

**Item 1 – Cover Page**

**Blackstone Infrastructure Advisors L.L.C.**

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**as of March 30, 2020**

Form ADV, Part 2; the “Disclosure Brochure” or “Brochure” provides information about the qualifications and business practices of Blackstone Infrastructure Advisors L.L.C. (the “Advisor”).

If you have any questions about the contents of this Brochure, please contact us at (212-583-5000). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The Advisor’s registration as an investment advisor 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](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in “Blackstone Infrastructure Advisors”). 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 its last annual update filing on March 31, 2019 other than the inclusion of 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 company 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 (212) 583-5000.

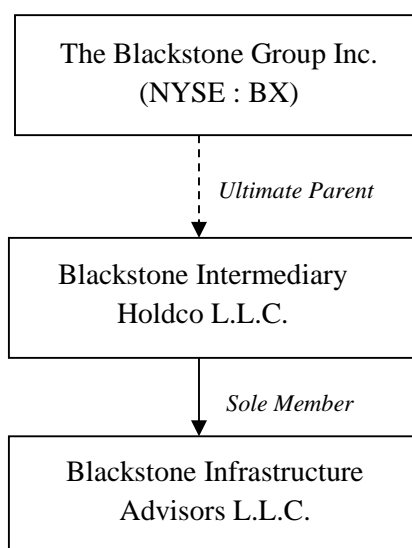
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## Item 4 – Advisory Business

Blackstone Infrastructure Advisors L.L.C. (the “Advisor”) is a Delaware limited liability company. The Advisor provides investment advisory services to an open-ended private investment fund that has as its primary investment objective the making of control and control-oriented infrastructure investments, as well as in public-private partnership infrastructure projects, in each case within the “Core+” and “Core” space and its parallel funds (“BIP”), its related parallel account (“BIP-P” or the “Parallel Account”) and other managed accounts (the “Other Parallel Accounts”) and certain closed-end private funds and other single investor and pooled vehicles that have or may make separate investments in the infrastructure space or co-invest alongside BIP (the “Other Infrastructure Vehicles” and, together with BIP and BIP-P, the “Funds”). Affiliates of the Advisor serve as the general partner (the “General Partner,” and, collectively, the “General Partners”) of each of the Funds.

The Advisor was established in 2017. The ultimate parent of the Advisor is The Blackstone Group Inc., which is a publicly held corporation listed on the New York Stock Exchange that trades under the ticker symbol “BX”. Please see the structure chart below. 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 & Affiliations** for more information.



As of December 31, 2019, the Advisor has regulatory assets under management of \$27,123,755,821.

### **Description of Advisory Services:**

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

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

Through a series of delegation agreements, the Advisor also provides specific portfolio management services to certain private investment funds managed by an affiliated alternative investment fund manager for the purposes of the European Union Alternative Investment Fund Managers Directive (“AIFMD”).

## Item 5 – Fees and Compensation

### *Management Fees and Performance Fees*

Pursuant to the Advisory Agreements with each of the Funds, the Advisor is entitled to compensation from each Fund for its services in the form of an annual management fee (the “Management Fee”), payable quarterly in arrears consisting of the sum of (i) up to 1.00% per annum (which varies among the Funds) of the applicable Fund’s (i) total invested capital, in the case of certain Funds that are structured as “closed-end funds”, or (ii) net asset value, in the case of a Fund that is structured as a “open-end fund” (and certain Funds that are structured as “closed-end funds”) plus (ii) up to 0.50% per annum (which varies among the Funds) of undrawn capital commitments with respect to certain limited partners of certain Funds.

The Management Fee is prorated for any partial periods. In certain cases, the Management Fee payable by an investor in a Fund may be waived or reduced for certain investors that have certain characteristics, such as if a Fund investor participates in an early closing of a Fund or makes a commitment to a Fund above a certain threshold.

As set forth in **Item 6** below, each of the General Partners receives performance-based compensation in respect of either realized or unrealized (dependent upon the Fund) appreciation, subject to certain conditions, and, in addition, certain Funds distribute current income from investments.

The offering materials (including the private placement memorandum as amended, restated or supplemented from time to time) (the “Offering Materials”), the organizational documents (including any applicable limited partnership agreements, limited liability company agreements and other formation documents, as amended or restated from time to time) (the “Organizational Documents”) and Advisory Agreement of each Fund include further details on fees, compensation and related matters.

Management Fees and performance-based compensation are either called from investors in the form of cash or units of the relevant Fund, if applicable, or drawn down from the relevant Fund’s subscription credit facility.

Certain investors in the Funds, including current and/or former senior advisors, employees, officers and retired partners of Blackstone, chief executive officers of Blackstone Portfolio Entities (as defined herein), investment funds advised by Blackstone Multi-Asset Advisors L.L.C. (“BTAS Funds”), employees of PJT Partners Inc. (“PJT”), BREP Funds, BREDS Funds, PE Funds, GSO Funds Strategic Partners, Life Sciences, BIS Funds, BAAM Funds (including BSOF), BSCH, BXLS, Legacy Clarus Funds, BTO Funds, BXMT Funds, BXG Funds (each as defined herein) and certain other investment funds, managed accounts and/or other similar arrangements otherwise advised, managed or operated by Blackstone (and including such future investment funds, managed accounts and/or other similar arrangements) and any successors thereto (collectively, “Other Blackstone Clients”) and/or charitable programs, endowment funds and

related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendant, trusts and other related persons or entities) (“Blackstone Investors”), will not pay Management Fees and/or performance-based allocations in connection with their investment in the Funds or Blackstone-sponsored funds that make investments in or alongside one or more of the Funds. Notwithstanding the foregoing, such investors will either directly pay for their pro rata share of certain Fund expenses (as described below), or the pro rata amount of such expenses will be allocated to the applicable General Partners or their affiliates. In addition, to the extent current and/or former partners, employees, advisors and other persons referred to above, including their charitable programs, endowment funds and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants, trusts and other related persons or entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Funds, any such amounts may, in each General Partners sole discretion, be treated as satisfying the applicable portion of any required capital commitment of such General Partner and/or its affiliates to the applicable Fund (even in circumstances where any such commitments or investments are made following a separation from Blackstone). For more information with respect to the allocation of Fund expenses, please see “Expenses” in **Item 5** below. In addition, from time to time, Blackstone may enter into economic and/or fee sharing arrangements with respect to one or more Funds and/or certain limited partners thereof, which rights will not generally be made available to other limited partners.

#### *Blackstone Strategic Relationships*

In addition, 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 that of any particular Blackstone fund (“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 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” process any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts or reductions on and/or reimbursements or rebates of management fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone vehicles (including, without limitation, preferential or favorable allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone funds (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 a Fund. Blackstone, including its personnel (including private equity personnel), may receive

compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from a Fund to or source investment opportunities for Strategic Relationships. Strategic Relationships will, in certain circumstances, therefore result in fewer co-investment opportunities (or reduced allocations) being made available to other investors in the Funds.

*Other Fees Payable to the Advisor and its Affiliates*

In addition, pursuant to the Advisory Agreements with certain Funds, the Advisor may charge investors with capital commitments below a certain threshold a servicing fee (the “Servicing Fee”), subject to the right of the applicable General Partner, in its sole discretion, to reduce or waive such fee. The Servicing Fee is generally equal to a percentage based on the investor’s share of net asset value (“NAV”) and payable quarterly in arrears.

In addition to the Advisor’s Management Fee, any Servicing Fee and performance-based allocations (see **Item 6** below), the Advisor and its affiliates may also receive syndication and financial advisory fees (including underwriting fees), monitoring fees, property/asset management fees, acquisition fees, fees for asset management and/or property management services, mortgage servicing and due-diligence, loan servicing, organization and financing fees and similar fees for arranging acquisitions and other major financial restructurings, commitment, transaction, break-up and topping fees, operational fees, divestment fees and directors’ fees, fees for services related to group purchasing, healthcare consulting/brokerage, investment banking, capital markets, credit origination, loan servicing and/or other types of insurance, management consulting and other similar operational and finance matters, and/or other fees and annual retainers from (or, with respect to) the Funds’ portfolio companies. The Management Fee paid by Fund investors generally will not be offset by break-up, topping, commitment (including fees received in respect of guarantees as contemplated by the applicable partnership agreement), monitoring, transaction, directors’ and organizational fees or any other fees received by the Advisor and its affiliates. Certain of the Funds bear the cost of fund administration services provided by Blackstone employees (including the allocation of their compensation), and except in certain limited circumstances or with respect to certain Funds, such amounts will not offset management fees. Fund investors should carefully consult the applicable Fund’s Offering Materials and Organizational Documents to determine the offsettable fees, if any, and the management fee offset percentage, if any, applicable to the Funds in which they are invested (See “Other Fees Received by the Advisor and its Affiliates” in **Item 10** below). In addition, the Advisor will also engage and retain on behalf of the Funds and/or their portfolio companies senior advisors, industry experts, executive advisors, consultants, and other similar professionals who are not employees or affiliates of the Advisor and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies 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, any Servicing Fee and performance-based



compensation, are established by the Advisor through negotiations with investors in each Fund, and the Offering Materials, 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 Fund investors). 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. Subject to the limitations set forth in the Organizational Documents, costs, expenses and charges specifically attributed or allocated by the Advisor and its affiliates to the Funds may exceed what would be paid to an unaffiliated third party for substantially similar services.

- Legal fees (including costs for in-house transactional legal and tax advice and/or services allocated by the Advisor to the Funds or their portfolio entities on matters related to potential or actual investments or transactions and other legal matters of the Funds).
- Placement fees and due diligence of placement agents.
- Regulatory filing fees of the Funds, including but not limited to compliance with U.S. federal and state securities laws and international laws, such as the AIFMD.
- Expenses related to the Advisor's compliance matters and regulatory filings to the extent they relate to its Funds' activities (*e.g.*, Form PF, U.S. Commodity Futures Trading Commission ("CFTC") filings, AIFMD filings (including any costs associated with the AIFMD marketing passport)) and any related regulations, including costs and expenses of collecting and calculating data and preparation of regular reports to be filed with EEA member states.
- Data management and services.
- Administrative fees (including in-house administration/accounting costs), expenses and/or charges, including overhead related thereto (See "Other Fees Received by the Advisor and their Affiliates" in **Item 10** below).
- Organizational expenses associated with operating the Funds.
- Operating expenses.
- Consultant and senior advisor expenses (See "Advisors, Consultants and Partners" in **Item 10** below) and the expenses of investment bankers.
- Technology expenses (which may include internally allocated charges for certain Funds).
- Accounting fees.

- Taxes, tax-related interest and expenses related to the preparation and delivery of any entity-level taxes.
- Tax advisor fees including all expenses in connection with any tax audit, examination or investigation.
- Audit fees.
- Brokerage commissions.
- Transaction fees.
- Fees and expenses associated with borrowing, guarantees and other financing, including interest charges.
- Expenses of loan servicers and other service providers (including, for the avoidance of doubt, the costs and charges allocable with respect to the provision of fund administration or other services and professionals related thereto (including secondees and temporary personnel or consultants) as deemed appropriate by the General Partner).
- Expenses associated with the development, negotiation, acquisition, holding, monitoring and disposition of investments.
- Fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any one or more investments or otherwise facilitating a Fund's investment activities, including without limitation any travel and accommodation expenses related to such entity and the salary and benefits of any personnel reasonably necessary and/or advisable for the maintenance and operation of such entity, costs associated with the leasing of office space (including, without limitation, rent and refurbishment costs and office space in Luxembourg).
- Custodial, depositary, representative and paying agent and other third-party professional fees.
- Research-related expenses, including news and quotation equipment and services and data collection and including costs allocated by Blackstone's internal research and third-party groups (which are generally based on time spent), internal and third-party printing (including a flat service fee) and publishing (including time spent performing such internal printing and publishing services).
- Broken-deal expenses (See "Other Fees Received by the Advisor and its Affiliates" in **Item 10** below).
- Expenses associated with the preparation, printing and delivery of the Funds' periodic reports and related financial and other statements and investor notices and

communications (including preparation and delivery of tax returns, K-1s and other communications or notices relating to the Funds).

- Expenses of the L.P. Advisory Committees or board of directors, including director fees, as applicable or any independent client representative.
- Expenses of investor meetings.
- Expenses associated with a Fund's compliance with applicable laws and regulations.
- Expenses of litigation involving the Funds or entities in which the Funds have investments and the amount of any judgments, fines, remediation or settlements paid in connection therewith.
- Expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nations" provisions.
- In-house fund administration costs and related overhead (See "Other Fees Received by the Advisor and its Affiliates" in **Item 10** below).
- Travel and entertainment expenses in connection with the Funds' organization, fundraising and investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos, cars and meals (outside normal business hours), social and entertainment events with Portfolio Entity management, customers, clients, borrowers, brokers and service providers)). Travel and entertainment expenses in connection with a trip taken by employees of the Advisor and/or the General Partner for purposes of multiple matters will generally be allocated to each such matter based on the time spent for each matter and then the resulting expenses will be allocated among the Funds, Other Blackstone Clients and/or the Advisor as otherwise set forth herein.
- Expenses associated with the acquisition, settling, holding, monitoring, and disposition of investments (including without limitation, any brokerage, custody, or hedging costs and travel and related expenses in connection with the Funds' investment activities).
- Insurance (including cost of title insurance).
- Indemnification expenses (including advancement of any fees, costs or expenses to persons entitled to such indemnification).
- Expenses of liquidating the Funds.
- Marketing, advertising, printing, wholesaling and other capital raising expenses associated with investor admission/subscription and investor-related services and other similar costs.
- Arbitration expenses.

- Valuation costs.
- Expenses of third-party advisory committees of the Funds as well as of other goods and services provided by third parties and other third-party professionals.
- Expenses associated with redemptions and admissions/subscriptions.

Certain personnel of Blackstone and its affiliates, including consultants, may be seconded to one or more Portfolio Entities, service providers and vendors or limited partners of a Fund and Other Blackstone Clients to provide 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 (in whole or in part) by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of portfolio entities, vendors, service providers (including law firms and accounting firms) and limited partners of the Funds and Other Blackstone Clients will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to Blackstone and Portfolio Entities of the Funds. While the Funds, Other Blackstone Clients and their Portfolio Entities are often the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor or service provider also provides services to the Funds, Other Blackstone Clients or their Portfolio Entities in the ordinary course. The Funds, Other Blackstone Clients and their 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. Blackstone or the portfolio entity 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 Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates and related parties, and any costs of such personnel may be allocated accordingly. Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to Blackstone, the Funds, Other Blackstone Clients, their Portfolio Entities and other parties based on time spent by the personnel or another methodology Blackstone deems appropriate in a particular circumstance.

Investors in a Fund are allocated their pro rata share of such additional fees and expenses and the Funds generally bear their share of fees and expenses as part of their participation in investments. 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 (including any parallel funds formed in the future in Luxembourg and any related AIFMD and other marketing and compliance-related expenses that are not directly connected to such Funds and their activities) on a pro rata basis; *provided*, that the General Partners may in good faith allocate any expenses of the applicable Funds and their respective alternative investment vehicles between or among the Funds and their respective alternative investment vehicles on another basis if they determine such allocation is more equitable or appropriate under the circumstances.

From time to time, each General Partner will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or the relevant General Partner and the Advisor, on the other, and/or whether certain costs and expenses should be allocated between or among the Funds, on the one hand, and other funds, investment vehicles, separate managed account arrangements and special purpose vehicles managed by affiliates of Blackstone ("Other Blackstone Accounts"), on the other. Certain expenses may be suitable for only a particular Fund participating in specific investments and may be allocated to and borne only by such Fund, or, as is more often the case, expenses may be allocated pro rata among the Funds participating in the relevant investment(s) (or in such other allocation as the applicable General Partners decide in good faith is more equitable or appropriate) even if the expenses relate only to particular vehicle(s) and/or investor(s) therein (or some of all Funds in the case of expenses applicable to such Funds generally). 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. Certain co-investment vehicles however, or certain potential co-investors who might have invested in a transaction had it been consummated will not be allocated any share of such break-up or topping fees or broken deal expenses, such as potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment are not executed until the time of the deal closing, unless the applicable General Partner determines otherwise in its discretion or as may be set forth in the relevant operative agreements. Each General Partner will make such judgments in a manner that it determines to be fair and reasonable in good faith, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. However, such determination is inherently subjective and may give rise to conflicts of interest in light of the inherent biases in the process. There can be no assurance that a different manner of allocation would not result in a Fund bearing less (or more) expenses.

## 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 Advisor, the General Partners of BIP and BIP-P each receive performance-based compensation equal to 12.5% and 10%, respectively, of any appreciation (including unrealized appreciation) of the Fund's investment portfolio, taking into account any distributions made to investors over the applicable period, following BIP or BIP-P, as applicable, achieving a certain hurdle amount during such period (as set forth in the applicable Fund's Organizational Documents). The General Partners of Other Infrastructure Vehicles generally receive a percentage of the profits of current disposition proceeds from each such Other Infrastructure Vehicle with respect to each investor (other than those that are affiliates of the Advisor), typically analogous to the performance-based compensation received with respect to BIP and BIP-P.

BIP distributes cash available for distribution, as determined by the applicable General Partner in its sole discretion, on a periodic basis. Investors in BIP will have all of such distributions reinvested by the applicable General Partner of BIP unless they elect otherwise. In addition, BIP generally expects to reinvest proceeds received by it in connection with a disposition or use such proceeds for any other purpose permitted under the Organizational Documents (including satisfying redemption requests).

The fact that the Advisor's affiliates are in part compensated based on the performance of the Funds may create an incentive for the Advisor to make investments on behalf of investors 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 Blackstone personnel. However, the commitment by Blackstone to invest in the Funds, loss carryforward provisions or clawback provisions (which are provisions in certain of the Organizational Documents that require a General Partner to make up any depreciation over a certain period of time prior to taking incentive compensation or return excess amounts of performance based allocations that have been received, respectively), and the fact that the preferred return is calculated on an aggregate basis, in each case, where applicable, should tend to reduce the incentive to make more speculative investments or otherwise time the sale of investments in a manner motivated by personal interests of Blackstone personnel. In connection therewith, the General Partner's clawback obligation in certain Funds may create an incentive for such General Partner to defer the disposition of one or more investments in such Funds if such disposition would result in a realized loss, a return on investment that was less than the preferred return and/or the finalization of dissolution and liquidation of such a Fund where a clawback obligation would be owed.

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

## Item 7 – Types of Clients

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

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

Investors may also include other funds, vehicles and/or accounts managed by affiliates of Blackstone (including investors in Funds established for the BTAS program, Blackstone Harrington Partners L.P., Fidelity and Guaranty Life and Strategic Partners funds). All investors are subject to applicable suitability requirements. The Advisor and the General Partners require 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 applicable General Partner’s sole discretion. Each General Partner 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 Advisor offers advice to the Funds generally to invest in control and control oriented infrastructure investments, as well as in public-private partnership infrastructure projects, in each case within the “Core+” and “Core” space (including (i) preferred stock, debt and other securities relating to common equity investments and (ii) preferred stock, debt and other securities that are expected to produce equity-like returns) in conjunction with privately negotiated transactions. These investments are generally made in connection with acquisitions, dispositions, restructurings, workouts, management acquisitions and other similar situations and utilize some degree of leverage.

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

The Advisor personnel generally meet each Monday to discuss potential and pending transactions. At that meeting such transactions are discussed (unless there are no new developments or activities to report). If the Advisor’s consideration of a transaction has advanced beyond the preliminary evaluation stage, a brief memorandum to a review committee (the “Review Committee”) is prepared and the transaction is discussed at the regular weekly meetings of the Review Committee. If at such meeting the Review Committee authorizes the transaction team to continue to pursue the transaction, the transaction team will conduct further work. If the transaction reaches the stage where the transaction team proposes to make a definitive bid to acquire or invest in the target company or business (usually this is the “second round” of bidding, following an initial round in which preliminary, non-binding indications of interest are submitted by interested bidders), it will prepare a detailed memorandum on the transaction for the investment committee (“Investment Committee”) and convene a meeting of the Investment Committee to discuss the transaction in depth with the transaction team and decide whether to authorize such a definitive bid and what the bid should be. In addition to an in-depth discussion of the target company or business and the investment thesis, deal tactics and potential exit strategies will usually be discussed by the Investment Committee and the transaction team. The Investment Committee will often conduct multiple meetings on a particular deal. Both the Review Committee and Investment Committee processes involve a consensus approach to decision-making. The sole limited partner of BIP-P will be entitled to a non-voting observer seat on the Investment Committee.

Blackstone believes that a key component of being a responsible investor is an active evaluation of the environmental, social and governance (“ESG”) components of each investment we make. Review of ESG risks is integrated into Blackstone’s investment analysis and decision-making process from pre-acquisition diligence through post-acquisition



monitoring. Blackstone's approach to ESG is designed to identify risks and enhance long-term performance across our various investments.

**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. No assurance of investment return
2. Limited operating history
3. Reliance on the Sponsor
4. Role of private equity professionals
5. Highly competitive market for investment opportunities; operators and other partners
6. General economic and market conditions
7. Financial market fluctuations; availability of financing
8. Inflation
9. Investment outside the United States generally
10. Economic, political and social risks
11. Regional risk; independence of markets
12. Trade policy
13. Terrorist activities
14. Natural disasters
15. Public Health Risk/Pandemics
16. Corruption risk; FCPA
17. Privatization
18. Foreign investments controls
19. Foreign capital controls
20. Legal framework and corporate governance
21. Accounting, disclosure and regulatory standards

22. Investments in emerging markets and the Asia Pacific region
23. Potential collapse of the Euro
24. United Kingdom exit from the European Union
25. Chinese growth slowdown; Chinese economy
26. Investments in open market purchases; publicly traded securities
27. Nature of debt securities
28. Convertible securities
29. Illiquid and long-term investments
30. Non-controlling investments; investments with third parties
31. Investment in restructuring
32. Investment in less established companies
33. Investments in regulated industries
34. Future investment techniques and instruments
35. Technological innovations
36. Environmental matters, including weather and climatological risks
37. Governmental action risk
38. Force majeure risk
39. Availability of insurance against certain catastrophic losses
40. Volatility of commodity prices
41. Catastrophe risk
42. Energy and natural resources regulatory risk
43. Risks related to hydraulic fracturing
44. Regulatory approvals
45. Additional capital requirements
46. Adequacy of reserves
47. Deployment of capital

- 48. Distributions in-kind
- 49. Failure to make payments
- 50. Risks relating to due diligence of investments
- 51. Political activities
- 52. Reliance on portfolio entity management and third parties
- 53. Risks in effecting operating improvements
- 54. Expedited transactions
- 55. Portfolio entity liabilities
- 56. Risks from operations of other portfolio entities
- 57. Volatility of credit markets may affect ability to finance and consummate investments
- 58. Bridge financings
- 59. Leverage; subscription line of credit
- 60. Foreign currency and exchange rate risks
- 61. Hedging risks/derivatives
- 62. Risk of limited number of investments; lack of diversification
- 63. Liabilities on disposition of investments
- 64. Documentation and legal risks
- 65. Legal, tax and regulatory risks
- 66. OFAC and sanctions considerations
- 67. Absence of oversight under the Investment Company Act
- 68. Derivatives; Registration under the U.S. Commodity Exchange Act
- 69. Pay-to-Play laws, regulations and policies
- 70. Financial industry regulation
- 71. Change of law risk
- 72. FATCA
- 73. Possible legislative or other developments

- 74. Legislation adversely affecting Blackstone employees and other service providers
- 75. Limitations on deductions of business interest
- 76. Partnership audit legislation
- 77. Phantom income
- 78. Taxation in certain jurisdictions
- 79. UBTI & ECI; tax treatment of non-U.S. feeder vehicles and corporations
- 80. Provision of managerial assistance
- 81. ERISA considerations
- 82. Risk arising from potential control group liability
- 83. Cyber security breaches
- 84. Acquisition of sub performing infrastructure loans and participation
- 85. Investments in the Energy Sector
- 86. General Infrastructure Investment Characteristic Risks
- 87. Operational risk
- 88. No market for limited partnership interests; restrictions on transfers
- 89. Restrictions on redemptions and withdrawals with respect to open ended Investment Vehicles
- 90. Dilution from Subsequent closings
- 91. Recycling, reinvestments
- 92. Possible exclusion
- 93. Amendments
- 94. Sponsor voting
- 95. Annual informational meetings
- 96. Handling of mail
- 97. Valuation matters
- 98. Uncertainty of projections

- 99. Compliance with CFIUS
- 100. GDPR/Privacy
- 101. Cayman EU blacklisting
- 102. Risks relating to technological innovations

**Investors are advised to review the applicable Fund Offering Materials for a more extensive description of the risks of investing in the Funds.**

Stock markets and bond markets fluctuate substantially over time and performance of any investment is not guaranteed. As a result, there is a risk of loss of value in the assets which the Advisor manages that is out of the Advisor's control. The Advisor 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 such investment will depend upon many factors beyond the control of the Funds. 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 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 may be designated as pandemics by world health authorities. The outbreak of such epidemics, 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 invests), and thereby is expected to 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 Fund and the performance of its Investments.

## Item 9 – Disciplinary Information

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

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, the Advisor does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect the Advisor 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](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>), and (ii) materials made available through Blackstone’s BXAccess online portal, 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

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Advisor, 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. 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. Fund investors should review this section and the applicable Fund's Organizational Documents carefully for additional risks and conflicts disclosure before making an investment decision.

The Advisor will take such actions as may be required by the applicable Fund's Organizational Documents to handle conflicts.

Any references to Blackstone and/or the Advisor 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 Entities, holding companies, special purpose vehicles and other entities through which Investments are held.

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

Actions that could be taken by the Advisor or its affiliates to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described in the Organizational Documents; (ii) presenting a material conflict of interest to the L.P. Advisory Committee and/or the limited partners (or L.P. representatives) of the Funds and as expressly provided for in the Organizational Documents; (iii) disposing of the investment or security giving rise to the conflict of interest; (iv) appointing an independent representative (an "Independent Client Representative") to act or provide consent with respect to the matter giving rise to the conflict of interest; (v) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the L.P. Advisory Committee and/or the limited partners (or L.P. representatives) of the Funds or Independent Client Representatives (if any) regarding the conflict of interest and either obtaining a waiver or consent from the L.P. Advisory Committee and/or the limited partners (or L.P. representatives) or such Independent

Client Representative of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the L.P. Advisory Committee and/or the limited partners (or L.P. representatives) or such Independent Client Representative with respect to such conflict of interest; (vi) disclosing the conflict to the limited partners (including, without limitation, in drawdown notices, distribution notices, quarterly letters or other communications); (vii) in the case of conflicts among clients, creating groups of personnel within Blackstone 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; (viii) implementing policies and procedures reasonably designed to mitigate the conflict of interest; or (ix) otherwise handling the conflict as determined appropriate by the Advisor in their good faith reasonable discretion. There can be no assurance that the Advisor will identify or resolve all conflicts of interest in a manner that is favorable to the Funds.

**Blackstone Policies and Procedures.** For purposes of this Brochure, (a) “BTO Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Tactical Opportunities Advisors L.L.C.; (b) “BREP Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Real Estate Advisors L.P.; (c) “BREDS Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Real Estate Special Situations Advisors L.L.C.; (d) “BTAS Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Multi-Asset Advisors L.L.C.; (e) “BAAM Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Alternative Asset Management LP; (f) “BIP Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Infrastructure Advisors L.L.C.; (g) “BIS Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone ISG-II Advisors L.L.C.; (h) “GSO Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by GSO Capital Partners LP; (i) “Strategic Partners” shall mean Strategic Partners Fund Solutions Advisors L.P.; (j) “BXLS” shall mean the Life Sciences private investment platform and its related vehicles/entities and successor funds managed by Blackstone Life Sciences Advisors L.L.C.; (k) “Clarus” shall mean Clarus Ventures, LLC and its related vehicles/entities and successor funds; (l) “BSOF” shall mean Blackstone Strategic Opportunities Fund; (m) “BXMT” Funds shall mean accounts, clients, funds, vehicles or any other similar arrangement managed by BXMT Advisors L.L.C.; (n) “BSCH” shall mean Blackstone Strategic Capital Holdings and its related vehicles/entities and successor funds and (o) “BXG Funds” shall mean Blackstone Growth L.P. and its related vehicles/entities and successor funds.

**Performance-Based Compensation.** The Advisor’s performance-based compensation creates a greater incentive for the Advisor 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 interest of Blackstone personnel than if such performance-based compensation did not exist. 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 Advisor to cause a Fund to accelerate deployment of capital at the beginning of a 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. The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the Advisor and could incentivize the Advisor to value the securities higher than if there were no carried interest. The Advisor 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.

***Allocation of Personnel.*** The Advisor will devote such time to the relevant Funds as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, 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. Time spent on these other initiatives diverts attention from the activities of the Funds, which could negatively impact the Funds and their investors. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the Blackstone Infrastructure group share in the fees and performance-based compensation from the Funds; similarly, the Blackstone Infrastructure 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 Blackstone personnel. A General Partner's determination of the amount of time necessary to conduct a Fund's activities will be conclusive, and a Fund's investors rely on such General Partner'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 Clients and their respective Portfolio Entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the 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 Advisor 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. Fund investors will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to the 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 applicable General Partner. The Fund investors rely on the applicable General Partner to manage these conflicts in its sole discretion.

***Secondments and Internships.*** Certain personnel of Blackstone and its affiliates, including Consultants (as defined herein), will, in certain circumstances, be seconded to one or more Portfolio Entities, vendors, service providers or Fund investors of the Funds and Other Blackstone Clients to provide 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 Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors, service providers (including law firms and accounting firms) and Fund investors of the Funds, and Other Blackstone Clients will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to, Blackstone, the Funds, Portfolio Entities and Other Blackstone Clients. While the Funds, Other Blackstone Clients and their Portfolio Entities are often the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor or service provider also provides services to the Funds, Other Blackstone Clients or Blackstone in the ordinary course. Blackstone, the Funds, Other Blackstone Clients or their 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. The

management fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to 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 Advisor, 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, the value of which will not offset or reduce management fees or otherwise be shared with the Funds, their Portfolio Entities or the Fund investors. 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 Advisor, 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 or by their Portfolio Entities. Similarly, the Advisor, 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 Fund investors consent to the existence of these arrangements and benefits.

**Advisors, Consultants and Partners.** The Advisor, its affiliates and their respective personnel and related parties engage and retain strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of the Advisor or Portfolio Entities of the Funds or Other Blackstone Clients (collectively, “Consultants”), to provide a variety of services. Similarly, the Funds, 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 or a Portfolio Entity to Consultants in connection with the above, including performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as partnership expenses or expenses of a 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 Advisor, be chargeable to the Advisor or deemed paid to or received by the Advisor, or offset or reduce any management fees to the Advisor or be subordinated to return of the Fund investor’s capital. Amounts charged by Consultants will not necessarily be confirmed as being comparable to market rates for such services. Also, Consultants often co-invest alongside the Funds in Portfolio Entities and investments of the Funds, participate in long-term incentive plans of a Portfolio Entity, and invest directly in the Funds or in vehicles controlled by the Funds, with reduced or waived management fees and/or performance-based compensation, including after the termination of their engagement by or other status with Blackstone and such co-investment or participation (which generally will result in the Funds

being allocated a smaller share of an investment and less co-investment being available to Fund investors) may or may not be considered part of Blackstone's side-by-side co-investment rights, as determined by the Advisor in its sole discretion. Consultants' benefits described in this paragraph will, in certain circumstances, continue after termination of status as a Consultant.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant provides the Advisor with industry-specific insights and feedback on investment themes, assists in transaction due diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of Portfolio Entities and contributing to the identification and origination of new investment opportunities. The Funds may rely on these Consultants to recommend the Advisor and the 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 Advisor 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 Blackstone "employees" (e.g., they can be expected to have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Organizational Documents, and 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 a Fund and its Portfolio Entities, while other Consultants may have other clients. Consultants could have conflicts of interest between their work for a Fund and its Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and the Advisor are limited in their ability to monitor and mitigate these conflicts.

In addition, the Funds will, in certain circumstances, from time to time enter into an arrangement 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 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 Advisor may engage third parties as consultants (including senior advisors) 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 the Funds and may have the opportunity to invest in a portion of the equity available to the Funds for investment which may be taken by the Advisor 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 and such additional fees or allocations would be borne fully by the Funds and/or Portfolio Entities (with no reduction or offset to management fees) and not the Advisor.

***Multiple Blackstone Business Lines.*** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Funds, Other Blackstone Clients, Portfolio Entities of the Funds and Other Blackstone Clients 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 Advisor that would be relevant to monitoring the Funds' investments and other activities. Additionally, Blackstone or Other Blackstone Clients can be expected to enter into covenants that restrict or otherwise limit the ability of the 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 Clients could have granted exclusivity to a joint venture partner that limits the Funds and Other Blackstone Clients from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Client could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact the ability of the Funds 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 Fund investors 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 Advisor will consider those relationships when evaluating an investment opportunity, which may result in the Advisor 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. (See “—Other Blackstone Clients; Allocation of Investment Opportunities” and “Portfolio Entity Relationships Generally” herein.) 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 Advisor 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.

***Minority Investments in Asset Management Firms.*** Blackstone and Other Blackstone Clients, including 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, and which may from time to time engage in similar investment transactions, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and Portfolio Entities. Typically, the Blackstone-related party with an interest in the asset management firm would be entitled to receive a share of 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. 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 under the Organizational Documents or for any other purpose, Blackstone may, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic/revenue sharing interest therein 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 any L.P. Advisory 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.

***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) 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 life sciences business may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to the Funds, might become restricted to those other respective businesses and otherwise be unavailable to the Funds. 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 objectives by unduly limiting the investment flexibility of the Funds and/or the flow of otherwise appropriate information between the Advisor and other business units at Blackstone. Personnel of Blackstone may be unable, for example, to assist with the activities of the Funds 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 Advisor 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, and 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 their investors. For example, information from Portfolio Entities owned by the Funds can be expected to enable Blackstone to better understand a particular 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 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 their investors.

The sharing and use of "big data" and other information presents potential conflicts of interest and the Fund investors 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 their investors. As a result, the Advisor have 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. Fund investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect in the "most-favored nations" election process any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts on and/or reimbursement of management fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone funds (including, without limitation, preferential or favorable allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone funds (including any carried interest and/or management fees to be charged with respect thereto, as well as any additional discounts 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. Blackstone, including its personnel (including infrastructure 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, therefore result in fewer co-investment opportunities (or reduced allocations) being made available to Fund investors. (See also "—Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving 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 Fund investors, Portfolio Entities of Other Blackstone Clients or their respective related parties. Purchases and sales of investments or assets between the Funds or their Portfolio Entities, on

the one hand, and Fund investors, Portfolio Entities of Other Blackstone Clients or their respective related parties, on the other hand, are not subject to the approval of any L.P. Advisory Committee or any Fund investor. 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.

***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. Blackstone generally expects, with respect to certain types of investments in Brazil otherwise suitable for the Funds, to permit such investments to be shared with and/or pursued by Pátria, which may be on a priority basis and may result in the Funds not participating in any such investments or participating therein to a lesser extent. In addition, the Funds may invest in companies or other entities in which Pátria sponsored investment funds make an investment in a different part of the capital structure (and *vice versa*). In such situations, the Funds and such other Pátria sponsored investment funds (and therefore Blackstone through its indirect minority interest in Pátria) may have conflicting interests (*e.g.*, over the terms of their respective investments). Pátria is not considered an "affiliate" of Blackstone under the Organizational Documents, and therefore these transactions will not be subject to approval of any L.P. Advisory Committee and/or the Fund investors.

***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. 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 or Other Blackstone Clients, such as strategic investments made by Blackstone itself (whether in financial institutions or otherwise) and the exception for Other Blackstone Clients that have investment objectives or guidelines similar to or overlapping with those of the Funds. 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. The Advisor 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. Although the BIP and BIP-P Funds will generally serve as Blackstone's primary commingled, diversified private "blind pool" investment vehicles for institutional investors having as their primary investment objective the making of control and control-oriented infrastructure investments, as well as in public-private partnership infrastructure projects, in each case within the "Core+" or "Core" space and in the United States, in certain circumstances, control-oriented infrastructure investments will be required or permitted to be made by (to the potential exclusion of the Funds), or shared with, one or more Other Blackstone Accounts, including but not limited to funds and vehicles described above, other investment vehicles primarily designed to facilitate the investment of high net worth individuals and/or that have investment objectives similar to and/or overlapping with the Funds' investment objectives. 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 the Funds and/or Other Blackstone Clients 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 Advisor 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 Advisor considers in making investment allocations among the Funds and Other Blackstone Clients are the following: (i) any applicable investment strategies, investment mandates, objectives, focus, parameters, guidelines, investor preferences, limitations, guidelines and other contractual provisions, obligations and terms 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 periods and holding periods, (iii) the Funds and such Other Blackstone Clients, including whether the Other Blackstone Clients expect to invest in or alongside other funds or across asset classes based on expected return, (iv) legal, tax, accounting, regulatory and other considerations deemed relevant by the Advisor, including, without limitation, (v) primary and permitted investment strategies, guidelines, liquidity positions and requirements, mandates, focus 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 (such as BTAS Funds, BREP Funds, BREDS Funds, BCP Funds, GSO Funds, Strategic Partners, Life Sciences, BIS Funds, Growth Equity Funds, BAAM Funds (including BSOF), BSCH, BXLS, Legacy Clarus Funds, BTO Funds, BXMT Funds, BXG Funds and certain managed accounts with similar investment strategies and objectives), (vi) sourcing of the investment and the nature and extent of involvement of the respective teams of investment professionals related to the Funds, (vii) the sector and geography/location of

the investment, (viii) the specific nature (including size, type, amount, liquidity, holding period, remaining investment periods, anticipated maturity and minimum investment criteria) of the investment, (ix) expected investment return, (x) risk/return profile of the investment, (xi) expected leverage on the investment, (xii) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (xiii) capital expenditure required as part of the investment, (xiv) portfolio diversification and concentration 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), (xv) 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), (xvi) avoiding allocation that could result in de minimis or odd lot investments, (xvii) co-investment arrangements, (xviii) anticipated tax treatment of the investment, and (xix) other considerations deemed relevant by the Advisor in good faith. Moreover, under certain circumstances investment opportunities sourced and/or identified by the Funds and that fall within the Funds’ investment strategy and objective may be allocated in whole or in part to Portfolio Entities, Other Blackstone Clients or portfolio entities of Other Blackstone Clients, or Blackstone. The allocation of investments to Other Blackstone Clients, including as described above, may result in fewer investment opportunities for the Funds and fewer co-investment opportunities (or reduced allocations) being made available to the Fund investors.

- Investments Outside of the Funds’ Mandates: Investment opportunities that the Advisor 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 Advisor, will not generally 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 Advisor will, in certain circumstances, 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 Advisor in its good faith discretion, or the investment is not appropriate for the Funds for other reasons as determined by the Advisor in its good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Clients or Portfolio Entities or Fund investors of 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 General Partners will have discretion to allocate away from certain of the Funds include: (i) investments in companies with substantial real estate holdings, which may

be allocated among the Funds, the Parallel Funds and Other Blackstone Clients on a basis that the General Partners believe in good faith to be fair and reasonable; (ii) investments in certain specific geographic areas outside the United States and Canada (to the extent Other Blackstone Clients are formed to invest therein), (iii) investments where the amount available for common or preferred equity investment by the Funds (and Other Blackstone Clients, if appropriate) would be less than a stated amount; (iv) transactions that would be precluded or materially limited by the investment limitations, or other requirements of the Organizational Documents or applicable law or regulation (including ERISA); (v) investments by Blackstone and its affiliates in asset management or financial advisory businesses, banking or other similar financial institutions, but only in the case of strategic acquisitions by Blackstone (and not any Other Blackstone Client); (vi) in respect of the BCP Funds, investment opportunities suitable for a lower risk, lower return fund, or, investment opportunities with respect to which the General Partners make a good faith determination that such opportunity is not expected to yield returns on investment within the range of returns expected to be provided by the Funds' investments in which the Funds was organized to invest, based on the terms thereof and the information available relating to such opportunity at the time of its evaluation by the General Partners, whether as a result of a longer expected hold period or otherwise (*i.e.*, "core" private equity or "core+" private equity investments); (vii) investment opportunities that are within the investment objectives of Blackstone's infrastructure program, which consists of Blackstone Infrastructure Partners L.P. and one or more other open-ended commingled private investment funds and separate accounts, including infrastructure investments (*i.e.*, a longer-life, stable asset) that, at the time of the initial investment therein, has a longer expected hold period and lower expected annual rate of return, in each case relative to those generally targeted by the Funds, as determined by the General Partners in good faith; (viii) debt investment opportunities, which may be allocated among the Funds and/or the GSO Funds; (ix) minority investments, which may be allocated to or shared with Blackstone Tactical Opportunities Fund L.P. and its related vehicles and successor funds; and (x) investment opportunities arising in instances where an affiliate of Blackstone acts as the general partner or investment manager (or any similar capacity) for another investment vehicle which is not a Similar Fund and such other investment vehicle (*e.g.*, an investment fund the primary purpose of which is investing in assets or businesses related to the infrastructure sector and/or a vehicle established for a single investment (and not multiple investments like the Funds)) 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 General Partners on a basis that the General Partners believe in good faith to be fair and reasonable (which in certain instances may result in the Funds not participating in all or part of an investment opportunity). In making its good faith determination as to what is "fair and reasonable" under the circumstances, the General Partners and their 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. In addition, as a general matter, it is expected that Blackstone's Real Estate and GSO credit business will receive priority over most real estate opportunities and certain types of credit opportunities, respectively. 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 Advisor believes to be the case. In any event, there can be no assurance that the Advisors' 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 Advisor. In some cases, Blackstone earns greater fees when Other Blackstone Clients participate alongside or instead of the Funds in an investment.

With respect to each General Partner's ability to allocate investment opportunities, including where such opportunities are within the common objectives and guidelines of the Funds and Other Blackstone Client (which allocations are to be made on a basis that each General Partner believes in good faith to be fair and reasonable), Blackstone has established general guidelines for determining how such allocations are to be made, which, among other things, set forth priorities and presumptions regarding what constitutes "debt" investments, ranges of rates of returns for defining "core" or "core+" investments and "infrastructure investments," presumptions regarding allocation for certain types of investments (e.g., distressed investments) and other matters.

Moreover, the Parallel Account will participate in investments alongside the Fund, typically in an amount equal to the aggregate amount to be invested therein by the limited partners of the Fund and limited partners of any parallel fund (the "Parallel Account Investment Percentage"), subject to (i) legal, tax, regulatory, accounting, contractual and other similar considerations, (ii) any investment limitations of the Parallel Account or the Fund, (iii) the Parallel Account or the Funds having available capital with respect thereto or (iv) the General Partner otherwise changing the Parallel Account Investment Percentage for a particular investment or prospective investments generally, each of which, in the case of (i) through (iv) above, could cause an

increase or decrease in the size of the Parallel Account and/or the amount required to be invested by the Fund. In addition, if an investment would otherwise exceed 20% of the sum of the Fund's NAV plus undrawn capital commitments at the time of acquisition, Blackstone may allocate such excess as it determines, including to Other Blackstone Accounts or other co-investors.

- Financial Compensation to Allocate Investment Opportunities to Other Blackstone Clients: When the Advisor determines not to pursue some or all of an investment opportunity for a Fund that would otherwise be within such Fund's objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Clients, Blackstone, including its personnel (including infrastructure 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 such Fund to the Advisor. As a result, the Advisor (including infrastructure 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.
- BCEP Funds: The General Partner of the BCEP Funds reserves the right to organize, sponsor, raise and/or manage parallel vehicles, either directly or through an affiliate, for the benefit of certain investors, which may (a) employ investment strategies that are the same as or that overlap with those of the relevant BCEP Fund or the same or similar investment objectives as the relevant BCEP Fund and (b) have terms that differ from those of the relevant BCEP Fund. Parallel accounts may have terms that are more beneficial than those of the relevant BCEP Fund.

For any investments that fall within the investment objectives of any of the BCEP Funds, the applicable BCEP Funds will generally invest and divest in each such investment at substantially the same time and on substantially the same terms pro rata based on the maximum aggregate capital commitments that each of the BCEP Funds may contribute to any single investment, unless the applicable General Partner determines in good faith that a different allocation or terms are reasonably necessary or appropriate due to legal, regulatory, tax, accounting or other considerations (which may include investment objective, investment limitations, investor preferences, available capital and/or other reasons).

While the General Partner of the BCEP Funds will seek to allocate investments among the BCEP Funds, it is acknowledged and agreed that certain parallel vehicles of certain BCEP Funds may not necessarily participate in each investment made by the BCEP Funds as a result of the terms of the governing agreement of a relevant parallel vehicle, legal, tax, regulatory or other considerations, which will from time to time result in an increase in the BCEP Funds' allocable share of such investment.

In addition to different investor preferences, investors in the BCEP Funds should also note that the terms of the existing and future parallel vehicles (including the economic terms, investment limitations and veto rights with respect to investments, liquidity rights (including, but not limited to the ability to request or object to dispositions of investments, which may adversely affect investments in which the BCEP Funds or other investors have an interest, and contribution obligations of other investors with respect to such investments), investment period and suspension rights related thereto, diversification parameters, co-investment and any board or governance rights afforded to investors of parallel vehicles) may materially differ, and may in some instances be more favorable to the investors of parallel vehicles than the terms of the applicable BCEP Fund. Such different terms will from time to time create potential conflicts of interests for the applicable General Partner or its affiliates, including with respect to the allocation of investment opportunities. The terms of the partnership agreements of parallel accounts will not be electable by investors in BCEP Funds under any “most-favored-nations” clauses in such investors’ side letters.

- Basis for Investment Allocation Determinations: The Advisor 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 judgments regarding application of the guidelines and arrangements described herein. Information unavailable to the Advisor, or circumstances not foreseen by the Advisor at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Advisor determine to be consistent with the return objectives of a core+ fund rather than the Funds may not match the Advisors’ expectations and underwriting and generate an actual return that would have been appropriate for the Funds. Conversely, an investment that the Advisor expect to be consistent with the Funds’ return objectives will, in certain circumstances, fail to achieve them 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 Advisor will prove correct in hindsight.
- Investment alongside other Funds and Other Blackstone Clients: The Funds will also invest alongside other Funds and 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 Funds and Other Blackstone Clients. To the extent the Funds jointly holds securities with any other Fund or Other Blackstone Client that has a different expected duration or liquidity terms, conflicts of interest will arise between the Funds and such Other Blackstone Client with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, the Funds may recuse themselves from participating in any decisions relating or with respect to the investment by the Funds or the Other Blackstone Client. If the Other Blackstone Client maintains voting rights with respect to the securities it holds, or if the Funds do not recuse themselves, Blackstone may be required to take action where it will have



conflicting loyalties between its duties to the Funds and such Other Blackstone Clients, which may adversely impact the Funds. (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 securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Funds and such other funds 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.

- Investment alongside Blackstone Affiliates: The Organizational Documents specify that Blackstone (which includes participation by Blackstone affiliates, professionals, employees and related parties, and entities and other key advisors and relationships of Blackstone, including in certain circumstances, Other Blackstone Clients) will be permitted to make investments alongside the Funds up to a maximum specified percentage of the total investment amount.

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 an Other Blackstone Client, 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, Other Blackstone Clients or other insurance companies. 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.

***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 an opportunistic return profile, while others may have a lower return profile not 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, it will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made. Except to the extent expressly subject to the management fee offset provisions of the Advisory Agreements, the Fund investors will in no way receive any benefit from fees paid to the Advisor from a Portfolio Entity in which any Other Blackstone Client also has an interest (including, for greater certainty, any fees received as a result of the provision of services by the Advisor).

***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 Advisor requests in the ordinary course proposals from lenders and other sources to provide financing to the Funds and their Portfolio Entities. The Advisor 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 Fund investors, Other Blackstone Clients (such as the GSO Funds, BREDS Funds and BXMT Funds) 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 a Fund investor, 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 their Portfolio Entities could also occupy a different position in the capital structure than a Fund investor, 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 their Portfolio Entities 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 Advisor 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 Advisor could instead rely on its own internal analysis, which the Advisor 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. Blackstone does not believe either of these effects is significant, but no assurance can be given to Fund investors that these effects will not be significant in any circumstance. The General Partners will not be required to obtain any consent or seek any approvals from the applicable Fund investors, Independent Client Representative (if any) or the L.P. Advisory 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 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 Advisor 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 addition, the Organizational Documents allow the General Partner or its affiliates to lend funds to the Funds, subject to the limitations therein. If the General Partner or any of its affiliates lends funds to the Funds, the terms of such lending (i) will be disclosed to the L.P. Advisory Committee or the Fund investors generally (not including any advances for partnership

expenses) and (ii) must be as favorable to the Funds as terms that could have been obtained at the time of such lending from a person that was not the General Partner or its affiliate. Although these conditions will apply, potential or actual conflicts may arise in connection with any such lending including, without limitation, in determining comparable terms.

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, such as GSO Funds, 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 such as GSO Funds 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 a Fund investor or an affiliate to the Funds or a Portfolio Entity is not a capital contribution to such Fund and does not reduce the unused Capital Commitment of such Fund investor. To the extent any Fund investor (or 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.

***Conflicting Fiduciary Duties to Debt Funds.*** Other Blackstone Clients include funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments, including any of the investment funds or vehicles sponsored or managed by GSO, an affiliate of Blackstone. As discussed above, it is expected that these Other Blackstone Clients or investors therein will be offered the opportunity to provide financing to the Funds or with respect to investments made by the Funds and their Portfolio Entities. Blackstone owes a fiduciary duty to these Other Blackstone Clients and investors therein as well as to the Funds and will encounter conflicts in the exercise of these duties. For example, if an Other Blackstone Client purchases high-yield securities or other debt instruments of a Portfolio Entity of the Funds, or otherwise occupies a senior (or other different) position in the capital structure of an investment relative to the Funds, Blackstone will encounter conflicts in providing advice to the Funds and to these Other Blackstone Clients with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, among other matters. Less commonly, the Funds could hold an investment that is senior in the capital structure, such as a debt instrument, to an Other Blackstone Client. Although measures described above in "—Related Financing Counterparties" can mitigate these conflicts, they cannot completely eliminate them.

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

***Related Financing of Counterparties to Acquire 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. See “—Related Financing Counterparties” herein. 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 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 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 the seller, as the case may be. The Advisor could thereafter cause the Funds or a Portfolio Entity to sell an asset of the Funds, 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. Fund investors rely on the Advisor to select in its sole discretion the best overall buyer in sales of, and the best overall seller in the acquisition of, the Fund’s assets, despite any conflict related to the parties financing the buyer or the seller, as applicable.

***Related Financing Providers.*** The Advisor may request in the ordinary course proposals from lenders and other sources to provide financing to the Funds. The Advisor 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 Funds is expected to be provided, from time to time, by Other Blackstone Clients, their portfolio companies and other parties with material relationships with Blackstone, such as shareholders of and lender to Blackstone and lender to Other Blackstone Clients and

their portfolio companies. Blackstone could have incentives to cause the Funds to accept less favorable financing terms from Other Blackstone Clients, their portfolio companies and other parties with material relationships with Blackstone than it would from a third party.

**Co-Investment.** The Funds will co-invest with Fund investors, investors of Other Blackstone Clients, Blackstone affiliates and other parties with whom Blackstone has a material relationship. The allocation of co-investment opportunities is entirely and solely in the discretion of the Advisor, 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 Advisor 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 Blackstone will be on such terms and conditions (including with respect to management fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as Blackstone determines to be appropriate in its sole discretion on a case-by-case basis, which can be expected to differ amongst co-investors with respect to the same co-investment. 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 General Partners. Furthermore, the Funds and co-investors will often have different investment objectives and limitations, such as return objectives and maximum hold period. Blackstone, 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 securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the investors, among other items.

- General Co-Investment Considerations: There are expected to be circumstances where an amount that would have otherwise been invested by a Fund is instead allocated to co-investors (who may or may not be Fund investors or investors of Other Blackstone Clients) or supplemental capital vehicles, and there is no guarantee that any Fund investor will be offered any particular co-investment opportunity. The Advisor will take into account various facts and circumstances deemed relevant by the Advisor in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the Advisors' 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 Advisors' 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 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 Fund); whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone, the Funds, other affiliated funds and/or Other Blackstone Clients; whether the potential co-investor has an overall strategic relationship with Blackstone that provides it with more favorable rights with respect to co-investment opportunities; whether the co-investor is considered "strategic" to the investment because it is able to offer 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 Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential co-investor; the familiarity Blackstone has with the personnel and professionals of the investor in working together in investment contexts (which may include such potential co-investor's history of investment in Blackstone Clients 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 such potential co-investor would be willing to defer to Blackstone and assume a more passive role in governing the Portfolio Entity); any interests a potential co-investor 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); 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 the Funds are 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 Blackstone Clients 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 as Blackstone may in good faith deem relevant and believe to be



appropriate in the circumstances. Blackstone may establish more 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 Fund investors 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 Advisor. Also, Blackstone may agree with investors (including Fund investors, Blackstone strategic relationships (including Strategic Relationships) and third-party investors) to more favorable rights or pre-negotiated terms with respect to co-investment opportunities, including with respect to discounts or rebates of performance-based compensation or management fees. To the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to the Fund investors. In addition, the allocation of investments to Other Blackstone Clients, including as described under “— Other Blackstone Clients; Allocation of Investment Opportunities” herein, may result in fewer co-investment opportunities (or reduced allocations) being made available to Fund investors.

- Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment: The Advisor and its affiliates will in certain circumstances be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship (including Strategic Relationships) with Blackstone) opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation, management fees or other fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor’s relationship with Blackstone. The management fees, carried interest and other fees received by Blackstone from and the amount of expenses charged to the 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’ partnership agreements and other agreements with co-investors, and such variation in the amount of fees and expenses can be expected to create an economic incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to the 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 can be expected to be more favorable to Blackstone, than the terms of the Funds, and such different terms can be expected to create an incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to the 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 Fund investors 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 the Funds 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 Advisor'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. Additionally, it can be expected that Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral, sourcing or sharing of investment opportunities. Blackstone will, in certain circumstances, pay management fees and performance-based compensation in connection with such arrangements. Blackstone will, in certain circumstances, also provide for or receive reimbursement of certain expenses incurred or received in connection with these arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. The amount of these rebates can be expected to relate to allocations of co-investment opportunities and increase if certain co-investment allocations are not made. While it is possible that the Funds will, along with Blackstone itself, benefit from the existence of those arrangements and relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Funds would instead be referred (in whole or in part) to such third party, either as a contractual obligation or otherwise, resulting in fewer opportunities (or reduced allocations) being made available to the Funds and/or Fund investors.

***Liability Arising From Transactions Entered into Alongside Other Blackstone Clients.***

Participating in investments alongside Funds and 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, it 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 a Fund 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. Likewise, for certain investment-related hedging transactions, it can be expected to be advantageous for counterparties to trade solely with the Funds. 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.

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

***Syndication; Warehousing.*** Blackstone, the Funds, Other Blackstone Clients, joint venture partners, or affiliates or related parties of the foregoing could, subject to the limitations in the Organizational Documents, acquire an investment as principal and subsequently sell some or all of it to other Funds, Other Blackstone Clients and/or co-investment vehicles in an affiliate or related party transaction. Similarly, subject to the limitations in the applicable Organizational Documents, the Funds may acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, other Funds, Other Blackstone Clients, co-investment vehicles, joint venture partners, or affiliates or related parties of the foregoing or other third parties, notwithstanding the availability of capital from the Fund investors and other investors thereof or applicable credit facilities. The Advisor may cause these transfers to be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer, notwithstanding that the fair market value of any such investments may have declined below or increased above cost from the date of acquisition to the time of such transfer. The Advisor may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, the Advisor will, in certain circumstances, charge fees on these transfers to either or both of the parties to them. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. For example, the Advisor will have a potential conflict of

interest when the Advisor receives fees, including carried interest, from an Other Blackstone Client acquiring from or transferring to the Funds all or a portion of an investment.

In addition, the Funds are expected to initially acquire a portion of certain investments (including through borrowings on a subscription based credit facility or from Blackstone itself) intended as co-investments as described herein and to syndicate all or part of such co-investments to one or more co-investors (in accordance with the terms of, and the timeframe described in, the Organizational Documents. The value of the investment during such period could increase by a greater amount, but the Funds will not receive the full benefit of such increase.

**Break-up and other Similar Fees.** Break-up or topping fees with respect to the Funds' investments can be paid to the Advisor, in which case management fees will be offset by the amount of break-up or topping fees attributable to a potential investment by the Funds, but not to any amount attributable to a potential investment by Other Blackstone Clients, Blackstone's side-by-side co-investment vehicles, permanent capital vehicles and/or accounts managed by affiliates of Blackstone and related entities or third parties (See "—Other Blackstone Business Activities" herein.). Alternatively, the Funds could receive the break-up or topping fees directly, in which case there will be no management fee offset. Break-up or topping fees paid to the Advisor or the Funds in connection with a transaction could be allocated, or not, to Other Blackstone Clients or co-investment vehicles that invest (or are expected to invest) alongside the Funds, as determined by the Advisor to be appropriate in the circumstances. Generally, the Advisor would not allocate break-up or topping fees with respect to a potential investment to the Funds, an Other Blackstone Client or co-investment vehicle unless such person would also share in broken deal expenses related to the potential investment. With respect to fees received by Blackstone relating to the Funds' investments or from unconsummated transactions, Fund investors will not receive the benefit of any fees relating to the Funds' investments (including, without limitation, as described above) other than as set forth in the Organizational Documents. Any fees that result in an offset of the management fee only apply to the extent it is made as part of the Funds' investment in such company. Also, in the case of fees for services as a director of a Portfolio Entity, the management fee will not be reduced or offset to the extent any Blackstone personnel continues to serve as a director after the Funds have exited (or is in the process of exiting) the applicable Portfolio Entity and/or following the termination of such employee's employment with Blackstone. For the avoidance of doubt, although the financial advisory and restructuring business of Blackstone has been spun out, to the extent any investment banking fees, consulting (including management consulting) fees, syndication fees, capital markets syndication and advisory fees (including underwriting fees), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, financial advisory fees and similar fees for arranging acquisitions and other major financial restructurings, loan servicing and/or other types of insurance fees, operations fees, financing fees, fees for asset services, title insurance fees, data management and services fees or payments and other similar fees and annual retainers (whether in cash or in kind) are received by Blackstone, such fees will

not be required to be shared with the Funds or the Fund investors and will not result in any offset to the management fee payable by the Fund investors.

In connection with certain investments in certain jurisdictions, the Funds may contribute capital contributions made by Fund investors for the payment of management fees to a holding vehicle formed in connection with such investment to enable such holding vehicle to pay management fees to an affiliate of the Advisor. To the extent the Funds make such contributions to any such holding vehicle, the Funds will be credited with such amounts as if they had been paid by the Funds to the Advisor under the Organizational Documents (and such amounts paid to an affiliate of the Advisor by such holding vehicle will not, for greater certainty, constitute an additional fee that would offset the management fee, as such amounts do not result in an increase in the total amount of management fee paid to the Advisor and its affiliates had the Funds paid the entirety of the management fee to the Advisor).

**Broken Deal Expenses.** Any expenses that may be incurred by the Funds for actual investments as described herein or in the Organizational Documents may also be incurred by the Funds with respect to broken deals (*i.e.*, investments that are not consummated). The Advisor is not required to and in most circumstances will not seek reimbursement of broken deal expenses 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, which may include expenses incurred prior to the commencement of the Funds' effective date. Any such broken deal expenses could, in the sole discretion of the Advisor, 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' share of expenses would increase. In the event broken deal expenses are allocated to an Other Blackstone Client or a co-investment vehicle, the Advisor or the Funds will, in certain circumstances, advance such fees and expenses without charging interest until paid by the Other Blackstone Client or co-investment vehicle, as applicable.

**Other Blackstone Business Activities.** Blackstone, the Funds, 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 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; advisory services; investment banking and capital markets services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement; brokerage solutions and risk management services; data extraction and management products and services; and other products and

services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organization and financing, and divestment 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 and Other Blackstone Clients and their Portfolio Entities, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, the 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 Fund investors 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 and their Portfolio Entities will incur expense in negotiating for any such fees and services, which will be treated as partnership expenses.

The Funds will, as determined by the Advisor and as permitted by the Organizational Documents, bear the cost of fund administration, in house attorneys to provide transactional legal advice, tax planning and other related services provided by Blackstone personnel and related parties to the Funds and their Portfolio Entities, including the allocation of their compensation and related overhead otherwise payable by Blackstone, or pay for their services at market rates. Such allocations or charges can be based on any of the following methodologies: (i) requiring personnel to periodically record or allocate their historical time spent with respect to the Funds or Blackstone approximating the proportion of certain personnel's time spent with respect to the Funds, and in each case allocating their compensation and allocable overhead based on time spent, or charging their time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that Blackstone believes represents a fair recoupment of expenses and a market rate for such services or (iii) any other similar methodology determined by Blackstone to be appropriate under the circumstances. Certain Blackstone personnel will provide services to few, or only one, of the Funds and Other Blackstone Clients, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the person if the market rate for services is clearly higher than allocable salary and overhead. However, any methodology (including the choice thereof) involves inherent conflicts and will, in certain circumstances, result in incurrence of greater expenses by the Funds and their Portfolio Entities than would be the case if such services were provided by third parties.

The Advisor, Other Blackstone Clients and their Portfolio Entities, and their affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to investments sold by the 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 Advisor, 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 Advisor 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 Blackstone, as defined in the Organizational Documents, and given the breadth of Blackstone’s investments and activities the Advisor 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.

Except as set forth above, the Funds and Fund investors will not receive the benefit (*e.g.*, through an offset to the management fee or otherwise) of any fees or other compensation or benefit received by the Advisor, its affiliates or their personnel and related parties. (see also “—Service Providers, Vendors and Other Counterparties Generally” and “—Other Blackstone Business Activities” herein.) The Advisor and its affiliates and their personnel and related parties will receive fees attributable to the Funds, 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 the Funds and Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of the management fees payable by Fund investors or otherwise be shared with the Funds, their Portfolio Entities or the Fund investors, even if (i) such other Funds or Other Blackstone Clients (including co-investment vehicles) provide for lower or no management fees for the investors or participants therein (such as the vehicles established in connection with Blackstone’s side-by-side co-investment rights, which generally do not pay a management fee or carried interest) or (ii) such fees result in an offset to management fees or carried interest payable by any of such Other Blackstone Clients (including co-investment vehicles). As noted in “Co-Investment Opportunities” above, this creates an incentive for Blackstone to offer co-investment opportunities and can be expected to result in other fees being received more frequently (or exclusively) with investments that involve co-investment.

In addition, to the extent Blackstone receives any of the fees described above in kind, instead of in cash, in whole or in part, Blackstone would in certain circumstances elect to become a co-investor (or otherwise hold an interest) in such investments alongside the Funds and/or Other Blackstone Clients, which may give rise to potential or actual conflicts of interest, including with respect to the timing and manner of sale by Blackstone, on the one hand, and other participating funds, including the Funds, on the other hand. Blackstone’s receipt of such interests in kind generally would not be at the same time or on substantially the same terms, price and conditions as the Funds and/or the Other Blackstone Clients, as applicable. With respect to any dispositions of securities or investments held by Blackstone resulting from receiving such fees in kind, since the Funds and/or Other Blackstone Clients, as applicable, are not similarly situated and may have different terms affecting the timing of their respective

dispositions, there may be certain situations where Blackstone would not dispose of its securities or interests at the same time and/or on substantially the same terms, price and conditions as such other funds, which would be evaluated by Blackstone on a case-by-case basis taking into account the circumstances at the relevant time. There can be no assurance that any actual or perceived conflicts will be resolved in favor of the Funds or Fund investors.

**Data Management Services.** Blackstone or an affiliate of Blackstone formed in the future may provide data management services to portfolio companies 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 companies 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 companies and receives compensation from such portfolio companies for such data services, the Funds will indirectly bear their share of such compensation based on their pro rata ownership of such portfolio companies. 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)) will not be subject to the management fee offset provisions or otherwise shared with the Fund or Fund investors. 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 companies with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

**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, which are not required to be shared with the Funds or the Fund investors, and the management fee with respect to a Fund investor generally will not be reduced by such amounts. The Advisor has sole discretion to approve the foregoing arrangements if the Advisor 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 Advisor 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 Entity 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 Advisor, 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 BAAM Clients, 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 BAAM to select or recommend PJTP to perform services for Blackstone managed funds, including the BAAM Clients, the cost of which will generally be borne directly or indirectly by the BAAM Clients and investors (to the extent of their ownership therein). Given that PJTP is no longer an affiliate of Blackstone, BAAM will be free to transact with PJTP generally without restriction under the Client Constituent Documents, 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 and Other Blackstone Clients are and will be counterparties in agreements, transactions and other arrangements with the Funds, Other Blackstone Clients, and Portfolio Entities of the Funds and Other Blackstone Clients 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, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by the Advisor. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of any such Fund and/or such Other Blackstone Client or the consent of any L.P. Advisory Committee, Fund investors 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 Blackstone, the Funds or the Advisor under the Organizational Documents. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to such Fund 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 will compete with the Funds for one or more investment opportunities. It is also possible that

certain Portfolio Entities of the Other Blackstone Clients 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).

Further, Portfolio Entities with respect to which the Funds may elect members of the board of directors may, as a result, subject the Funds 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 Funds 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 Advisor 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, Other Blackstone Clients, Portfolio Entities of each of the foregoing 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, reporting, tax, 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 Advisor from time to time and vice versa. Fees paid by the Funds or its Portfolio Entities to other Portfolio Entity service providers do not offset or reduce the management fee payable by the Fund investors of the Funds and are not otherwise shared with the Funds, unless otherwise required by the Organizational Documents.

Portfolio Entities of the Funds and Other Blackstone Clients that 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:

***BCP / BTO Management.*** BCP / BTO Management ("BCP / BTO Management") is a Luxembourg-based company established in 2012 to centralize various resources supporting the maintenance and day-to-day management and administration of certain Luxembourg holding

companies controlled by certain of the Funds and Other Blackstone Clients. BCP / BTO Management is entirely owned by certain Funds and Other Blackstone Clients. In certain cases, the funds which use BCP / BTO Management's services may contribute capital to fund the costs of BCP / BTO Management. Key service functions provided by BCP / BTO Management include domiciliation, accounting, regulatory and tax reporting and compliance. All costs associated with BCP / BTO Management's services and operations (including any BCP / BTO Management employee compensation and other general overhead) will be ultimately borne by the Funds and Other Blackstone Clients that own or use BCP / BTO Management. These shared costs are intended to be allocated and charged on a cost sharing basis to the individual fund related entities utilizing the services of BCP / BTO Management based on the type and level of services provided and may include a mark-up, though BCP / BTO Management is generally intended to operate on a nominal profit basis. The General Partners endeavor to allocate fees and expenses associated with BCP / BTO Management fairly and equitably, which allocation involves certain methodologies based on actual data pertaining to the services provided. The General Partners believe that these methodologies result in a fair and equitable allocation of expenses. To the extent ownership of BCP / BTO Management is transferred between the Funds and Other Blackstone Clients, such transfer will generally be consummated for minimal or no consideration, and without obtaining any consent from any L.P. Advisory Committee, and/or the limited partners of the Funds.

*BTIG.* BTIG, LLC ("BTIG") is a global financial services firm in which certain Blackstone entities own a strategic minority investment. BTIG provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for the Funds or the Portfolio Entities of the Funds.

*Optiv.* Optiv Security, Inc. is a portfolio company held by certain Blackstone private equity funds that provides a full slate of information security services and solutions and may provide goods and services for the Funds and their Portfolio Entities.

*PSAV.* PSAV, Inc. is a portfolio company held by certain Blackstone private equity funds that provides outsourced audiovisual services and event production and may provide goods and services for the Funds and its Portfolio Entities.

*Refinitiv.* On October 1, 2018, a consortium led by Blackstone announced that private equity funds managed by Blackstone had completed an acquisition of Thomson Reuters' Financial & Risk business ("Refinitiv"). Refinitiv operates a pricing service that provides valuation services and may provide goods and services for the Funds and their Portfolio Entities.

*Kryalos.* Blackstone through one or more of its funds has committed to a minority investment in Kryalos, an operating partner in certain real estate investments made by Other Blackstone Clients, and expects that Kryalos may perform services after the investment has closed for the Funds and Other Blackstone Clients and receive compensation as described below.

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. The discussion regarding the determination of market rates under “—Blackstone Affiliated Service Providers” herein applies equally in respect of the fees and expenses of the Portfolio Entity service providers, if charged at rates generally consistent with those available in the market. Other service providers and vendors owned and 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 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 its 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. Similarly, Other Blackstone Clients, their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of the Funds to provide services, and these Portfolio Entities will generally charge for services in the same manner described above, but the Funds and their Portfolio Entities generally will not be reimbursed for

any costs (such as start-up costs) relating to such Portfolio Entities incurred prior to such engagement.

Portfolio Entity service providers described in this section are generally owned and controlled by one or more Blackstone funds, such as the 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 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, affiliates of the General Partner, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or Other Blackstone Clients have an investment, and payments by the Funds and/or such entities may indirectly benefit Blackstone, 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 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 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 the Funds and their Portfolio Entities to use other Blackstone-affiliated service providers and vendors in connection with the business of the Funds, 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 Fund investors 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 general practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to the 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 Fund investors 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.

The Funds, Other Blackstone Clients and their Portfolio Entities are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third-party joint venture partner may negotiate to not pay its pro rata share of fees, costs and expenses to be allocated as described above, in which case the Funds, Other Blackstone Clients and their Portfolio Entities that also use the services of the Portfolio Entity service provider will, directly or indirectly, pay the difference, or the Portfolio Entity service provider will bear a loss equal to the difference.

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.

Certain portfolio companies that provide services to the Funds, Other Blackstone Clients and/or portfolio companies or assets of the Funds and/or Other Blackstone Clients may be transferred

between and among the Funds and/or Other Blackstone Clients (where the Funds may be a seller or a buyer in any such transfer) for minimal or no consideration (based on a third-party valuation confirming the same) and without the approval of the L.P. Advisory Committee, Independent Client Representative (if any) and/or the limited partners. Such transfers may give rise to actual or potential conflicts of interest for the Advisor.

***Blackstone Affiliated Service Providers.*** In addition to the service providers (including Portfolio Entity service providers) and vendors described above, the Funds and their Portfolio Entities will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds, including the businesses described below. These businesses will, in certain circumstances, also enter into transactions with other counterparties of the Funds and their Portfolio Entities, as well as service providers, vendors and Fund investors. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. No fees charged by these service providers and vendors will offset or reduce management fees, unless otherwise required by the Organizational Documents. Furthermore, Blackstone, the Other Blackstone Clients and their Portfolio Entities and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

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

- ***BPM.*** Blackstone Property Management is a Blackstone affiliate that provides property management, leasing oversight, corporate services (including accounting and reporting), development and construction management, and transaction support services to certain of the Funds' investment properties primarily located in the United Kingdom and continental Europe.
- ***Aquicore.*** Aquicore is a cloud-based platform that tracks, analyzes and predicts key metrics in real estate focused on the reduction of energy consumption. Blackstone holds a minority investment in Aquicore.
- ***Equity Healthcare.*** Equity Healthcare LLC ("Equity Healthcare") is a Blackstone affiliate that negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, which include unaffiliated third parties, Equity Healthcare is able to negotiate pricing terms that are believed to be more favorable than those that the Portfolio Entities could obtain on an individual basis.
- ***LNLS.*** Blackstone wholly owns a leading national title agency, Lexington National Land Services ("LNLS"), a title agent company. LNLS acts as an agent for one or more



underwriters in issuing title policies and/or providing support services in connection with investments by the Funds, Other Blackstone Clients and third parties. LNLS focuses on transactions in rate-regulated U.S. states where the cost of title insurance is non-negotiable. LNLS will not perform services in nonregulated U.S. states for the Funds and Other Blackstone Clients unless (i) in the context of a portfolio transaction that includes assets in rate regulated U.S. states, (ii) as part of a syndicate of title insurance companies where the rate is negotiated by other insurers or their agents, (iii) when a third party is paying all or a material portion of the premium or (iv) when providing only support services to the underwriter and not negotiating the title policy or issuing it to the insured. LNLS earns fees, which would have otherwise been paid to third parties, by providing title agency services and facilitating the placement of title insurance with underwriters. Blackstone receives distributions from LNLS in connection with investments by the Funds based on its equity interest in LNLS. In each case, there will be no related offset to the Funds. As a result, while Blackstone believes that venture will provide services at or better than those provided by third parties (even in jurisdictions where insurance rates are regulated), there is an inherent conflict of interest that would incentivize Blackstone to engage LNLS over a third party.

The Funds could acquire from or sell to Blackstone a service provider as an investment or participate alongside Blackstone in the acquisition of a service provider. Blackstone is expected to establish a valuation methodology in relation to any such sale or acquisition by the Funds of a service provider. In addition, before entering into any transaction with respect to any such service provider, it is anticipated that Blackstone will obtain any consents that may be required under the U.S. Investment Advisers Act of 1940, as amended from time to time (the “Advisers Act”) or other applicable laws or regulations.

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and other performance-based compensation in respect of investments, sales or other transaction volume. Furthermore, Blackstone-affiliated service providers can be expected to charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses).

Blackstone will make determinations of market rates (*i.e.*, rates that fall within a range that Blackstone 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 Blackstone’s experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by Blackstone 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 specific characteristics of individual assets then owned or to be acquired by a Fund, or 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 with respect to such Fund. Finally, in certain circumstances Blackstone can be expected to determine that third-party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law (*e.g.*, title insurance in rate regulated U.S. states) or because Blackstone has access to adequate market data to make the determination without reference to third-party benchmarking. Some of the services performed by Blackstone-affiliated service providers could also be performed by the Advisor from time to time and vice versa. Fees paid by the Funds or their Portfolio Entities to Blackstone-affiliated service providers do not offset or reduce the management fee payable by the Fund investors of the Funds and are not otherwise shared with the Funds, unless otherwise required by the Organizational Documents.

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

***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, the Funds 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 companies (*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 the Funds, 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. 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). See “—Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally” herein. 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 the Advisor determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone or the Advisor implements, the Advisor is not required and does not intend to seek approval of any L.P. Advisory Committee or Fund investors. 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 Advisor 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 Advisor does not seek the consent of any L.P. Advisory Committee or Fund investor). 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 any L.P. Advisory Committee in which case any limitations or obligations pursuant to the Organizational Documents with respect to transactions with Affiliates will not apply.

***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. 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. 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 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. Such joint venture or business could use data obtained from such portfolio entities (see “Data” herein). The Funds and the Fund investors typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, other Funds, 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, additional equity ownership) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) may be similarly shared with the participating Other 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 not always, be at market rates. Blackstone may confirm market rates by reference to other leases it

is aware of in the market, which Blackstone expects to be generally indicative of the market given the scale of Blackstone's real estate business. Blackstone can be expected to nonetheless have conflicts of interest in making these determinations and with regard to other decisions related to such assets and investments. 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 Funds, Other Blackstone Clients and co-investment vehicles and their Portfolio Entities, particularly in circumstances in which better financing terms are available through such arrangements. 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 Funds Other Blackstone Clients could result in the Funds losing their interests in otherwise performing investments of the Funds or other assets 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. 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 Advisor in its sole discretion. The joint venture partners could provide services similar to those provided by the Advisor 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 Advisor. 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.

**Group Procurement; Discounts.** The Funds and their Portfolio Entities will enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and/or other insurance policies (which can be expected to include brokerage and/or placement thereof), and will from time to time be discounted due to scale or pooled across Portfolio Entities, including through sharing of deductibles and other forms of shared risk retention from a third party or a Blackstone affiliate, and other operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among the Funds, Other Blackstone Clients and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone, its personnel, or Other Blackstone Clients and their Portfolio Entities, including as a result of transactions entered into by the Funds and their Portfolio Entities, and such commissions or payment will not be subject to the management fee offset provisions. Blackstone can be expected to also receive consulting or other fees from the parties to these group procurement arrangements. To the extent that a Portfolio Entity of an Other Blackstone Client is providing such a service, such Portfolio Entity and such Other Blackstone Client will benefit. Further, the benefits received by the particular Portfolio Entity providing the service will, in certain circumstances, be greater than those received by the Funds and their Portfolio Entities receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, and Fund investors rely on the Advisor to handle them in its sole discretion.

**Valuation Matters.** The fair value of all investments (including any asset received in exchange for Units in a Fund) will ultimately be determined by the Advisor in accordance with the procedures set forth in the Organizational Documents and a Fund's valuation policies and will generally be valued on a quarter basis. (See "—Valuations" herein.) 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 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. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone's control. There will be no retroactive adjustment in the valuation of any Investment, the offering price at which Units in a Fund were purchased by investors or repurchased by a Fund, as applicable, or the fees and/or performance-based compensation paid to the Advisor 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 Advisor's performance-based compensation and, under certain circumstances, the amount of Management Fees and

Servicing Fees (if any) payable to the Advisor. The valuation of investments of Other Blackstone Clients may affect the decision of potential investors to subscribe for Units in a Fund. Similarly, the valuation of investments of a Fund will, in certain circumstances, also affect the ability of Blackstone to form and attract capital to Other Blackstone Clients. As a result, the valuation of investments of a Fund and Other Blackstone Clients, which generally remains in the sole discretion of Blackstone, involve conflicts.

**Infrastructure Fund—Account LP.** For the avoidance of doubt, the Account LP (as defined in the private placement memorandum) will not have an ownership interest in any Blackstone entity. The net amount of management fees and incentive allocation that the Account LP is required to ultimately bear with respect to the Parallel Account will be reduced, however, by a portion of the amount of management fees and incentive allocation received by Blackstone from the Fund and other infrastructure investment vehicles (subject, in each case, to certain limitations). Such right could result in payments to the Account LP by Blackstone. The existence of this economic benefit, combined with the fact that certain representatives of the Account LP serve as a member of the L.P. Advisory Committee, members of the Infrastructure Advisory Board and as a non-voting observer on BIP's Investment Committee could influence actions taken by such representatives of the Account LP in such capacities and the Account LP (or its representative on the L.P. Advisory Committee) may be motivated in a manner different than the Limited Partners (or their representatives on the L.P. Advisory Committee, as applicable).

**Diverse Investor Group.** The Fund investors 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 investment vehicles managed or advised by Blackstone that participate in the same investments as the Funds. The conflicting interests of Fund investors and investors in other investment vehicles would generally relate to or arise from, among other things, the nature, structuring, financing, tax profile and timing of disposition of investments of the Funds. The Advisor 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) Fund investors than for other Fund investors. In addition, the Funds can be expected to make investments that will, in certain circumstances, have a negative impact on related investments made by the Fund investors in separate transactions. In selecting and structuring investments appropriate for the Funds, the Advisor will consider the investment and tax objectives of the Funds and their partners as a whole (and those of investors in other Funds and Other Blackstone Clients that participate in the same investments as the Funds), not the investment, tax or other objectives of any Fund investor individually. Additionally, the Advisor will, in certain circumstances, elect to limit certain Fund investors' participation in particular investments or exclude certain Fund investors from particular investments of the Funds (in whole or in part) to take into account ERISA, legal, tax, regulatory, policy or other similar considerations and / or limitations with respect to any Fund investor (or category of Fund investor) as determined by the Advisor in good faith, in which case non-limited or excluded Fund investors will be allocated a greater proportionate interest in such investment. In addition, reductions in unpaid capital commitments for capital contributions in respect of management fees are based on the actual amounts paid by the Fund investors. Therefore, to the extent a Fund investor is entitled to a

discounted or reduced management fee arrangement (including as set forth in the Organizational Documents, investment advisory agreements or one or more side letters or other agreements (including any agreement governing a Strategic Relationship)), such Fund investor's capital contributions in respect of management fees will be disproportionate as compared to any Fund investors without such arrangement, and as a result its unused capital commitment will be proportionately higher than such other Fund investor, which among other things, will cause it to have a greater proportionate interest in investments made (and expenses incurred) than would be the case absent such management fee arrangement. In addition, certain Fund investors can be expected to also be investors in other Funds and 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 Advisor in the treatment of different Fund investors. Fund investors can be expected to also include affiliates of Blackstone, such as other Funds, Other Blackstone Clients, affiliates of Portfolio Entities of the Funds or Other Blackstone Clients, charities, foundations or other entities or programs associated with Blackstone personnel and/or current or former Blackstone personnel, Blackstone's senior advisors, and any such affiliates, funds or persons can be expected to also invest in the Funds or through vehicles established in connection with Blackstone's side-by-side co-investment rights, in each case, without being subject to management fees or carried interest (or otherwise on more favorable terms), and the Fund investors will not be afforded the benefits of such arrangements. Some of the foregoing Blackstone related parties are sponsors of feeder vehicles that could invest in the Funds as Fund investors. The Blackstone related sponsors of feeder vehicles generally charge their investors additional fees, including performance based fees, which could provide Blackstone current income and increase the value of its ownership position in them. Blackstone will therefore have incentives to refer potential investors to these feeder vehicles. All of these Blackstone related Fund investors will have equivalent rights to vote and withhold consents as nonrelated Fund investors, unless otherwise provided by the terms of the Organizational Documents. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related Fund investors. It is also possible that the Funds or the Funds' Portfolio Entities will, in certain circumstances, be counterparties (such counterparties dealt with on an arm's length basis) or participants in agreements, transactions or other arrangements with a Fund investor or its affiliates (which may occur in connection with such investors or affiliates or affiliates making a capital commitment to the Other Blackstone Clients), including with respect to one or more investments (or types of investments). Such transactions 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 Fund investors' of the Funds Capital Contributions. Such Fund investors described in the previous sentences can be expected to therefore have different information about Blackstone and the Funds than Fund investors not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealing with any such Fund investors, and the Advisor may be motivated to enter into agreements, transactions or arrangements with Fund investors or their affiliates in order to secure capital commitments from investors in Other Blackstone Clients and may otherwise be



motivated by factors other than the interests of the Funds. (See also “—Other Blackstone Business Activities” herein.) Similarly, not all Fund investors monitor their investments in vehicles such as the Funds in the same manner. For example, certain Fund investors can be expected to periodically request from the Advisor information regarding the Funds and their Portfolio Entities and investments that is not otherwise included in the reporting and other information delivered to all Fund investors—for instance, pre-quarterly reporting valuation. In such circumstances, the Advisor may provide such information to such Fund investor and not to other Fund investors. As a result, certain Fund investors can be expected to receive more information from the Advisor about the Funds and their Portfolio Entities or can be expected to receive information about the Funds and their Portfolio Entities at an earlier time than other Fund investors, and the Advisor will have no duty to ensure all Fund investors receive the same information regarding the Funds and their Portfolio Entities. Therefore, certain Fund investors can be expected to be able to take actions on the basis of such information which, in the absence of such information, other Fund investors do not take. Furthermore, at certain times Blackstone will, in certain circumstances, be restricted from disclosing to the Fund investors 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, can be expected to also be Fund investors. These institutions and personnel are a potential source of information and ideas that could benefit the Funds, and can be expected to 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.

***Fund Investors’ Outside Activities.*** A Fund investor 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 Advisor in its sole discretion). None of the Funds, any Fund investor or any other Person shall have any rights by virtue of the Organizational Documents or any related agreements in any business ventures of any Fund investor. The Fund investor, and in certain cases the Advisor, will have conflicting loyalties in these situations.

***Subscription Credit Facility.*** Certain of the Funds have entered into or are expected to enter into and utilize one or more subscription credit facilities, which involve potential conflicts of interest. Subject to the limitations in the Organizational Documents, the use of a subscription credit facility by the Funds is within the Advisors’ discretion. Subject to the limitations set forth in the Organizational Documents and the availability and the terms of any subscription-based credit facility for the Funds, the Advisor has adopted a policy relating to the use of fund-level credit facilities for the Funds. Generally and without limiting the foregoing, the Funds can be expected to seek to utilize a subscription credit facility for the purpose of, among other things, financing any investment-related activities of the Funds (such as for assets that the Funds do

not intend to hold for a long term period), covering partnership expenses, organizational expenses, management fees, Servicing Fees and any other costs of the Funds, making distributions to Partners, providing permanent financing or refinancing or providing interim financing to consummate the purchase of investments of the Funds. The amount of credit available to the Funds under a subscription credit facility is determined by the credit quality of the Fund investors as determined by the lender. Moreover, the credit quality of a Fund investor (or investor in an Other Blackstone Client joined to the same facility) may be negatively impacted (or disregarded completely by a lender) as a result of contractual agreement between Fund investors (or investor in an Other Blackstone Client joined to the same facility) and Blackstone (in a side letter, for example). For this reason, Fund investors (and investors in Other Blackstone Clients joined to the same facility) with a higher credit quality, as determined by the lender, generate more credit for the Funds than Fund investors (and investors in Other Blackstone Clients joined to the same facility) with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality Fund investors (and investors in Other Blackstone Clients joined to the same facility) to the others.

Calculations of net and gross IRRs in respect of investment and performance data referred to in the Organizational Documents of a Fund, and as reported to Fund investors from time to time, are based on the payment date of capital contributions received from Fund investors. In respect of investment and performance data referred as reported to investors from time to time, (A) for purposes of gross IRR calculations, (i) cash outflows are calculated when capital is invested by a Fund, (ii) cash inflows for investment realizations and current income are calculated upon receipt by a Fund and (iii) cash inflows for unrealized investments are based on the fair value at the end of the period determined by Blackstone, and (B) for purposes of net IRR calculations, IRR is based on the due date and amount of capital contributions from limited partners, not the timing or amount of fund-level borrowings such as the subscription line of credit. This treatment also applies in instances where a fund utilizes borrowings under a fund's subscription credit facility in lieu of, or in advance of receiving capital contributions from Fund investors to repay any such borrowings. As a result, use of a subscription credit facility (or other long-term leverage) will impact calculations of returns and will result in a higher or lower reported IRR than if the amounts borrowed had instead been funded through capital contributions made by the Fund investors to the Funds. If the use increases the IRR, as it normally does, the Advisor will have various incentives to use the subscription credit facility, including marketing efforts of future Funds and Other Blackstone Clients. For example, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements can be expected to accelerate or increase distributions of carried interest to the Advisor, providing an economic incentive to fund investments of the Funds through long-term borrowings in lieu of capital contributions. In addition, the Advisor can be expected to receive a greater amount of management fees and servicing fees if following the Investment Period borrowings under the facility utilized in lieu of a combination of Fund investors' capital and non-recourse financing for investments of the Funds remain outstanding. Moreover, the costs and expenses of any such borrowings will generally be allocated among the Funds and any Parallel Funds pro rata or on such other basis that the General Partners determine to be more equitable under the circumstances, which will increase the expenses borne by applicable Fund investors and would

be expected to diminish net cash on cash returns. In addition, for investments in U.S. corporations by U.S. tax exempt Fund investors, there may be incremental tax costs related to so-called unrelated business taxable income (UBTI).

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

Subject to the limitations set forth in the Organizational Documents, the General Partners maintain substantial flexibility in choosing when and how a Fund's subscription-based credit facilities are used. The General Partners have adopted policies and may update or adopt from time to time policies or guidelines relating to the use of such credit facilities. As a general matter, the General Partners expect to utilize available credit facilities in lieu of capital calls to fund all new investments of the Funds, partnership expenses and other Fund obligations, and call capital at least annually (including for any investments outstanding at least six months) subject to the Organizational Documents and the unused amount remaining under the credit facilities and the Funds' and credit facilities' contractual restrictions. Capital calls will be utilized to repay the credit facility borrowings until capacity is available. A Fund's use of credit facilities will be used and managed in the manner described above independently from any Other Blackstone Client's use of credit facilities (and the contractual restrictions applicable to such Other Blackstone Clients and other credit facilities may be more or less favorable than those of such Fund), even when the same credit facility is being utilized and/or investments are shared between a Fund and an Other Blackstone Client, which may result in different expenses related to borrowings and IRRs reported by multiple Blackstone funds for the same investment. Similarly, while the General Partners expect to generally utilize credit facilities for the Funds in a consistent matter, the use of such credit facilities may differ based on available credit facility capacity and the contractual terms applicable to the Funds and such credit facilities, among other factors. In addition, as part of the policy, the General Partners have adopted guidelines for the longer-term use (i.e., greater than one year) of the credit facilities. This longer-term fund-level financing will typically be used (a) for deals that have a longer lead time to generate cash flow or to acquire assets, (b) for deals that require capital to fund operations, including operating expenses prior to developing sufficient scale to self-fund or generate enterprise value and new initiatives or products, (c) for deals where cash is retained in the business to fund

activity that results in incremental growth and/or returns for the investment, (d) to fund in local currencies, including to provide natural hedging for non-U.S. dollar investments or to make margin payments as necessary under currency hedging arrangements and (e) when the General Partners otherwise determine that it is in the best interests of the Funds or otherwise appropriate under the circumstances.

**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 Advisor, Blackstone and their respective directors, officers, employees, agents, Independent Client Representative (if any) and representatives, and members of the L.P. Advisory Committees or any Independent Client Representative 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 Advisor and Blackstone (including their respective directors, officers, employees, agents and representatives, Independent Client Representative (if any) and members of the L.P. Advisory Committees and other indemnified parties). The Advisor 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 Advisor and/or Blackstone on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable.

Similarly, the Funds and their Portfolio Entities may enter into arrangements with Other Blackstone Clients and their respective Portfolio Entities whereby property and/or other types of insurance is procured as a group where the insurance provider may charge lower premiums to the group than it would on an individual property-by-property basis. In such event, the obligation to pay the premiums on such group policies may be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone may reasonably determine). Additionally, the Funds and Other Blackstone Clients (and their respective Portfolio Entities) will, in certain circumstances, 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 may similarly be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone can be expected to reasonably determine). (See also "—Service Providers, Vendors and Other Counterparties Generally" 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 different allocations or arrangements 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 companies 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 companies’ 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 companies, 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 companies, and the Advisor 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 Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities, affiliates (including the Advisor) and related parties will from time to time give rise to additional conflicts of interest relating to the Funds and their investment activities. The Advisor 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 of the Funds, an L.P. Advisory 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 such Organizational Documents. If an L.P. Advisory Committee or the Independent Client Representative (if any) consents to a particular matter and the Advisor acts in a manner consistent with, or pursuant to the standards and procedures approved by, such L.P. Advisory Committee or the Independent Client Representative (if any), or otherwise as provided in the Organizational Documents, then the Advisor and its affiliates will not have any liability to the applicable Fund or the Fund investors for such actions taken in good faith by them.

In the case of an appointment of an Independent Client Representative as provided herein and in the Organizational Documents, to the extent that the Independent Client Representative is to review a proposed transaction or other conflict in accordance with the terms in the Organizational Documents, the Independent Client Representative shall consist of one or more persons with substantial experience in, and knowledge of, the relevant market and related investment arenas who are independent of the General Partner and Blackstone. The General Partner shall have the right to remove or replace an Independent Client Representative at any time or appoint more than one Independent Client Representative to address separate conflicts in its discretion. An Independent Client Representative may be paid a fee by a Fund to be determined by the General Partner. To the fullest extent permitted by applicable law, an Independent Client Representative shall not owe any fiduciary (or other similar) duty to a Fund, any Fund investor or the Fund investors as a group in connection with the activities of such Independent Client Representative, and an Independent Client Representative shall not have any obligation to act in the interests of a Fund, any Fund investor, or the Fund Investors as a group or any other duty to a Fund, any Fund investor or the Fund investors as a group other than a duty to act in good faith. However, the L.P. Advisory Committee will not represent the interests of all the Fund investors, each member of the L.P. Advisory Committee may act in the interests of the Fund investors with which it is associated, and the members of the L.P. Advisory Committee may themselves be subject to various conflicts of interest. In general, the Fund investors will not be entitled to control the selection of members of the L.P. Advisory Committee or to review the actions or deliberations of the L.P. Advisory Committee. Furthermore, some or all of the members of the L.P. Advisory Committee may also be on the advisory committee of Other Blackstone Clients with which there is a potential conflict or may represent investors that have an interest in both the Funds and such Other Blackstone Client. Such L.P. Advisory Committee members will generally not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve actual or potential conflict of interests.

***Additional Potential Conflicts of Interest.*** The officers, directors, members, managers and personnel of the Advisor 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 Advisor. 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 Advisor 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 Clients, the Advisor 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 Advisor is an affiliate of the following entities:

<b>Broker-Dealer Entities</b>	
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
<b>Investment Advisor Entities</b>	
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>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C. (Relying Adviser)	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C. (Relying Adviser)	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone Growth Advisors L.L.C.	Provides investment advisory services to private growth 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. (Relying Adviser)	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. (Relying Adviser)	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) (Relying Adviser)	Provides investment advisory services to U.S. CLOs
Blackstone / GSO Debt Funds Management Europe Limited (Relying Adviser)	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 (Relying Adviser)	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
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
CT High Grade Mezzanine Manager, LLC (Relying Adviser)	Provides investment advisory services to assets owned by a third-party insurance company

CT High Grade Partners II Manager, LLC (Relying Adviser)	Provides investment advisory services to 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 (“CLOs”), 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 (Relying Adviser)	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* (Relying Adviser)	Serves as the manager of a private direct lending fund
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
<b>Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities</b>	
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
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
<b>Insurance Entities</b>	
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

BHK is registered in Hong Kong, BAIPPL is registered in India, BSPL is registered in Singapore, The Blackstone Group International Partners LLP ("BGIP") is registered in the United Kingdom and BGAPL is registered in Australia. They provide certain advisory services to BMP, BCEA and certain of their affiliates in Hong Kong, India, Singapore, the United Kingdom, Shanghai, and Australia, respectively. BGIP also provides certain advisory services to BCP IV and certain of its affiliates in the United Kingdom.

Various management and marketing personnel are registered with our broker-dealer, BAP, which serves as placement agent to the Funds in the U.S. but is not compensated for such services. We do not believe these registrations, in and of themselves, create conflicts for the Funds' investors.

**A more detailed description of applicable conflicts of interest is set forth in the Organizational Documents of each Fund.**

## Item 11 – Code of Ethics

The Advisor 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. All Advisor 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 Advisor 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 Advisor meets its fiduciary obligation to the Advisor’s investors (or prospective investors) and to instill a culture of compliance within the Advisor. 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 Advisor also supplements 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 & 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 Advisor has adopted policies and procedures reasonably designed to address such potential conflicts of interest.

The Advisor’s related persons from time to time have bought or sold, or may in the future buy or sell, for their personal accounts, securities which are also purchased or sold for the account of our clients. The Advisor 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 Tia Breakley – Chief Compliance Officer; 212-583-5000; [Breakley@blackstone.com](mailto:Breakley@blackstone.com).

The Advisor does not participate in principal trading generally; however, the Advisor would be permitted to if the Advisor obtained appropriate Fund investor (or Independent Client Representative, if applicable) approvals, to the extent permitted under applicable Organizational Documents. The Advisor addresses attendant conflicts as described in the applicable Organizational Documents.

## **Item 12 – Brokerage Practices**

The Advisor will, in certain circumstances, trade in public securities. In the event the Advisor executes a brokerage transaction for the Funds (*e.g.* trades in public securities as a direct investment or as part of or following an initial public offering of a portfolio company) or enters into hedging transactions), the Advisor 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 Advisor are the Funds' accounts. The Funds' accounts and investment positions are monitored by the its personnel on a regular and current basis. The Advisor's Investment Committee meets as necessary to review general portfolio composition, investment opportunities, market conditions, potential conflicts, and recent trading activities. The Investment Committee consists of a minimum of 4 persons and additional members depending on the particular investment, all of whom are Senior Managing Directors. The Advisor might periodically review on an expedited basis the assets of a Fund following a unique occurrence in the financial industry or market generally. The Investment Committee may also draw on regional and/or sector experts within Blackstone as appropriate given the specific profile of each investment opportunity. The sole limited partner of BIP-P will be entitled to a non-voting observer seat on the Investment Committee.

### **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 Advisor makes use of a website, BX Access, available at [www.bxaccess.com](http://www.bxaccess.com) for the distribution of reports and other information to investors in the Funds.

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 Advisor generally will provide such investors with the information requested. In addition, the sole limited partner of BIP-P will be entitled to a non-voting observer seat on the Investment Committee and therefore can be expected to receive additional information about the Funds not received by other Fund investors. 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 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

The Advisor has distribution and/or placement agent arrangements with a number of unaffiliated third parties. Such unaffiliated third-parties can be expected to form investment vehicles for the purpose of investing in any Fund and the capital commitments of such third-party investment vehicles will, in certain circumstances, account for a substantial portion of the overall capital commitments to such Fund. In a typical distribution or placement agent arrangement, the Advisor agrees to pay a third-party solicitor for referring investors into an Advisor fund. Typically, third-party solicitors will be compensated based upon a percentage of the commitment size of the investors they refer (although other payment arrangements could exist). If third-party solicitors are engaged, a prospective investor solicited by a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be ultimately paid/borne by a corresponding reduction in the Management Fee by the Advisor and none of the investors in the Funds will be subject to any increased or additional fees or charges. With respect to expenses related to the diligence and negotiation of placement agent arrangements, please see **Item 5 – Fees and Compensation**. Third-party solicitors in the U.S. will be registered as broker-dealers with the SEC. Third-party solicitors outside the U.S. will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

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

## Item 15 – Custody

Rule 206(4)-2, as amended (the “Custody Rule”), of the Advisers Act defines custody as holding client securities or funds or having any authority to obtain possession of them. The Funds generally have an Advisor affiliate acting as general partner and, as such, the Advisor is generally deemed to have custody of the Funds’ funds. The Advisor 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 Advisor maintains the authority to manage or advise the Funds on a discretionary basis, subject to the overall supervision of the applicable General Partner, 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 Advisor will generally be deemed to have authority to vote proxies relating to the companies in which its clients invest the Advisor has adopted a set of policies and procedures (together, the “Policy”) in compliance with the Proxy Rule. To the extent that the Advisor 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 Advisor in its discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, the Advisor may not always vote proxies in accordance with the Policy. In addition, many possible proxy matters are not covered in the Policy. Generally, the Advisor will vote proxies in favor of management’s recommendation, including, but not limited to, the following matters: (i) the election of the board of directors; (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 Advisor or its affiliates, on the other hand. If the Advisor determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Advisor will address matters involving such conflicts of interest on a case-by-case basis by consulting with the Chief Compliance Officer to determine how to vote in the best interests of the investors, subject to legal, regulatory, contractual or other applicable considerations. The analysis will be documented. The Advisor, 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 Tia Breakley – Chief Compliance Officer; 212-583-5000; Breakley@blackstone.com.

**Item 18 – Financial Information**

The Advisor has never been the subject of a bankruptcy petition and is not 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 Advisor is not registered in any state.