of independent auditors even if the proposed auditor is currently the auditor of The Blackstone Group Inc. In certain cases where an investment is made with Blackstone-affiliated or unaffiliated sponsors, proxy voting may be delegated to such other sponsors (each such sponsor a “Voting Sponsor”) provided that Blackstone reasonably believes that such Voting Sponsor’s policies regarding proxy voting are consistent with the Policy.

From time to time, conflicts can be expected to arise between the interests of the investor, on the one hand, and the interests of the Sponsor or its affiliates, on the other hand. If the Sponsor determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Sponsor will address matters involving such conflicts of interest on a case-by-case basis by consulting with the Chief Compliance Officer or his designee, subject to legal, regulatory, contractual or other applicable considerations. The analysis will be documented. The Sponsor in its sole discretion, may elect not to vote certain routine proxies if unduly burdensome.

Investors may request a copy of the Policy and the voting records relating to proxies as provided by the Proxy Rule by contacting Omar Rehman – Chief Compliance Officer; 212-583-5000; Omar.Rehman@Blackstone.com.

Item 18 – Financial Information

The Sponsor has never been the subject of a bankruptcy petition at any time during the past ten years and/or is aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

Item 19 – Requirements for State Registered Advisers

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