



STRATEGIC PARTNERS FUND SOLUTIONS ADVISORS L.P.

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

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

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

Item 2 – Material Changes

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

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

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

The Registrant, 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

Description of the Registrant

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

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

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

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

Description of Advisory Services

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

With respect to the Direct Equity Program, the Registrant provides advice in respect of co-investments that the Registrant believes are high-quality, by investing alongside aligned sponsors (including Blackstone) and management in sponsor-backed private equity transactions. The co-investment opportunities considered for the Direct Equity Program may vary, including with respect to vintage year, fund sponsor, investment strategy, leverage level, type of asset (e.g., equity interests or debt instruments) and sector.

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

Assets Under Management

The Registrant's regulatory assets under management are approximately \$38,936,867,932 (measured as of December 31, 2019), \$38,586,713,015 of which are managed on a discretionary basis and \$350,154,917 of which are managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Management Fees

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

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

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

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

that addresses this conflict of interest. Please refer to **Item 12 – Brokerage Practices** for a discussion on the Registrant’s Allocation and Aggregation Procedures.

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

Timing of Fee Payments

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

Additional Fees and Expenses

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

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

case, travel and accommodation expenses (in certain cases, such travel and accommodation expenses not to exceed an annual cap, as specified in the offering documents of the Funds), and including fees and expenses for and/or relating to attorneys (including compensation costs specifically allocated or attributed by the Registrant or its Affiliates with respect to in-house attorneys to provide transactional legal advice and/or services to the Funds on matters related to potential or actual investments; provided, that any such costs shall not be greater than what would be paid to, or duplicative of services provided by (as determined by the General Partner of the applicable Fund in good faith), an unaffiliated third party for substantially similar services), accountants, tax advisors, finders, consultants, auditors, investment bankers, fund administrators, depositaries, custodians, operating partners, advisors (including senior advisors) and third-party professionals and fees and expenses of Affiliates of Blackstone and other third-party professionals; (iii) (a) legal, auditing, compliance and consulting expenses, including expenses associated with the preparation of amendments to the governing agreements of the Fund and the solicitation of consent of such amendments and the Fund's financial statements, regulatory filings (including, without limitation, expenses relating to the preparation and filing of Form PF, reports and notices to be filed with the U.S. Commodity Futures Trading Commission and/or reports, filings, disclosures and notices prepared in connection with the laws and/or regulations of jurisdictions in which the Fund engages in activities, including any notices, reports and/or filings required in accordance with the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and any related regulations, and other notices or disclosures of the Registrant and/or its affiliates relating to the Funds and their activities), ongoing compliance with U.S. federal, state, local, non-U.S. or other law and regulation relating to the Fund's activities, preparing, printing and publishing reports to partners (including the preparation of tax returns, Schedule K-1s and other communications or notices relating to the Funds), research, market data, technology-related expenses and insurance expenses (including costs, expenses, charges and/or fees charges specifically attributed or allocated by the Registrant and its affiliates to provide administrative services relating to the Funds and/or the Fund's regulatory-reporting obligations) and (b) accounting and administration expenses, including any additional tax return preparation and reporting expenses to the extent such expenses relate to services provided either by third party or by an Affiliate of the General Partner that is in the business of providing such services, as well as data collection costs, including costs allocated by Blackstone's internal research group (which are generally based on time spent), internal printing (including a flat service fee) and publishing (including time spent performing such internal printing and publishing services); (iv) expenses related to organizing, administering and maintaining any entities directly or indirectly through or in which portfolio investments may be made, including without limitation any travel and accommodation expenses related to such entity or other overhead expenses in connection therewith; (v) expenses of the advisory committee of each Fund and its members, including expenses of any advisors retained by, or at the direction or for the benefit of, such advisory committee, and expenses of any annual meeting of the Funds;

(vi) costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles; (vii) taxes and other governmental charges, fees and duties payable by the Fund; (viii) all damages and expenses incurred in connection with any litigation, claim or proceeding involving the Fund (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; (ix) all unreimbursed expenses incurred in connection with the collection of amounts due to the Fund from any person; (x) all interest, fees, expenses and other amounts payable in respect of or in connection with borrowings, financings, guarantees or derivative transactions; (xi) all expenses incurred in connection with administrative proceedings relating to the determination of Fund items of income, gain, loss, deduction and credit at the Fund level, and any audit with respect to taxes; (xii) expenses of any third party advisory committee of the Fund; (xiii) fees and expenses incurred in connection with complying with or monitoring compliance with or amending (including pursuant to “most favored nations” provisions) any side letters or other written agreements between the Fund and one or more investors in the Fund; and (xiv) costs of winding up and liquidating the Fund. The General Partner of each Fund, in its sole discretion, may determine not to allocate certain expenses to its respective funds, which would be otherwise permitted pursuant to each Fund’s offering and/or governing documents, which in such instances would result in an increased internal rate of return to investors.

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

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

For certain Funds, the Registrant may also charge back a portion of the cost of overhead expenses attributable to the management of or operations related to such Fund. Note that the offering and/or governing documents for certain Funds provide for a cap on the

organizational expenses chargeable to such Fund; organizational expenses in excess of such cap are paid by the Registrant or one of its affiliates, as applicable.

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

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

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

Employee Compensation for Sales of Securities

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

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

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

Performance-Based Allocations

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

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

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

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

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

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

affiliates' management thereof may give rise to conflicts of interest relating to the Funds or the Advisory Accounts from time to time. For example, differing performance-based allocations or fees for Funds or Advisory Accounts on the one hand, and such Other Blackstone Funds or another Fund on the other, that invest on a side-by-side basis, may create conflicts of interest for the Registrant and its affiliates, including with respect to the allocation of investment opportunities. However, the Registrant will manage each Fund's or Advisory Account's assets in accordance with the investment strategy disclosed in each Fund's or Advisory Account's offering and/or governing documents to help ensure that investors are aware of the investment strategy and the risks associated with such strategy. The Registrant has an investment allocation policy that addresses this conflict of interest. Please refer to **Item 12 – Brokerage Practices** for a discussion on the Registrant's Allocation and Aggregation Procedures.

Timing of Performance-Based Allocations

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

Item 7 – Types of Clients

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

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

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

The Registrant also advises Advisory Accounts. The Advisory Account clients may consist of private retirement and pension plans and family offices, among others.

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

Methods of Analysis

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

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

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

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

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

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

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

Investment Strategies

Secondary Funds

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

Direct Equity Program

The specific investment strategy and corresponding method of analysis for each Direct Equity Program vehicle is specified in the offering documents of such Direct Equity Program vehicle. The Direct Equity Program generally seeks to construct a portfolio of high-quality co-investments in sponsor-backed private equity transactions, which may include investments with any of the primary investment mandates of other funds, accounts or investment vehicles sponsored by Blackstone (including the Registrant) or third-parties (including managers of Underlying Funds).

Advisory Accounts

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

Risk of Loss

An investment in a Fund or an Advisory Account, as applicable, entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks associated with an investment in a Fund or an Advisory Account, as applicable, and bearing the risks such investment represents. A successful program of investing is dependent upon and subject to certain risks, including risks relating to, among other things (i) the quality of the management and controls of the Funds or an Advisory Account, as applicable, the Underlying Funds and their portfolio companies; (ii) the ability of the management of the Funds or an Advisory Account, as applicable, and the Underlying Funds to identify and consummate attractive investment opportunities; (iii) general economic conditions; and (iv) the ability of the Funds or an Advisory Account, as applicable, and the Underlying Funds to liquidate their investments on attractive terms. The offering and/or governing documents of each Fund will contain detailed descriptions of certain of the risks associated with an investment in such Fund. Below is a non-exhaustive list of certain risks associated with such investments (some of which may not apply to a particular Fund):

1. Loss of all or part of investment
2. No assurance of investment return
3. Changes in legal, fiscal, tax and regulatory regimes
4. Funds treated as partnerships for U.S. federal income tax purposes may be liable for adjustments to its tax returns as a result of recently enacted legislation

5. Lack of liquidity of Fund interests and of Underlying Fund interests
6. Highly competitive market for secondary investment opportunities
7. No established market for secondary investments
8. Secondary investment opportunities in Underlying Funds may be “pooled” opportunities from a seller on an “all or nothing” basis
9. Importance of valuation and acquisition terms
10. Reliance on the Registrant and certain of its professionals and employees and professionals and employees of the managers of the Underlying Funds
11. Limited access to information from Underlying Funds
12. Restrictions on acquisitions of Underlying Fund interests by the Fund or Advisory Accounts
13. Restrictions on the Registrant’s use of Blackstone’s resources because of information walls and other internal policies and procedures
14. Consequences of a Fund’s or an Advisory Account’s failure to satisfy capital calls of an Underlying Fund
15. Illiquidity of Underlying Fund interests
16. Investments longer than the Fund’s or the Advisory Account’s term
17. Lack of coordination among investment decisions of Underlying Funds and their sponsors
18. The portfolio companies in which the Underlying Funds have invested or may invest may involve a high degree of business and financial risk
19. Misconduct of employees and third party service providers and of employees and service providers with respect to the Underlying Funds
20. General economic and market conditions
21. United Kingdom Withdrawal from the European Union
22. Nature of secondary investments, including reliance on management of the Underlying Funds, potential obligations to return distributions to satisfy Underlying Fund liabilities, and other matters related to holding secondary interests in Underlying Funds
23. Risks related to use of leverage by certain Funds and Underlying Funds
24. Risks related to bearing the additional layer of fees and expenses charged at the level of the Underlying Funds
25. Risks related to cyber security breaches and identity theft; Data protection
26. Lack of diversification
27. Non-U.S. investments
28. Uncertainty of estimates and financial projections
29. Risk of limited number of portfolio investments

30. Non-controlling investments; investments and joint ventures with third parties
31. Public company holdings
32. “Platform” investments; additional capital
33. Terrorist activities
34. Investments in regulated industries
35. Financial leverage; incurrence of indebtedness
36. Increased government regulation
37. OFAC and FCPA considerations
38. Risks relating to Due Diligence of and Conduct at portfolio entities of Underlying Funds
39. Counterparty risks
40. Foreign currency risks
41. Trade policy
42. Uncertainty regarding the future utilization of LIBOR
43. Subscription credit facility
44. CFIUS
45. ESG
46. GDPR/Privacy

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 invest), 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 Funds and the performance of their Investments.

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

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

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

Item 9 – Disciplinary Information

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

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

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Registrant, the Funds, the Other Blackstone Funds, the investments of the Funds (including Underlying Funds) and Other Blackstone Funds and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. However, not all potential, apparent and actual conflicts of interest are included herein, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. Potential limited partners should review this section carefully for additional risks and conflicts disclosure before making an investment decision.

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

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

Actions that could be taken by the Registrant or its affiliates that are designed to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described herein, (ii) obtaining from the advisory committee and/or the limited partners advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the advisory committee and/or the limited partners to address the conflict, (iii) disposing of the investment or security giving rise to the conflict of interest, (iv) disclosing the conflict to the advisory committee and/or the limited partners of the Funds (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications), (v) appointing an

independent client representative to act or provide consent with respect to the matter giving rise to the conflict of interest, (vi) 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, (vii) implementing policies and procedures reasonably designed to mitigate the conflict of interest, or (viii) otherwise handling the conflict as determined appropriate by the Registrant in its good faith reasonable discretion.

Performance-Based Compensation. The General Partners' carried interest creates a greater incentive for the General Partners to make more speculative investments on behalf of the Funds or time the purchase or sale of investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist, as the General Partners receive a disproportionate share of profits above the preferred return hurdle. However, the significant commitment by Blackstone to invest in the Funds and the General Partner clawback should reduce the incentives for the General Partners to make more speculative investments or otherwise time the purchase or sale of investments based on considerations related to carried interest. The General Partner clawback potentially creates other misalignments of interests between the General Partners and limited partners, such as an incentive for the General Partners to defer disposition of an investment that would result in a realized loss or a return on investment that was less than the preferred return and trigger the clawback, or delay the dissolution and liquidation of the Funds if doing so would trigger a clawback obligation. In addition, recently enacted tax reform legislation provides for a lower capital gains tax rate on performance-based compensation from investments held for at least three years, which may incentivize the General Partners to cause the Funds 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. Furthermore, upon a withdrawal by a limited partner from a Fund in certain circumstances and upon the liquidation of a Fund, the General Partner may receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The amount of carried interest will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the General Partner and could incentivize the General Partner to value the securities higher than if there were no carried interest. The General Partners 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. Moreover, under the terms of the applicable partnership agreement, a General Partner is entitled to elect to receive its carried interest in the form of an in-kind distribution of marketable securities, including if the purpose of such election is to permit Blackstone personnel to donate such securities to charity (which may include private foundations, funds or other charities associated with any such personnel). The tax benefit derived from charitable giving has the effect of reinforcing and enhancing the incentives otherwise resulting from the existence of the General Partners' carried interest described above.

Blackstone Policies and Procedures; Information Walls. Blackstone has implemented policies and procedures which are designed 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 Strategic Partners business 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 private equity business may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to the Funds, might become restricted to those other respective businesses and otherwise be unavailable to the Funds. In particular, although Strategic Partners intends to leverage the Blackstone platform to access, among other things, Blackstone's extensive knowledge of certain potential or existing Underlying Funds, the formal information barriers in place between Blackstone and Strategic Partners, along with procedures in place that are designed to identify potential business conflicts, will from time to time prevent Strategic Partners and other parts of Blackstone from discussing any investment. Further, confidentiality obligations owed by Strategic Partners to Underlying Funds prevent Strategic Partners from disclosing information to other parts of Blackstone concerning the investment information of any Underlying Fund. There can be no assurance, however, that any such

policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of the Funds 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 Registrant 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 Registrant may also be deemed to be in possession of such information or otherwise restricted. This could reduce the investment opportunities available to the Funds, and there can be no assurance that such policies and procedures will be effective in accomplishing their stated purpose or that they will not otherwise adversely affect the ability of the Funds to effectively achieve their investment objectives by unduly limiting the investment flexibility of the Funds and/or the flow of otherwise appropriate information between business units at Blackstone. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone fund has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of the Funds and/or their Underlying Funds and investments and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for the Funds, may require the Funds to share such opportunities or otherwise limit the amount of an opportunity the Funds can otherwise take.

Blackstone's Other Activities May Limit the Strategic Partners Business. The investment opportunities that may be made available to the Funds may be limited by the other activities of Blackstone, and by reason of the Funds being affiliates of Blackstone. In addition, other business groups within Blackstone may possess material nonpublic information or other information that may effectively limit the ability of the Funds to make certain investments and, more importantly, sell certain investments. Any such restrictions may materially constrain the investment flexibility of the Funds.

Conflicts of interest may also arise with respect to Blackstone's provision of services to the Funds, Portfolio Entities, the Other Blackstone Funds and other clients of Blackstone, as

well as actions taken by Blackstone on behalf of such Other Blackstone Funds and/or their affiliates. In performing services on behalf of the Funds, Portfolio Entities, Other Blackstone Funds and/or other clients and affiliates, Blackstone may take actions that may impact the Funds, and Blackstone's other activities, provision of services and management of such Other Blackstone Funds and/or affiliates will generally be carried out independently from the General Partners' and the Registrant's activities with respect to the Funds.

Management of Other Blackstone Funds. One of the core businesses at Blackstone is the management of Other Blackstone Funds. Blackstone's management of the Other Blackstone Funds may, from time to time, give rise to actual or potential conflicts of interest relating to the Funds, and there can be no assurance that such conflicts will be resolved in favor of the Funds. Moreover, the economic interests of Blackstone in such Other Blackstone Funds may incentivize Blackstone to take actions with respect to such Other Blackstone Funds which may conflict with or adversely affect the interests of the Funds, and it is possible that the interests of the Funds may be subordinated or adversely affected by virtue of Blackstone's management of such Other Blackstone Funds.

Investments in Which Other Blackstone Funds Have a Different Principal Investment Generally. The Funds may hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by Other Blackstone Funds. For example, Blackstone sponsors a number of Other Blackstone Funds, the investment strategies of which include making investments in which the Funds may have an indirect interest. To the extent any such Other Blackstone Funds acquire and/or otherwise hold debt securities or other similar interests in investments in which the Funds have an indirect equity interest, the interests of such Other Blackstone Funds and/or affiliates may diverge substantially from the interests of the Funds (including, in particular, in the event of financial distress or bankruptcy of such investments). In addition, conflicts of interest may arise in circumstances where the Funds make an investment in an Underlying Fund (including Other Blackstone Funds), which in turn has an interest in an investment in which an Other Blackstone Fund, or an affiliate of Blackstone, also holds an interest. There may also be circumstances where Other Blackstone Funds and/or affiliates may make investments in the same investment in which the Funds have an indirect interest, including at different levels of such Portfolio Entity's capital structure. In that regard, the investment activities of such Other Blackstone Funds will generally be carried out without regard to the investment positions or interests of the Funds, and actions may be taken for the Other Blackstone Funds that are adverse to the Funds.

Furthermore, another Fund may be invested in the underlying vehicle of a particular asset manager that is selling its assets or otherwise transacting with another underlying vehicle in which a Fund is invested in. Conflicts of interest may arise between such Funds in connection with any such transactions, and there can be no assurance that such conflicts will be resolved in favor of a Fund. Other Blackstone Funds (and other Funds) may have an interest in an underlying vehicle sponsored by an asset manager in which a Fund is invested in (directly or indirectly) (or vice versa). In the event the consent of such Other Blackstone Fund (or the other Funds, as the case may be) is sought by such asset manager in connection with such Other Blackstone Fund's (or the other Funds') interests in such underlying vehicle, there can be no assurances that such interests will be voted in a manner that is consistent with the best interest of the Funds (or such Other Blackstone Fund, as the case may be) with respect to their interests in such asset manager. Relatedly, in certain circumstances in the ordinary course of the Funds' and Other Blackstone Fund's investment activities, the Funds could from time to time bear fees or incentive compensation payable indirectly to an Other Blackstone Fund (or another Fund) as a result of such indirect ownership of such Other Blackstone Fund or the Funds, as applicable, in the manager or advisor of an underlying vehicle.

In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the return on a Fund's investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction. In addition, it is possible that in a bankruptcy proceeding, a Fund's interest may be subordinated or otherwise adversely affected by virtue of such Other Blackstone Funds' involvement and actions relating to its investment. As a result, the interests of the Funds may be subordinated or otherwise materially and adversely affected by the investment activities of such Other Blackstone Funds. While Blackstone will seek to resolve any such conflicts of interest in a fair and equitable manner, there can be no assurance that such conflicts will be resolved in favor of the Funds.

In these situations, in order to mitigate any such conflicts of interest, a Fund may recuse itself from participating in any decisions relating or with respect to such investment by the Fund or the applicable investments by the Other Blackstone Funds, or by establishing groups separated by information barriers (which may be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, Blackstone may be required to take action when it will have conflicting loyalties between its duties to the Funds and such Other Blackstone Funds, which may adversely impact the Funds. If a

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 applicable investment advisory agreement, the limited partners will in no way receive any benefit from fees paid to the Registrant from a Portfolio Entity in which any Other Blackstone Fund also has an interest (including, for greater certainty, any fees received as a result of the provision of services by the Registrant).

Syndication; Warehousing. Blackstone, Other Blackstone Funds, joint venture partners, or affiliates or related parties of the foregoing could acquire an investment as principal and subsequently sell some or all of it to the Funds, Other Blackstone Funds or co-investors in an affiliate or related party transaction. Similarly, the Funds may acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, Other Blackstone Funds, co-investors, joint venture partners, or affiliates or related parties of the foregoing or other third parties. The Registrant 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 Registrant may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, the Registrant may charge fees on these transfers to either or both of the parties to them. The Registrant or its affiliates will be permitted to retain any portion of an investment initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. For example, the Registrant will have a conflict of interest when the Registrant receives fees, including the incentive allocation, from an Other Blackstone Fund acquiring from or transferring to a Fund all or a portion of an investment.

More specifically, a Fund could 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 the applicable partnership agreement within a specified period of time of acquiring such co-investment at a price equal to the sum of (i) the Fund's acquisition cost for the transferred portion of such co-investment, including any allocable expenses relating thereto and (ii) in the event the syndication was initially funded by capital contributions from limited partners, interest on

such amount from the closing date of such co-investment by the Fund through the transfer date to the participating co-investors. The value of the investment during such period could increase by a greater amount, but the Fund will not receive the full benefit of such increase.

These conflicts related to syndication of investments and warehousing will not necessarily be resolved in favor of the Funds, and limited partners may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Co-Investment. The Funds will co-invest with limited partners, limited partners of the Other Blackstone Funds, 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 Registrant, and it is expected that many investors who may have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested. For example, Blackstone intends to prioritize any overage account in the allocation of co-investment opportunities (See “Other Blackstone Funds; Allocation of Investment Opportunities”). 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 may differ amongst co-investors with respect to the same co-investment. In addition, the performance of Other Blackstone Funds co-investing with the Funds is not considered for purposes of calculating the carried interest payable by the Funds 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, 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 the Funds is instead allocated to co-investors (who may or may not be limited partners or limited partners of Other Blackstone Funds) or supplemental capital vehicles, and there is no guarantee that any limited partner will be offered any particular co-investment opportunity. The Registrant will take into account various facts and circumstances deemed relevant by the Registrant in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the Registrant’s assessment of a

potential co-investor's ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the maximum number of investors that can realistically participate in the transaction) and the Registrant's assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required timeframe of the particular transaction. Additional considerations may also include, among others and without limitation, the size of a potential co-investor's commitments to the Funds, Other Blackstone Funds 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 Fund; the size of the potential co-investor's interest to be held in the underlying Portfolio Entity as a result of the Funds' investments (which is likely to be based on the size of the potential co-investor's capital commitment and/or investment in the Funds); whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone, the Funds or Other Blackstone Funds (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to the Funds or Other Blackstone Funds and their Portfolio Entities, or whether the co-investor has significant capital under management by Blackstone or intends to increase such amount); whether the potential co-investor has an overall strategic relationship (including a Strategic Relationship as defined herein) 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 the Funds, their predecessor funds or Other Blackstone Funds); 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 acquisitions for the Portfolio Entity or participate in defensive investments; the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the investor would be willing to defer to Blackstone and assume a more passive role in governing the Portfolio Entity); any interests a potential co-investor may have in any competitors of the underlying Portfolio Entity; the tax profile of the potential co-investor and the tax characteristics of the investment (including whether or not the potential co-investor

would require particular structuring implementation or covenants that would not otherwise be required but for its participation or whether such co-investor's participation is beneficial to the overall structuring of the investment); whether a potential co-investor's participation in the transaction would subject 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 chemistry 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 is investing or otherwise); whether there is any evidence to suggest that there is a heightened risk with respect to the potential co-investor maintaining confidentiality; whether the potential co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for distributions; whether the expected holding period and risk-return profile of the investment is consistent with the stated goals of the investor; and such other factors that Blackstone may in good faith deem relevant and appropriate to consider in the circumstances. Blackstone may establish more co-investment vehicles (including dedicated or "standing" or "overage" 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 limited partners 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 Registrant. Also, Blackstone may agree with investors (including limited partners, Blackstone strategic relationships (including Strategic Relationships as defined herein) 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 limited partners. In addition, the allocation of investments to Other Blackstone Funds, including as described under "Other Blackstone Funds; Allocation of Investment Opportunities" herein, may result in fewer co-investment opportunities (or reduced allocations) being made available to limited partners.

- Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment: The Registrant 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 with Blackstone) opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation

or management fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor's relationship with Blackstone. The management fees, carried interest and other fees received by Blackstone from and the amount of expenses charged to the Funds may 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 may 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 may differ materially, and in some instances may be more favorable to Blackstone, than the terms of the Funds, and such different terms may 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 from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to the Funds or limited partners through co-investment will be made available. 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 may pay management fees and performance-based compensation in connection with such arrangements. Blackstone may also provide for or receive reimbursement of certain expenses incurred or received in connection with these arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. The amount of these rebates may 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 limited partners.

Buying and Selling Investments or Assets from Certain Related Parties. The Funds and / or their Underlying Funds may purchase investments or assets from or sell investments or assets to limited partners, other Underlying Funds or Other Blackstone Funds and their Portfolio Entities or their respective related parties. Purchases and sales of investments or assets between the Funds or their Underlying Funds, on the one hand, and limited partners, Portfolio Entities of Other Blackstone Funds or their respective related parties, on the other

hand, are not subject to the approval of the advisory committee or any limited partner. These transactions involve conflicts of interest, as Blackstone may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction, including different financial incentives Blackstone may have with respect to the parties to the transaction. For example, there can be no assurance that any investment or asset sold by a Fund to a limited partner, portfolio company of Other Blackstone Funds or any of their respective related parties will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to a limited partner, portfolio company of Other Blackstone Funds or any of their respective related parties. Blackstone will not be required to solicit third-party bids or obtain a third-party valuation prior to causing the Funds or any of their Portfolio Entities to purchase or sell any asset or investment from or to a limited partner, portfolio company of Other Blackstone Funds or any of their respective related parties as provided above.

In addition, an Underlying Fund or Portfolio Entity of the Funds may enter into agreements, transactions or other arrangements with another Underlying Fund or Portfolio Entity of the Funds or one or more Portfolio Entities of an Other Blackstone Fund, which may give rise to actual or potential conflicts of interest for the General Partner, the Funds and / or their respective affiliates. Such agreements, transactions or other arrangements may be entered into without the consent or direct involvement of the Funds and / or such Other Blackstone Fund or the consent of the advisory committee and / or the limited partners of the Funds or such Other Blackstone Fund (including, without limitation, in the case of minority investments by a Fund in the sponsor of an Underlying Fund where another Fund is invested in the Underlying Fund managed by such sponsor or the sale of assets or businesses from one Underlying Fund to another). This is because, among other things, Underlying Funds and Portfolio Entities of the Funds and Portfolio Entities of Other Blackstone Funds (and other Funds) are not considered affiliates of the General Partners or the Funds under the applicable partnership agreements. In any such case, the Funds may not be involved in the negotiation process and the terms of any such agreement, transaction or other arrangement may not be as favorable to the Funds as otherwise may be the case if the Funds was involved.

Investments in Other Blackstone Funds. Subject to applicable law, a Fund may acquire secondary investments in Other Blackstone Funds (and the other Funds). However, the ability of the Funds to acquire interests in an Underlying Fund sponsored by Blackstone may be materially limited or impeded as a result of the Funds being affiliates of Blackstone.

Strategic Partners expects to conduct generally the same level of diligence and review of any potential investment in Other Blackstone Funds as it would conduct in connection with an investment in any unaffiliated Underlying Fund. If the Funds invest in an Underlying Fund managed by Blackstone, limited partners will pay the fees, expenses and Carried Interest of the Funds and will also indirectly pay the fees, expenses and carried interest of the Underlying Fund established by Blackstone, including other Funds. If a Fund were an investor in another investment fund established by Blackstone, Blackstone might have a potentially conflicting division of loyalties and responsibilities regarding the Fund and such other investment fund, and certain other conflicts of interest would be inherent in the situation. There can be no assurance that the interests of the Funds would not be subordinated to those of the other investment fund or to other interests of Blackstone.

Multiple Blackstone Business Lines. Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Funds, Other Blackstone Funds, Underlying Funds of the Funds and third parties may 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 Registrant that would be relevant to monitoring the Funds' investments and other activities. Additionally, Blackstone or Other Blackstone Funds can be expected to enter into covenants that restrict or otherwise limit the ability of the Funds and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Funds could have granted exclusivity to a joint venture partner that limits the Funds and Other Blackstone Funds from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Fund could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact the ability of the Funds to implement their investment programs. (See also "Other Blackstone Funds; 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 limited partners 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 Registrant will consider those relationships when evaluating an investment opportunity, which may result in the Registrant 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 may have or transactions or investments that Blackstone 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 Funds; 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 Registrant with respect to the Funds’ investments and otherwise result in a conflict (See also “Other Blackstone Funds; Allocation of Investment Opportunities” herein.)

Finally, the Funds could acquire limited partner interests in Other Blackstone Funds (and in other Funds) in the secondary market. The Registrant 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 Funds, including Blackstone Strategic Capital Holdings (“**BSCH**”) and its related parties, regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, the Funds, Other Blackstone Funds 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 Funds, 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 Funds, 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 applicable partnership agreement 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. The Funds may from time to time participate in such investments alongside Other Blackstone Funds, including BSCH. Participation rights in a third-party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of 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. Furthermore, it is expected that from time to time the Funds, their affiliates and their respective Portfolio Entities will engage in transactions with, and buy and sell investments from, any such third-party asset managers and their sponsored funds, and make investments in vehicles sponsored by such third-party asset managers, which may result in the Blackstone related party earning carried interest/performance-based incentive compensation and/or fee income in respect of any such transactions. Such transactions and other commercial arrangements between the Funds and/or their Portfolio Entities, on the one hand, and such third-party asset managers, on the other, are not subject to 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 may incentivize Blackstone to cause these transactions to occur.

Allocation of Personnel. The Registrant will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. However, Blackstone personnel, including certain members of the Investment Committee, will work on other projects and/or Other Blackstone Funds, will serve on other committees and source potential investments for and otherwise assist the investment programs of Other Blackstone Funds and their portfolio companies, including other investment programs to be developed in the future. Even key Fund personnel who devote substantially all of their time to investment programs within the Blackstone Strategic Partners group may not be devoting time predominantly, or solely, to the Funds, as such personnel might also be shared with the direct equity, leveraged buyout, impact, infrastructure and real estate groups, for example. Time spent on these other initiatives diverts attention from the activities of the Funds, which could negatively impact the Funds and limited partners. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside Strategic Partners share in the fees and performance-based compensation from the Funds; similarly, Strategic Partners personnel share in the fees and performance-based compensation generated by Other Blackstone Funds (and other Funds). These and other factors create conflicts of interest in the allocation of time by Blackstone personnel. The General Partner's determination of the amount of time necessary to conduct the Funds' activities will be conclusive, and limited partners rely on the General Partner's judgment in this regard.

Outside Activities of Principals and Other Personnel and their Related Parties. Certain personnel of Blackstone may be subject to a variety of conflicts of interest relating to their responsibilities to the Funds, Other Blackstone Funds and their respective Portfolio Entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the Funds, including if such other entities compete with the Funds for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than the performance of the Funds. This involvement may create conflicts of interest in making investments on behalf of the Funds and such other funds, accounts and other entities. Although the Registrant 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 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. Limited partners 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 Underlying Funds may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, the applicable partnership agreements will not preclude the Funds from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Registrant. The limited partners rely on the Registrant to manage these conflicts in its sole discretion.

Secondments and Internships. Certain personnel of Blackstone and its affiliates, including Consultants (as defined herein), may be seconded to one or more Portfolio Entities, vendors, service providers and vendors or limited partners of the Funds and Other Blackstone Funds 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 limited partners of the Funds and Other Blackstone Funds may be seconded to serve internships at or otherwise provide consulting services to, Blackstone and Portfolio Entities of the Funds and Other Blackstone Funds. While often the Funds, Other Blackstone Funds and their Portfolio Entities are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor or service provider also provides services to the Funds, Other Blackstone Funds or Blackstone in the ordinary course. Blackstone, the Funds, Other Blackstone Funds 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 Funds, 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 Funds, 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 Registrant, its affiliates and their personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Funds, which will not offset or reduce management fees or otherwise be shared with the Funds, their Portfolio Entities or the limited partners. 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 Registrant, 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. (See also “Service Providers, Vendors and Other Counterparties Generally” herein.) Similarly, the Registrant, its affiliates and their personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Underlying Funds and customers or suppliers of such Underlying Funds. The limited partners consent to the existence of these arrangements and benefits.

Advisors, Consultants and Partners. The Registrant, its affiliates and their 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 Registrant, its affiliates or Underlying Funds of the Funds or Other Blackstone Funds (collectively, “**Consultants**”), to provide a variety of services. Similarly, the Funds, Other Blackstone Funds 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 the Portfolio Entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Registrant, be chargeable to the Registrant or deemed paid to or received by the Registrant, or offset or reduce any management fees to the Registrant or be subordinated to return of the limited partners’ 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, 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 carried interest 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 limited partners) may or may not be considered part of Blackstone’s side-by-side co-investment rights, as determined by the Registrant in its sole discretion. Consultants’ benefits described in this paragraph may 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 Registrant 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 Registrant and the Funds as a preferred investment partner and carry out their investment programs, but there is no assurance that any Consultant will continue to be involved with the Funds for any length of time. The Registrant and Fund may 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 may 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 applicable partnership agreement and the applicable investment management agreement, and their salary and related expenses are paid by the Funds as partnership expenses or by Portfolio Entities without any reduction or offset to management fees. Some Consultants work only for the Funds or their Portfolio Entities, while other Consultants may have other clients. In particular, in some cases, Consultants, including those with a “Senior Advisor” title, have been and will be engaged with the responsibility to source and recommend transactions to the Registrant potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Registrant under the applicable investment management agreement, the compensation to such Consultants may be borne fully by the Funds and/or Portfolio Entities (with no reduction or offset to management fees) and not the Registrant. Consultants could have conflicts of interest between their work for the Funds and their Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and the Registrant is limited in its ability to monitor and mitigate these conflicts.

As an example of the foregoing, in certain direct investments including involving a “platform company”, a Fund will 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 Funds, 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: origination or sourcing, due diligence, evaluation, negotiation, servicing, development, management (including turnaround) and disposition. The individuals or relevant Portfolio Entity could be compensated with a salary and equity incentive plan, including a portion of profits derived from the Funds or a Portfolio Entity or asset of the Funds, or other long-term incentive plans. Compensation could also be based on assets under management, a waterfall similar to a carried interest, respectively, or other similar metric. The Funds could initially bear the cost of overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and the sourcing,

diligence and analysis of investments, as well as the compensation for the individuals and entity undertaking the build-up strategy. Such expenses could be borne directly by the Funds as partnership expenses (or broken deal expenses, if applicable) or indirectly through expenditures by a Portfolio Entity. None of such Portfolio Entities or Consultants will be treated as affiliates of the Registrant for purposes of the applicable partnership agreement and none of the fees, costs or expenses described above will reduce or offset the management fee.

In addition, the General Partners may engage third parties as senior advisors (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such senior advisors 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 General Partners and their affiliates. If such senior advisors generate investment opportunities on the Funds' behalf, such members may receive special additional fees or allocations comparable to those received by a third party in an arm's-length transaction.

Data. Blackstone receives or obtains various kinds of data and information from the Funds, Other Blackstone Funds, the Underlying Funds 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 Funds and their Portfolio Entities. Blackstone has entered and will continue to enter into information sharing and use arrangements, which will give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course, with the Funds, Other Blackstone Funds, and their Portfolio Entities, related parties and service providers. Although Blackstone believes that these activities improve Blackstone's investment management activities on behalf of the Funds and Other Blackstone Funds, information obtained from the Funds, the Underlying Funds and their Portfolio Entities also provides material benefits to Blackstone or Other Blackstone Funds without compensation or other benefit accruing to the Funds or limited partners. For example, information from an Underlying Fund owned by a Fund 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 Funds 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 Fund. Any confidentiality obligations in the applicable partnership agreements 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 an Underlying Fund 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 limited partners.

The sharing and use of "big data" and other information presents potential conflicts of interest and the limited partners 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 limited partners. As a result, the Registrant has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Funds.

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' strategy ("**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. Limited partners 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 private equity 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 may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to limited partners. (See also “Co-Investment—Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment” herein.).

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 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 directly 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 applicable partnership agreements, and therefore these transactions will not be subject to approval by the advisory committees.

Other Blackstone Funds; Allocation of Investment Opportunities. Through its Other Blackstone Funds, Blackstone currently invests and will continue to invest third-party capital in a wide variety of investment opportunities globally. Investors should expect that in certain circumstances, not all of the investment opportunities suitable for the Funds will be presented to the Funds. The applicable partnership agreements set forth certain exceptions that allow specified types of investment opportunities that might otherwise fall within the Funds' investment objectives or strategy to be allocated to Other Blackstone Funds (in whole or in part). Some of these exceptions are subject to reasonable interpretation and require the Registrant to exercise its good faith judgment in determining whether an investment opportunity should be allocated to the Funds or an Other Blackstone Fund. Blackstone currently manages, and may subsequently establish, Other Blackstone Funds, which may, from time to time, make secondary investments that would otherwise be appropriate for the Funds. Any such Other Blackstone Funds and/or affiliates (including other business units within Blackstone) will not be restricted from sourcing and/or making investments that may otherwise be appropriate for the Funds, which may result in increased competition for suitable investment opportunities and may ultimately affect the Funds' ability to effectively achieve their investment objectives. In addition, certain Other Blackstone Funds that have investment objectives that are adjacent to or overlap with those of the Funds (whether now in existence or subsequently established) may share and / or receive priority with respect to certain investment opportunities falling within the primary focus of such Other Blackstone Funds or otherwise receive allocations of investments otherwise appropriate for the Funds (including, for example, Other Blackstone Funds established to primarily pursue control oriented investments).

With respect to any such Other Blackstone Funds that have investment objectives or guidelines that overlap with those of the Funds, in whole or in part, investment opportunities that fall within such common objectives or guidelines will generally be allocated among the Funds and such Other Blackstone Funds on a basis that the General Partners determine is fair and reasonable in good faith, subject to (i) any applicable investment objectives, focus, parameters, limitations, guidelines, investor preferences and other contractual provisions and terms relating to the Funds and such Other Blackstone Funds and the duration of investment periods, (ii) the Funds and such Other Blackstone Funds having available capital with respect thereto and (iii) legal, tax, regulatory and other considerations deemed relevant by the General Partner, including, without limitation, (a) primary and permitted investment strategies and objectives of the Funds and the Other Blackstone Funds, including whether the Funds and such Other Blackstone Funds expect to

invest in or alongside other funds or across asset classes based on expected return, (b) sourcing of the investment and the nature and extent of involvement of the respective teams of investment professionals dedicated to the funds, (c) the sector and geography/location of the investment, (d) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment, (e) expected investment return, (f) risk/return profile of the investment, (g) expected leverage on the investment, (h) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (i) remaining commitment and portfolio contributions required as part of the investment, (j) portfolio diversification concerns (including, but not limited to, whether a particular fund already has its desired exposure to the sponsor, sector, industry, geographic region or markets in question), (k) relation to existing investments in a fund, if applicable (e.g., “follow on” to existing investment or same security as existing investment), (l) avoiding allocation that could result in de minimis or odd lot investments, (m) co-investment arrangements, (n) anticipated tax treatment of the investment and (o) other considerations deemed relevant by Blackstone in good faith. The allocation of investments to Other Blackstone Funds, including as described above, may result in fewer co-investment opportunities (or reduced allocations) being made available to the Funds’ investors. Under certain circumstances, the General Partners may determine not to pursue some or all of an investment opportunity for the Funds that would otherwise be within the Funds’ objectives and strategies, and Blackstone may therefore offer some or all of such opportunity to Other Blackstone Funds. With respect to the 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 Funds (which allocations are to be made on a basis that the General Partners believe 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 the sector classification of investment, ranges of rates of returns and relative risk profile for investments, presumptions regarding allocation for certain types of investments (e.g., mature vs young secondary opportunities, direct or primary investments vs secondary investments) and other matters. The application of those guidelines may result in the Funds not participating (and / or not participating to the same extent) in certain investment opportunities in which they would have otherwise participated had the related allocations been determined without regard to such guidelines and / or based only on the circumstances of those particular investments. The General Partners could also determine not to pursue opportunities. In addition, the allocation of investments to Other Blackstone Funds, 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 Funds' investors.

Blackstone makes good faith determinations for allocation decisions based on expectations that may prove inaccurate. Information unavailable to Blackstone, or circumstances not foreseen by Blackstone at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that Blackstone determines to be consistent with the return objectives of a lower yielding (e.g. core plus) fund rather than the Funds could exceed Blackstone's expectations and underwriting and generate an actual return that would have been appropriate for the Funds. Conversely, an investment that Blackstone expects to be consistent with the Funds' return objectives may fail to achieve them.

When Blackstone determines not to pursue some or all of an investment opportunity for the Funds that would otherwise be within the Funds' objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Funds, Blackstone, including its personnel, may receive compensation from the Other Blackstone Funds, whether or not in respect of a particular investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by the Funds to Blackstone. As a result, Blackstone could be incentivized to allocate investment opportunities away from the Funds to or source investment opportunities for Other Blackstone Funds. In addition, in some cases Blackstone may earn greater fees when Other Blackstone Funds participate alongside or instead of the Funds in an investment.

Blackstone has adopted "first-call" guidelines in connection with determining allocations of investment opportunities among its business groups. The "first-call" guidelines are non-exclusive and subject to the provisions of the applicable partnership agreement, including the factors described above. The application of such guidelines may result in the Funds not participating, or not participating to the same extent, in investment opportunities in which they would have otherwise participated had the guidelines not existed.

In addition, in certain circumstances certain other investment vehicles will receive allocations of investments that are otherwise appropriate for the Funds (including Other Blackstone Funds and / or certain funds sponsored by Pátria), which will from time to time result in the Funds not participating (or participating to a lesser extent) in certain investment opportunities otherwise within their mandates. Under certain circumstances Blackstone may determine not to pursue an investment opportunity within the Funds' mandates, and thereafter disclose such opportunity to third parties (including Portfolio

Entities of the Funds or Other Blackstone Funds, or limited partners of the Funds or Other Blackstone Funds), and such third parties may pursue such opportunity. Blackstone (including the Funds' investment professionals) may receive compensation from Other Blackstone Funds with regard to such investment opportunities, including in circumstances where such Other Blackstone Funds are permitted to pay additional fees to Blackstone in connection with investments made by such Other Blackstone Fund in or alongside other funds or vehicles managed by Blackstone (including the Funds).

Strategic Partners and Blackstone have in the past established and are expected to continue to establish, at their discretion, other sector-specific funds and/or accounts ("**Other Sector-Specific Funds**"), such as funds that focus on making investments in specific geographical areas outside North America and Western Europe or specific industries, strategies, sectors, sub-sectors or other categories of investments, and may in the future, in their sole discretion, establish Other Sector-Specific Funds that focus on investments in other specific sectors (e.g., impact, energy, agriculture, mining, shipping and / or timberland investments) or geographical regions, and, in each case, such funds will generally be Strategic Partners' and Blackstone's primary vehicles for investment in such sectors. Strategic Partners and its affiliates generally expect to select investments for the Other Sector-Specific Funds that are suitable for the investment objectives, target returns and/or risk profile of such funds. There may be circumstances in which an investment opportunity is suitable for both the Funds (including Comparable Vehicles) and another Sector-Specific Fund. Such investment opportunity may, in the sole discretion of Strategic Partners and Blackstone, be allocated between the Funds and the Other Sector-Specific Fund on a basis that Strategic Partners and Blackstone believe to be fair and reasonable, taking into account such factors as they deems relevant. Strategic Partners and Blackstone have in the past and may in the future, in their discretion, establish one or more investment vehicles the primary investment strategy of which differs from the primary investment strategy of the Funds, for example investment vehicles the primary investment strategy of which is making primary investments, young secondary investments, direct equity and/or debt investments. Such investment vehicles may have priority with respect to certain investment opportunities that are within the primary investment objective of such investment vehicles.

As provided in the Funds' offering and/or governing documents, a portion of each investment may be allocated to Blackstone and its affiliates. The Funds may lend an amount to Blackstone and its affiliates with respect to their pro rata share of such investments in those circumstances where the Funds are borrowing with respect thereto on a short-term

basis; provided, that any such amounts so borrowed shall be (x) on a short-term basis (based on the General Partner's reasonable belief at the time of the investment) and (y) on no more favorable terms than those applicable to the Funds' borrowing of the related proceeds. In addition, subject to the terms of the applicable partnership agreement, the General Partners may permit certain Blackstone personnel and other professionals responsible for portfolio operations and other similar operational initiatives with respect to one or more Portfolio Entities to participate in these side-by-side rights on a whole-of-fund or an investment-by-investment basis, either through investments in the General Partners, as feeder vehicle limited partners in the Funds, or directly as limited partners in the Funds. The General Partners intend to limit participation by any such professionals to investments involving Portfolio Entities with respect to which the General Partners expect in good faith that such professionals will be materially involved following the consummation of such investment. Blackstone's participation in such "Side-By-Side Investment" program is expected to include Blackstone professionals and employees, Other Blackstone Funds or entities, other key advisors/relationships of Blackstone and/or endowment funds, charitable programs and/or other similar or related entities associated with Blackstone or its affiliates. Such side-by-side investments do not bear fees or carried interest and generally result in the Funds being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side investment rights. Additionally, Other Blackstone Funds will be (or have the preferred right to be) permitted to participate in Blackstone's side-by-side investment rights. In particular, certain funds, vehicles, accounts and other similar arrangements managed by Blackstone Multi-Asset Advisors L.L.C. ("**BMAA**," and such funds, the "**BMAA Advised Funds**") are expected to participate in investments alongside the Funds pursuant to Blackstone's side-by-side investment rights or other co-investment arrangements. The BMAA Advised Funds include vehicles that are part of a multi-strategy program designed to provide investors with exposure to a broad mix of Blackstone's key investment programs (e.g., private equity, real estate, credit and opportunistic) and other vehicles that may focus specifically on one or more of Blackstone's investment programs. The BMAA Advised Funds will seek to invest substantially all of their assets in investments in which Other Blackstone Funds participate, and as part of their investment programs may seek to invest in opportunistic investments that are also appropriate for the Funds and the Comparable Vehicles. While such investments are expected to represent a small portion of the overall portfolio allocation of the BMAA Advised Funds, the BMAA Advised Funds may nonetheless participate in investments alongside the Funds and the Comparable Vehicles, which will from time to time result in the BMAA Advised Funds receiving a share of a material portion of investments by the Funds and the Comparable Vehicles. In such cases, BMAA and its

Affiliates would be eligible to receive fees and carried interest on its portion of any such investment. The overlapping objectives of the BMAA Advised Funds may also give rise to conflicts of interest relating to the allocation of investment opportunities, which Blackstone will seek to resolve in a fair and equitable manner although there is no assurance that Blackstone will be able to do so. Blackstone may form other similar private and / or registered funds in the future.

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

Furthermore, one or more Comparable Vehicles will generally invest alongside the Funds in investments. As part of the Strategic Partners programs, the General Partners and their affiliates may close on one or more new investment vehicles (including one or more managed accounts (or other similar arrangements, including those that may be structured as one or more entities) for the benefit of one or more specific investors (or group of specific investors)) having the same or similar investment objectives as the Funds and having terms as determined by the General Partners in their sole discretion (such vehicles, “**Comparable Vehicles**”) and such Comparable Vehicles may invest alongside the Funds. Comparable Vehicles have and in the future may be established for investors that are affiliates of Blackstone, including Other Blackstone Funds (such as funds, vehicles, accounts and other similar arrangements managed by BMAA). To the extent that an investment falls within the investment objectives of the Funds and any Comparable Vehicle and such funds invest in such investment, then the Funds will generally invest their available capital on a pari passu basis with such Comparable Vehicles based on their relative available capital (which may, for this purpose, include anticipated capital commitments to a Comparable Vehicle not yet accepted or received for legal, tax regulatory or other similar considerations) taking into account the remaining investment periods of the Funds and such Comparable Vehicles, subject to any investment limitations and terms of the Funds and such Comparable Vehicles, legal, regulatory, tax, accounting and other subjective considerations, including any investment preferences (including over- or under-weighting certain asset classes, incorporating a geographic focus or limitations, target size of the investment and/or risk/return profile preference) articulated in advance by one or more investors in such Comparable Vehicles and other considerations (including, for example, the use of leverage and/or the allocation considerations described above). While the

General Partners will seek to allocate investments among the Funds and the Comparable Vehicles in accordance with the prior sentence, it is acknowledged and agreed that certain Comparable Vehicles may not necessarily participate in each investment as a result of legal, tax, regulatory or other considerations, which will, from time to time, result in an increase (which at times may be substantial) in the Funds' allocable share of such investment.

Prospective investors should also note that the terms of Comparable Vehicles (including the economic terms, investment limitations and veto rights with respect to investments, diversification parameters and any governance rights afforded to limited partners of Comparable Vehicles) may materially differ, and may in some instances be more favorable to the limited partners of Comparable Vehicles than the terms of the Funds. Such different terms will, from time to time, create potential conflicts of interests for the General Partners or their affiliates, including with respect to the allocation of investment opportunities. In particular, the existence of different rates of carried interest may create a potential conflict of interest for the General Partners in connection with the allocation of investment opportunities.

Strategic Partners may also, in its discretion, establish one or more investment vehicles the primary investment purpose of which is to invest alongside the Funds and the Comparable Vehicles where the investment opportunity exceeds the amount the General Partners determine is appropriate for the Funds and the Comparable Vehicles, as applicable (any such investment vehicle, an **"Overage Fund"**). Any such Overage Fund may result in the Funds and the Comparable Vehicles being allocated a smaller share of an investment opportunity. See also "Co-Investment" above.

Transactions with Clients of Blackstone Insurance Solutions. Blackstone Insurance Solutions ("**BIS**") is a business unit of Blackstone that is comprised of two affiliated registered investment advisers. BIS provides investment advisory services to insurers (including insurance companies that are owned, directly or indirectly, by Blackstone or Other Blackstone Funds, 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 have invested and are expected to continue investing in Other Blackstone Funds, and may invest in the Funds. BIS Clients may have investment objectives that overlap with those of the Funds or their Portfolio Entities, and such BIS Clients may invest alongside the Funds or such Portfolio Entities in certain investments, which will reduce the investment opportunities otherwise available to the Funds or such Portfolio Entities. BIS Clients will

also participate in transactions related to the Funds and/or their Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Other transactions in which BIS Clients will participate include, without limitation, investments in debt or other securities issued by Portfolio Entities or other forms of financing to Portfolio Entities (including special purpose vehicles established by the Funds or such Portfolio Entities) (see “Investments in Which Other Blackstone Funds 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 Registrant determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone or the Registrant implements, the Registrant is not required and does not intend to seek approval of the advisory committee or the limited partners. 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 Registrant 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 Registrant does not seek the consent of the advisory committee or the limited partners). 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 will not be an “Affiliate” under the applicable partnership agreement, in which case any limitations or obligations pursuant to the applicable partnership agreement with respect to transactions with Affiliates will not apply.

Allocation of Portfolios. Blackstone may 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 Funds. Such allocations generally would be based on Blackstone's assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool may have a private equity focused portfolio, while others may not and would not be appropriate for the Funds. Also, a pool may contain both debt and equity instruments that Blackstone determines should be allocated to different funds. In all of these situations, the combined purchase price paid to a seller would be allocated among the multiple assets, securities and instruments in the pool and therefore among the Funds and Other Blackstone Funds acquiring any of the assets, securities and instruments. Similarly, there will likely be circumstances in which the Funds and Other Blackstone Funds 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 Funds when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an investment of a Fund 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 Funds.

Related Financing Counterparties. The Funds may invest in companies or other entities in which Other Blackstone Funds make an investment in a different part of the capital structure (and vice versa). The Registrant requests in the ordinary course proposals from lenders and other sources to provide financing to the Funds and their Portfolio Entities. The Registrant 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 may be provided, from time to time, by limited partners, Other Blackstone Funds (such as the GSO Funds, BREDS Funds and BXMT Funds), their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Funds and their Portfolio Entities, as well as by Blackstone itself in accordance with the terms of the applicable partnership agreements. Blackstone could have incentives to cause the Funds and their Portfolio Entities to accept less favorable financing terms from a limited partner, Other Blackstone Funds, 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 limited partner, Other Blackstone Fund, their portfolio companies 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 Funds or their Portfolio Entities, on the other hand, the Registrant 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 Registrant could instead rely on its own internal analysis, which the Registrant believes is often superior to third-party analysis given Blackstone's scale in the market. If, however, any of Blackstone, the Funds, an Other Blackstone Fund 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 a Fund or a Portfolio Entity by a financing syndicate in which an Other Blackstone Fund has agreed to participate on terms negotiated by a third-party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if the Other Blackstone Fund had not participated; it is also possible that the frequent participation of Other Blackstone Funds in such syndicates could dampen interest among other potential financing providers, thereby lowering demand to participate in the syndicate and increasing the financing costs to the Funds. The Registrant does not believe

either of these effects is significant, but no assurance can be given to limited partners that these effects will not be significant in any circumstance. The Registrant will not be required to obtain any consent or seek any approvals from limited partners, the independent client representative (if any) or the 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 Funds 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 may be taken for the benefit of the Funds and their Portfolio Entities that are adverse to Other Blackstone Funds. 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 Fund (or their respective Portfolio Entities, as the case may be) by, for example, causing such Other Blackstone Fund 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 Fund (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 Fund (or their respective Portfolio Entities, as the case may be), or (iv) create groups of personnel within Blackstone separated by information barriers (which may 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 Fund 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 Fund. 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 Fund) 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 Registrant determines to be consistent with the market. Although Blackstone could rely on third parties to verify market terms, Blackstone may nonetheless have influence on such third parties. No assurance can be given that negotiating with a third party, or verification of market terms by a third party, will ensure that the Funds and their Portfolio Entities receive market terms.

In certain circumstances, the Funds may be required to commit funds necessary for an investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, an Other Blackstone Fund and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer term financing. Such bridge financing and/or commitment would not be considered “co-investment” under the applicable partnership agreement and would be sold down ahead of equity invested by the Funds. In any such circumstance, the Other Blackstone Fund and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of management fees payable by any limited partner. The conflicts applicable to Other Blackstone Funds who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations. (See also “Securities and Lending Activities” and “Syndication; Warehousing” herein.)

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

Although Other Blackstone Funds, such as the GSO Funds, may provide financing to the Funds and their Portfolio Entities, there can be no assurance that any Other Blackstone

Fund will indeed provide any such financing with respect to any particular investment. Participation by Other Blackstone Funds such as the 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 Funds do not participate, as it may serve as a negative signal to market participants.

Any financing provided by a limited partner or an affiliate to the Funds or a Portfolio Entity is not a capital contribution to the Funds and does not reduce the unused Capital Commitment of such limited partner.

Related Financing of Counterparties to Acquire Investments or Assets from the Funds and their Portfolio Entities. In certain transactions, Other Blackstone Funds will commit to and/or provide financing to third parties that bid for and/or purchase assets of the Funds, Underlying Funds or Portfolio Entities. Although Blackstone believes that the participation by Other Blackstone Funds in such debt financings could be beneficial to the Funds by supporting third parties in their efforts to bid on the sale of investments or assets by the Funds, Blackstone will have an incentive to cause a Fund, Underlying Fund or relevant Portfolio Entity to select to sell an asset to a third party that obtains debt financing from an Other Blackstone Fund to the potential detriment of a Fund. Often price is the deciding factor in selecting a winning bid, but other factors at times cause a seller to select another bid. The Registrant could thereafter cause a Fund, Underlying Fund or Portfolio Entity to sell an investment or asset to a bidder that has received financing from an Other Blackstone Fund, even when the bidder has not offered the most consideration for the asset. Limited partners rely on the Registrant to select in its sole discretion the best overall bidder in sales of Fund assets, despite any conflict related to the parties financing the bidder.

Liability Arising From Transactions Entered into Alongside Other Blackstone Funds. Participating in investments alongside Other Blackstone Funds will subject the Funds to a number of risks and conflicts. At times, a transaction counterparty may require facing only one fund entity, which may result in (i) if a Fund is a direct counterparty to a transaction, the Fund being solely liable with respect to its own share as well as Other Blackstone Funds' shares of any applicable obligations, or (ii) if a Fund is not the direct counterparty, the Fund having a contribution obligation to the relevant Other Blackstone Funds. Alternatively, a counterparty may agree to face multiple funds, which could result in the Funds being jointly and severally liable alongside Other Blackstone Funds for the full amount of the applicable obligations. In cases in which a Fund could be responsible for the

liability of an Other Blackstone Fund, 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 may 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 Blackstone Funds. 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 Funds will be compensated for agreeing to be primarily liable vis-à-vis a third-party counterparty. 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 Funds, it is possible that one or more of them will have greater exposure to legal claims and that they will have conflicting goals with respect to the price, timing and manner of disposition opportunities.

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

Other Blackstone Business Activities. Blackstone, Other Blackstone Funds, their Portfolio Entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to the Funds, the Underlying Funds and Portfolio Entities, such as fees for asset and property management; underwriting, syndication or refinancing of a loan or

investment; loan servicing; special servicing; administrative services; advisory services on purchase or sale of an asset or company; investment banking services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement, brokerage solutions and risk management services; data extraction and management products and services; and other products and services. Such parties will also provide products and services for fees to Blackstone, Other Blackstone Funds 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 Funds 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, the Underlying Funds and 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 limited partners and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Funds and their Portfolio Entities, and their personnel and related parties may 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, the Underlying Funds and Portfolio Entities. The Fund, the Underlying Funds and Portfolio Entities will incur expense in negotiating for any such fees and services, which will be treated as partnership expenses. Finally, Blackstone and its personnel and related parties may also receive compensation for origination expenses and with respect to unconsummated transactions.

The Funds will, as determined by the Registrant and as permitted by the applicable partnership agreements, bear the cost of fund administration, in-house legal, 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 Funds, 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 may 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 Registrant, Other Blackstone Funds 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 Registrant, Other Blackstone Funds 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.

Without limiting the generality of the foregoing, the Registrant and its affiliates are expected to receive commitment, transaction, break-up, “topping,” advisory, directors’, organization, monitoring, financing or similar fees, in each case, as described in the Funds’ offering and/or governing documents. Certain of these fees will offset the management fees paid by limited partners.

The Registrant 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 applicable partnership agreement, and given the breadth of Blackstone’s investments and activities the Registrant may not be aware of every commercial arrangement between the Funds, the Underlying Funds and Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Funds and their Portfolio Entities, and personnel and related parties of the foregoing, on the other hand.

Except as set forth above, the Funds and limited partners 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 Registrant, its affiliates or their personnel and related parties (see also “Service Providers, Vendors and Other Counterparties Generally” and “Other

Blackstone Business Activities” herein). The Registrant and its affiliates and their personnel and related parties will receive fees attributable to Other Blackstone Funds (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to Other Blackstone Funds (including co-investment vehicles) will not result in an offset of the management fees payable by limited partners or otherwise be shared with the Funds, Underlying Funds and Portfolio Entities or the limited partners, even if (i) such Other Blackstone Funds (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 Funds (including co-investment vehicles). As noted in “Co-Investment Opportunities” above, this creates an incentive for Blackstone to offer co-investment opportunities and may result in other fees being received more frequently (or exclusively) with investments that involve co-investment.

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 may also provide placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by Portfolio Entities. 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 Funds or Portfolio Entities of the Funds or Other Blackstone Funds. 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, an Other Blackstone Fund 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 limited partners, and the management fee with respect to a limited partner generally will not be reduced by such amounts. The Registrant has sole discretion to approve the foregoing arrangements if the Registrant 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 Funds. It could be impossible, as determined by the Registrant in its sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices may 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 a Fund or 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 Registrant, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of the Funds. The limited partners will not receive any benefit from any such investments.

PJT. On October 1, 2015, Blackstone spun off the financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill Group fund placement businesses, and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman (“**PJTP**”). While PJTP operates independently

from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJTP for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving the Funds, on the one hand, and PJTP, on the other. The pre-existing relationship between Blackstone and its former personnel, the overlapping ownership and certain continuing arrangements between PJTP and Blackstone can be expected to influence the Registrant to select or recommend PJTP to perform services for Blackstone managed funds, including the Funds, the cost of which will generally be borne directly or indirectly by the Funds and investors (to the extent of their ownership therein). Given that PJTP is no longer an affiliate of Blackstone, the Registrant 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. Portfolio Entities of the Funds and Other Blackstone Funds are and will be counterparties in agreements, transactions and other arrangements with the Funds, Other Blackstone Funds, and Portfolio Entities of the Funds and Other Blackstone Funds 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 Registrant. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of a Fund and/or such Other Blackstone Fund or the consent of the advisory committee and limited partners of the Fund or such Other Blackstone Fund (including, without limitation, in the case of minority investments by a Fund 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 Funds are not considered affiliates of Blackstone, the Funds or the Registrant under the applicable partnership agreements. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to the Funds as otherwise would be the case if the counterparty were not related to Blackstone.

In addition, it is possible that certain Portfolio Entities of the Funds or Other Blackstone Funds will compete with the Funds for one or more investment opportunities. It is also possible that certain Portfolio Entities of the Other Blackstone Funds 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 Funds, their Portfolio Entities and/or affiliates).

Portfolio Entity Service Providers and Vendors. The Funds and their Portfolio Entities may engage Portfolio Entities of the Funds and Other Blackstone Funds to provide corporate support services (including, without limitation, accounting/audit, account management, corporate secretarial services, data management, directorship services, finance/budget, human resources, information technology, judicial processes, legal, operational coordination (i.e., coordination with JV partners, property managers), risk management, tax and treasury) and other services. Similarly, Other Blackstone Funds and their Portfolio Entities can be expected to engage Portfolio Entities of the Funds to provide some or all of these services. In addition, certain asset management and finance functions, such as data entry relating to a Portfolio Entities, may be outsourced to a third party or affiliated service provider whose fees and expenses will be borne by such Portfolio Entity or the Funds and will not offset the management fee. Some of the services performed by Portfolio Entity service providers could also be performed by the General Partners or their affiliates from time to time and vice versa. Fees paid by the Funds or their Portfolio Entities to other Portfolio Entity service providers do not offset or reduce the management fee payable by the limited partners of the Funds and are not otherwise shared with the Funds, unless otherwise required by the applicable partnership agreement.

Portfolio Entities of the Funds and Other Blackstone Funds 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 Other Blackstone Funds, BCP funds and BEP funds. BCP / BTO Management is entirely owned by Other Blackstone Funds. 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 Other Blackstone Funds 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 Funds, such transfer will generally be consummated for minimal or no consideration, and without obtaining any consent from the advisory committees 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 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 investments made by Other Blackstone Funds, and expects that Kryalos will perform services after the investment has closed for the Funds and Other Blackstone Funds and receive compensation as described below.

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 their 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.

The Funds and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Funds or Other Blackstone Funds, 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 Funds 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 Funds 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, may relate to activities occurring outside the period, and therefore the Funds could pay more than their pro rata portion of fees for services. The allocation of overhead among the entities and assets to which services are provided may 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 Funds 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 Funds and their respective Portfolio Entities and will not offset the management fee. A Portfolio Entity service provider may 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 Funds, 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 Other Blackstone Funds. 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 Blackstone to an Other Blackstone Fund, or from an Other Blackstone Fund to Blackstone.

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 or Other Blackstone Funds or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Other Blackstone Funds 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 Partners, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or Other Blackstone Funds have an investment, and payments by the Funds and/or such entities may indirectly benefit Blackstone, the Other Blackstone Funds 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 Funds 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 may 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 may 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 to use other service providers and vendors in which Blackstone has an interest, and Blackstone has an incentive to use third-party services providers who do so as a result of the 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 limited partners of the Funds and are not otherwise shared with the Funds unless required by the applicable partnership agreement. In the case of brokers, Blackstone has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those it enters into on behalf of the Funds and their Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discount 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 Funds and their Portfolio Entities, the limited partners could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, the Funds or Other Blackstone Funds 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 Funds and their Portfolio Entities, and their affiliates and personnel, the Funds and their Portfolio Entities may pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Funds, the Other Blackstone Funds and their Portfolio Entities and affiliates may enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty may charge lower rates or 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 Funds 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 Funds 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.

Certain portfolio companies that provide services to the Funds, Other Blackstone Funds and/or portfolio companies or assets of the Funds and/or Other Blackstone Funds may be transferred between and among the Funds and/or Other Blackstone Funds (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 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 Registrant.

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.

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 may also enter into transactions with other counterparties of the Funds and their Portfolio Entities, as well as service providers, vendors and limited partners of the Funds. 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 applicable partnership agreement. Furthermore, Blackstone, the Other Blackstone Funds 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 Funds 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 Funds 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 their 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.

Data Management Services. Blackstone or an affiliate of Blackstone formed in the future will provide data management services to Portfolio Entities and will provide such services directly to the Funds and Other Blackstone Funds (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 applicable partnership agreements and any other applicable contractual limitations, with the Funds, Other Blackstone Funds, Portfolio Entities and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Funds make investments, and portfolio entities thereof). If Blackstone enters into data services arrangement with Portfolio Entities and receives compensation from such Portfolio Entities for such data services, Funds will indirectly bear their share of such compensation based on their pro rata ownership of such Portfolio Entities. Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis

as determined by Blackstone in its sole discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation is also expected to 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 limited partners. Additionally, Blackstone is also expected to determine to share the products from such Data Management Services within Blackstone or its affiliates (including Other Blackstone Funds or their Portfolio Entities) at no charge and, in such cases, the Data Holders may not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone may create incentives for Blackstone to cause the Funds to invest in Portfolio Entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

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 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 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 may charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses).

The Registrant will make determinations of market rates (i.e., rates that fall within a range that the Registrant has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include the Registrant's experience with non-affiliated service providers as

well as benchmarking data and other methodologies determined by the Registrant to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., different assets may receive different services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset-by-asset basis. As a result, benchmarking data does not take into account the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by the Funds, Other Blackstone Funds and their respective Portfolio Entities and will not offset the management fee. Finally, in certain circumstances the Registrant may 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 Registrant 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 limited partners of the Funds and are not otherwise shared with the Funds, unless otherwise required by the applicable partnership agreement.

In addition, Blackstone's Treasury group currently provides foreign currency exchange ("FX") services to the Funds and Other Blackstone Funds for FX trades under a certain threshold. Based on its current practices (which are subject to change in the future), at the request of a Fund or an Other Blackstone Fund, the Blackstone Treasury group will exchange foreign currencies from Blackstone's own account on behalf of the Fund or such Other Blackstone Fund 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 Fund or such Other Blackstone Fund would incur on any FX payment or receipt regardless of counterparty).

Transactions with Portfolio Entities. Blackstone and Portfolio Entities of Blackstone and Other Blackstone Funds provide products and services to or otherwise contract with the Funds and their Portfolio Entities, among others. Blackstone, the Funds and Other Blackstone Funds and their respective Portfolio Entities and personnel and related parties of the foregoing may make referrals or introductions to Portfolio Entities of the Funds or Other Blackstone Funds. 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, 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 Fund) or because such referrals or introductions may 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 Funds, 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 limited partners typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Funds 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, equity ownership) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where a Fund or one of its 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, equity ownership) may be similarly shared with the participating Other Blackstone Funds 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 may negotiate and execute agreements on behalf of the Portfolio Entity with Blackstone, the Funds, Other Blackstone Funds 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 may 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 may lease property to or from Blackstone, Other Blackstone Funds and their Portfolio Entities and affiliates and other related parties. The leases are generally expected to 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 will nonetheless have conflicts of interest in making these determinations. 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 may enter into cross-collateralization arrangements with Other Blackstone Funds (including co-investment vehicles) and their Portfolio Entities, particularly in circumstances in which better financing terms are available through a cross-collateralized arrangement. Also, it is expected that cross-collateralization will generally occur at Portfolio Entities rather than the Funds for obligations that are not recourse to the Funds except in limited circumstances such as "bad boy" events. Any cross-collateralization arrangements with Other Blackstone Funds could result in the Funds losing their interests in otherwise performing investments due to poorly performing or non-performing investments of Other Blackstone Funds in the collateral pool. (See also "Liability Arising From Transactions Entered into Alongside Other Blackstone Funds" herein.)

Similarly, a lender could require that it face only one Portfolio Entity of the Funds and Other Blackstone Funds, even though multiple Portfolio Entities of the Funds and Other Blackstone Funds 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 Funds 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 Funds benefiting from a financing may 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 will from time to time enter into one or more joint venture arrangements with third-party joint venture partners. Investments made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as determined by the Registrant in its sole discretion. The joint venture partners could provide services similar to those provided by the Registrant 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 Registrant and General Partners. 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 Funds, or their respective Portfolio Entities, or any affiliate, personnel, officer or agent of any of the foregoing.

Valuation Matters. The fair value of all investments or of assets received in exchange for any investments will be determined by the General Partners in accordance with the applicable partnership agreements. The valuation of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value from time to time and the ultimate sales price could be material. The valuation of such investments will be determined by the General Partners in accordance with procedures set forth in the applicable partnership agreements and will generally be valued on a quarterly basis. The valuation methodologies used to value any investment will involve subjective judgments and projections and may 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. The valuation of investments will affect the amount and timing of the General Partner's carried interest and, under certain circumstances and following the investment period, the amount of management fees payable to the Registrant. The valuation of investments may also affect the ability of Blackstone to raise a successor fund to the Funds. As a result, there may be circumstances in which the General Partners are incentivized to determine valuations that are higher than the actual fair value of investments.

ERISA and Plan Assets Issues. The General Partners will use reasonable efforts to avoid having the assets of the Funds constitute “plan assets” within the meaning of the Plan Asset Regulations and, in this regard, will either (i) prohibit “benefit plan investors” within the meaning of the Plan Asset Regulations from investing in the Funds or (ii) limit equity participation by “benefit plan investors” to less than 25% of the value of each class of equity interests in the Funds. Under the applicable partnership agreements, the General Partners will have the power to take certain actions to avoid having the assets of the Funds characterized as “plan assets,” including, without limitation, the right to cause a limited partner that is a benefit plan investor to withdraw from a Fund or to transfer its interest in a Fund. While the General Partners and the Funds do not expect that the General Partners will need to exercise such power, neither the General Partners nor the Funds can give any assurance that such power will not be exercised.

To the extent the assets of the Funds or any parallel fund constitute “plan assets” within the meaning of ERISA, such entity will generally be precluded from making investments, or further investments, as the case may be, in Other Blackstone Funds or otherwise engaging in transactions with affiliates of Blackstone as a result of the “party-in-interest”, “disqualified person” and “prohibited transaction” rules under ERISA and Section 4975 of the Code. Such limitation could affect the ability of the Funds to consummate attractive secondary investments and / or effectively achieve their investment objectives by precluding further investments in Other Blackstone Funds.

Risk Arising from Controlled Group Liability. Under ERISA, upon the termination of a tax-qualified single employer defined benefit pension plan, the sponsoring employer and all members of its “controlled group” will be jointly and severally liable for 100% of the plan’s unfunded benefit liabilities whether or not the controlled group members have ever maintained or participated in the plan. In addition, the U.S. Pension Benefit Guaranty Corporation (the “**PBGC**”) may assert a lien with respect to such liability against any member of the controlled group on up to 30% of the collective net worth of all members of the controlled group. Similarly, in the event a participating employer partially or completely withdraws from a multiemployer (union) defined benefit pension plan, any withdrawal liability incurred under ERISA will represent a joint and several liability of the withdrawing employer and each member of its controlled group.

A “controlled group” includes all “trades or businesses” under 80% or greater common ownership. This common ownership test is broadly applied to include both “parent-subsidary groups” and “brother-sister groups” applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that a

Fund holds in one or more of its portfolio companies, the Fund itself cannot be considered part of an ERISA controlled group unless the Fund is considered to be a “trade or business”.

While there are a number of cases that have held that managing investments is not a “trade or business” for tax purposes, in 2007 the PBGC Appeals Board ruled that a private equity fund was a “trade or business” for ERISA controlled group liability purposes and at least one Federal Circuit Court has similarly concluded that a private equity fund could be a trade or business for these purposes based upon a number of factors including the fund’s level of involvement in the management of its portfolio companies and the nature of any management fee arrangements.

If a Fund were determined to be a trade or business for purposes of ERISA, it is possible, depending upon the structure of the investment by the Fund and/or its affiliates and other co-investors in a portfolio entity and their respective ownership interests in the portfolio entity, that any tax-qualified single employer defined benefit pension plan liabilities and/or multiemployer plan withdrawal liabilities incurred by the portfolio entity could result in liability being incurred by the Fund, with a resulting need for additional capital contributions, the appropriation of Partnership assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain Partnership assets. Moreover, regardless of whether or not a Fund were determined to be a trade or business for purposes of ERISA, a court might hold that one of the Fund’s portfolio companies could become jointly and severally liable for another portfolio entity’s unfunded pension liabilities pursuant to the ERISA “controlled group” rules, depending upon the relevant investment structures and ownership interests as noted above.

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 may 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 Funds and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone, its affiliates, their personnel, or Other Blackstone Funds 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 may 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 Fund is providing such a service, such Portfolio Entity and such Other Blackstone Fund will benefit. Further, the benefits received by the particular Portfolio Entity providing the service may 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 limited partners rely on the Registrant to handle them in its sole discretion.

Diverse Limited Partner Group. The limited partners 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 limited partners 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. The Registrant may as a result have conflicts in making these decisions, which may be more beneficial for one or more (but not all) limited partners than for other limited partners. In addition, the Funds may make investments that may have a negative impact on related investments made by the limited partners in separate transactions. In selecting and structuring investments appropriate for the Funds, the Registrant will consider the investment and tax objectives of the Funds and their partners as a whole (and those of investors in Other Blackstone Funds that participate in the same investments as the Funds), not the investment, tax or other objectives of any limited partner individually. Additionally, the Registrant may elect to exclude certain limited partners from particular investments for legal, tax, regulatory or other reasons applicable to any such investment, in which case non-excluded limited partners will be allocated a greater proportionate interest in such investment. As a result of any such arrangements, it is expected that such limited partners will initially be allocated a smaller proportionate interest in investments and expenses, and, following any corresponding increase in such limited partners' recall amounts as described above, a greater proportionate interest in investments made and expenses incurred thereafter (in each case, to the extent allocations are made based on Partners' unused Capital Commitments). In addition, certain limited partners may also be limited partners in Other Blackstone Funds, including supplemental capital vehicles and co-investment vehicles that may invest alongside the Funds in one or more investments, which could create conflicts for the Registrant in the treatment of different limited partners. Limited partners may also include affiliates of Blackstone, such as Other Blackstone Funds, affiliates of Portfolio Entities of the Funds or Other Blackstone Funds,

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 may also invest in the Funds or through the vehicles established in connection with Blackstone's side-by-side co-investment rights, in each case, without being subject to management fees or carried interest (or otherwise on more favorable terms), and the limited partners 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 limited partners. 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 limited partners will have equivalent rights to vote and withhold consents as nonrelated limited partners, unless otherwise provided by the terms of the applicable partnership agreement. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related limited partners. It is also possible that the Funds or the Funds' Portfolio Entities may be counterparties (such counterparties dealt with on an arm's-length basis) or participants in agreements, transactions or other arrangements with a limited partner or its affiliates. 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 limited partners' capital contributions. Such limited partners described in the previous sentences may therefore have different information about Blackstone and the Funds than limited partners not similarly positioned. In addition, conflicts of interest may arise in dealing with any such limited partners, and the Registrant and its affiliates may not be motivated to act solely in accordance with its interests relating to the Funds. (See also "Other Blackstone Business Activities" herein.) Similarly, not all limited partners monitor their investments in vehicles such as the Funds in the same manner. For example, certain limited partners may periodically request from the Registrant information regarding the Funds and their Portfolio Entities and investments that is not otherwise included in the reporting and other information delivered to all limited partners—for instance, pre-quarterly reporting valuation. In such circumstances, the Registrant may provide such information to such limited partner and not to other limited partners. As a result, certain limited partners may receive more information from the Registrant about the Funds and their Portfolio Entities or may receive information about the Funds and their Portfolio Entities at an earlier time than other limited partners, and the Registrant will have no duty to ensure all limited partners receive the same information regarding the Funds and their Portfolio Entities.

Therefore, certain limited partners may be able to take actions on the basis of such information which, in the absence of such information, other limited partners do not take. Furthermore, at certain times Blackstone may be restricted from disclosing to the limited partners material non-public information regarding any assets in which the Funds invest, particularly those investments in which an Other Blackstone Fund or Portfolio Entity that is publicly registered co-invests with the Funds. In addition, investment banks or other financial institutions, as well as Blackstone personnel, may also be limited partners. These institutions and personnel are a potential source of information and ideas that could benefit the Funds, and may receive information about the Funds and their Portfolio Entities in their capacity as a service provider or vendor to the Funds and their Portfolio Entities.

Affiliated Limited Partners. Certain limited partners in the Funds, including current and/or former senior advisors, officers, directors and personnel of Blackstone, Portfolio Entities of the Funds and Other Blackstone Funds, including the BTAS Funds, personnel of PJT and 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), and other persons related to Blackstone, will not pay management fees or performance-based carried interest in connection with their investment in the Funds. Notwithstanding the foregoing, such limited partners will either directly pay for their pro rata share of certain partnership expenses, or the pro rata amount of such expenses will be allocated to the Registrant or its affiliates. Such pro rata allocation of partnership expenses may be calculated based on capital commitments, invested capital, available capital or other metrics as determined by the Registrant in good faith. Any such methodology (including the choice thereof) involves inherent conflicts and may not result in perfect attribution and allocation of expenses. In addition, to the extent current and/or former partners, employees, advisors and other persons referred to above, including their charitable programs, endowment funds, estate planning vehicles (including any trusts, family members, family investment vehicles, descendant, trusts and other related persons and entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Funds, any such amounts may, in the General Partners' sole discretion, be treated as satisfying the applicable portion of any required capital commitment of the General Partners and/or their affiliates to the Funds (even in circumstances where any such commitments or investments are made following a separation from Blackstone).

Limited Partners' Outside Activities. A limited partner shall be entitled to and may 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 may include providing leverage or other financing to the Funds or their Portfolio Entities as determined by the Registrant in its sole discretion). None of the Funds, any limited partner or any other person shall have any rights by virtue of the applicable partnership agreement or any related agreements in any business ventures of any limited partner. The limited partner, and in certain cases the Registrant, will have conflicting loyalties in these situations.

Subscription Credit Facility. The Funds 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 applicable partnership agreements, the use of a subscription credit facility by the Funds is within the Registrant's discretion. Subject to the limitations set forth in the applicable partnership agreements and the availability and the terms of any subscription-based credit facility for the Funds, the Registrant has adopted a policy relating to the use of fund-level credit facilities for the Funds. Generally and without limiting the foregoing, the Funds may 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. The amount of credit available to the Funds under a subscription credit facility is determined by the credit quality of the limited partners as determined by the lender. For this reason, limited partners with a higher credit quality, as determined by the lender, generate more credit for the Funds than limited partners with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality limited partners to the others.

Calculations of net and gross IRRs in respect of investment and performance data referred to herein, and as reported to limited partners from time to time, are based on the payment date of capital contributions received from limited partners. 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 limited partners 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 limited partners to the Funds. If the use increases the IRR, as it normally does, the

Registrant will have various incentives to use the subscription credit facility, including marketing efforts of Other Blackstone Funds. For example, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements may accelerate or increase distributions of carried interest to the General Partners, providing an economic incentive to fund investments through long-term borrowings in lieu of capital contributions. In addition, the Registrant may receive a greater amount of management fees if following the investment period borrowings under the facility utilized in lieu of a combination of limited partners' capital and non-recourse financing for investments 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 limited partners and would be expected to diminish net cash on cash returns. In addition, for investments in U.S. corporations by U.S. tax-exempt limited partners, there may be incremental tax costs related to so-called unrelated business taxable income (UBTI).

The Funds expects 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 Blackstone Funds, including Blackstone side-by-side arrangements, which invest alongside the Funds in one or more investments. For example, the Funds may draw from a borrowing to fund a joint venture partner's or co-investor's pro rata share of an investment or expense related to an investment. In such circumstances, the Registrant 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 Funds 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 Registrant may receive direct and indirect benefits from such uses as well, including as a result of the facilitation of co-investment by Other Blackstone Funds. The Funds will pay interest expenses and other expenses incurred in relation to the line of credit.

Subject to the limitations set forth herein, the General Partners maintain substantial flexibility in choosing when and how a Fund's subscription-based credit facility is 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 facility. As a general matter, the General Partners expect to utilize the available credit facilities in lieu of capital calls to fund all new investments of the Funds, partnership expenses and other Partnership obligations, and call

capital at least annually (including for any investments outstanding at least six months) subject to the Funds' offering and/or governing documents and the unused amount remaining under the credit facility and the Fund's and credit facility's contractual restrictions. Capital calls will be utilized to repay credit facility borrowings until capacity is available. A Fund's use of the credit facility will be used and managed in the manner described above independently from any Other Blackstone Fund's use of credit facilities (and the contractual restrictions applicable to such Other Blackstone Funds and other credit facilities may be more or less favorable than those of the Funds), even when the same credit facility is being utilized and/or investments are shared between a Fund and an Other Blackstone Fund, which may result in different expenses related to borrowings and IRRs. 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 Registrant, Blackstone and their respective directors, officers, employees, agents, independent client representative (if any) and representatives, and, members of the advisory committees 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 Funds, the Registrant and Blackstone (including their respective directors, officers, employees, agents and representatives, independent client representative (if any) and members of the advisory committee and other indemnified parties). The Registrant 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 Funds, the Registrant and 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 Funds 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 Funds (and their respective Portfolio Entities) may jointly contribute to a pool of funds that may be used to pay losses that are subject to the deductibles on any group insurance policies, which contributions 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 may reasonably determine). (See also “Service Providers, Vendors and Other Counterparties Generally” herein.)

In respect of such insurance arrangements, Blackstone may 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 Entities and could adversely affect the Funds' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Funds' and their Portfolio Entities' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' Portfolio Entities, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve its investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their Portfolio Entities, and the Registrant 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 Funds and their Portfolio Entities, affiliates (including the Registrant) and related parties will from time to time give rise to additional conflicts of interest relating to the Funds and their investment activities. The Registrant 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 applicable partnership agreements, an advisory committee will be established and authorized to give consent on behalf of the Funds with respect to certain matters as described more fully in the Funds' offering and/or governing documents. If the advisory committees consent to a particular matter as to which they are consulted and the General Partners act in a manner, or

pursuant to the standards and procedures, approved by the advisory committees, or otherwise as provided in the applicable partnership agreements, then the General Partners and their affiliates will not have any liability to the Funds or the limited partners for such actions taken in good faith by them. However, the advisory committees will not represent the interests of all the limited partners, each member of the advisory committees may act in the interests of the limited partner with which it is associated, and the members of the advisory committees may themselves be subject to various conflicts of interest. In general, the limited partners will not be entitled to control the selection of members of the advisory committees or to review the actions or deliberations of the advisory committees. Furthermore, some or all of the members of the advisory committees may also be on the advisory committee of Other Blackstone Funds with which there is a potential conflict or may represent investors that have an interest in both the Funds and such Other Blackstone Fund. Such advisory committee members will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve actual or potential conflict of interests.

With respect to certain transactions that give rise to material conflicts of interest between or among the Funds, the Comparable Vehicles, Blackstone and/or its affiliates where the interests of the Funds and one or more Comparable Vehicles are generally aligned, the General Partners may in their discretion seek approval for such material conflict of interests on behalf of the Funds and such Comparable Vehicles as a whole (a “**Collective Consent**”). Such Collective Consent will be effective upon the consent of a “majority in interest” of the investors participating or expected to participate in the applicable investment, determined based on the amounts invested or to be invested in such investment. In cases where different groups of investors have conflicting interests vis-à-vis each other, the Collective Consent of each group of investors sharing an alignment of interest, respectively, may be sought by the General Partner and such Collective Consent will apply to all investors in such group. For purposes of the foregoing, with respect to the Funds, the consent of the advisory committees will be deemed to relate to the entire amount invested or to be invested by the Funds. Therefore, the limited partners should be aware that (i) conflicts will not necessarily be resolved in favor of the Funds’ interests and (ii) limited partners will be deemed to have approved any conflict of interest that is approved by a “majority in interest” of the limited partners and the limited partners of the applicable Comparable Vehicles as set forth above, even if a limited partner actually voted against the approval of such conflict of interest.

The General Partners may allow one or more limited partners or investors in parallel funds or Comparable Vehicles to appoint a non-voting observer to the advisory committees, to attend meetings of the advisory committees and to receive information and materials provided to the members of the advisory committees (subject to certain limitations).

Additional Potential Conflicts of Interest. The officers, directors, members, managers and personnel of the Registrant 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 Registrant. 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 Registrant may take into account certain considerations and other factors in connection with the management of the business and affairs of the Funds and their affiliates that would not necessarily be taken into account if Blackstone were not a public company. The directors of Blackstone have fiduciary duties to shareholders of the public company that may conflict with their duties to the Funds. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to the Funds and Other Blackstone Funds, the Registrant 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

Below is a listing of the Registrant's affiliates:

Broker-Dealer Entities	
Alight Financial Solutions, LLC*	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Assetpoint Financial, LLC*	Operates a service that facilitates the entry by banks and other financial institutions in to repurchase agreement transactions for themselves or as agent for their customers
Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
Dealerweb Inc.*	Operates as an interdealer broker in fixed income securities including U.S. government mortgage-backed securities, repurchase agreements, U.S. treasuries, collateralized mortgage obligations, asset backed securities, EFPs, and municipal securities; and operates as an alternative trading system for fixed income securities
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Incenter Securities Group LLC**	Provides a variety of limited investment banking services
Redi Global Technologies LLC*	Operates an EMS ("REDI") that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Redi Technologies Ltd*	The FCA entity that operates "REDI" EMS, that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Refinitiv Transaction Services Limited*	UK registered company, whose main activity is the provision of electronic trading venues for foreign exchange spot and forward/swaps foreign exchange instruments
Tradeweb Direct LLC*	Operates an alternative trading system for taxable and tax-exempt fixed income securities and serves as a venue for matching buyers and sellers in the fixed income marketplace for retail sized orders

Tradeweb Europe Limited*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments in the United Kingdom and throughout the European economic area
Tradeweb L.L.C.*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments
Investment Advisor Entities	
Alight Financial Advisors, LLC (D/B/A Aon Hewitt Financial Advisors, LLC)*	Provides advisory services to participants of plan sponsored 401(k) retirement plans
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone ISF Advisors LP	Provides investment advisory services to a number of debt-focused separately managed accounts

Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	Provides investment advisory services to Blackstone Life Sciences V L.P.
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds

Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds and separately managed accounts
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Blackstone / GSO CLO Management LLC (Management Series)	Provides investment advisory services to U.S. CLOs
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt-focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry

CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third-party insurance company
CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Alternative Credit, LLC*	Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts and co-mingled funds
First Eagle Alternative Credit SLS, LLC*	Provides investment advisory services to clients in below investment grade investment opportunities in bank loans, high yield debt, collateralized loan obligations ("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	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
THL Credit, Inc.*	Provides investment advisory services to certain private funds and separate accounts that have invested alongside THL Credit, Inc.
THL Credit Direct Lending Manager III LLC*	Serves as the manager of a private direct lending fund
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Assessoria em Investimento Ltda.	Brazilian investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds
Blackstone Insurance Solutions Europe LLP	Provides investment advisory services to one or more private investment funds and managed accounts focusing on European investment grade securities, investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies and origination opportunities
Blackstone Real Estate Australia Pty Limited	Australia investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant

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

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

*Portfolio company of affiliated private equity fund

**Portfolio company of affiliated Tactical Opportunities funds

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

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

BAP provides various financial and business advisory services. In the regular course of its advisory businesses, BAP represents possible buyers, sellers and other parties regarding businesses that may be suitable for investment by the Funds or the Advisory Accounts. In these cases, BAP's client typically would require Blackstone to act only on BAP's client's

behalf, thus preventing the Funds or the Advisory Accounts from directly acquiring or investing in such business. BAP will not decline these transactions in order to make the investment opportunity available to the Funds or the Advisory Accounts. Such limitations would not apply to investments by Underlying Funds. BAP may represent creditors or debtors in restructuring or bankruptcy proceedings, under Chapter 11 of the Bankruptcy Code.

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

Item 11 – Code of Ethics

A. Code of Ethics

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

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

The Code addresses, among other things, the following:

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

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

Potential Conflicts of Interest

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

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

related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that all such personal securities transactions receive pre-clearance from the legal and compliance department. As of January 1, 2019, Blackstone prohibits the purchase of all single-name securities by all related personnel. 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. Blackstone's Code of Ethics is available for review upon request.

You may request a copy of the Code of Ethics by contacting the Registrant's Chief Compliance Officer, Neil Schwartz, at +1 (212) 583-5000 or Neil.Schwartz@Blackstone.com.

Item 12 – Brokerage Practices

Best Execution

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

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

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

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

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

Principal Trading

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

Cross Transactions

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

Allocation and Aggregation Procedures

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

Secondary Funds

While it is intended that the Secondary Funds will be the primary vehicles managed by Blackstone for secondary investments in mature private equity funds meeting the Secondary Funds' investment criteria, there is no requirement that affiliates of the Registrant offer opportunities to make secondary investments exclusively to the Secondary Funds (as more fully described in the governing agreements of the Secondary Funds). Blackstone currently manages, and may subsequently establish, Other Blackstone Funds, which may from time to time make secondary investments that would otherwise be appropriate for the Secondary Funds, which may impact the available investment opportunities for the Secondary Funds.

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

Direct Equity Program

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

Advisory Accounts

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

under applicable law, taking into account any investment limitations and applicable contractual restrictions, the nature of the investment focus of each such Other Blackstone Fund, the amounts of capital available for investment and other considerations deemed relevant by the Registrant in good faith.

Trade Errors

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

Item 13 – Review of Accounts

Ongoing Review of Accounts

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

- Compliance with the investment strategy and restrictions provided in the specific offering documents of the relevant Fund or Advisory Account
- Potential Conflicts
- Market Conditions
- Style Drift
- Performance Attribution
- Performance Deviation

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

Reports

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

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

Item 14 – Client Referrals and Other Compensation

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

Typically, the third party solicitors will receive a portion of the management fee paid and/or performance allocation made to the Registrant or its affiliates (although other payment arrangements could exist). A prospective investor solicited by a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be paid by the Registrant and the investor will not be subject to any increased or additional fees or charges. 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. may 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 Blackstone, 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**”), under the Advisers Act defines custody as holding client funds or securities or having any authority to obtain possession of them, including the authority to withdraw funds or securities from client accounts or ownership of or access to client funds or securities (such as through fee deductions). In the case of certain Funds, an affiliate of the Registrant serves as the Fund’s General Partner and, as such, the Registrant is generally deemed to have custody of the assets of each of these Funds. In accordance with the Custody Rule, any Fund for which the Registrant has custody or is deemed to have custody is subject to an annual audit.

Item 16 – Investment Discretion

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

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

Item 17 – Voting Client Securities (Proxy Voting)

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

The Funds and Fund investors and the Advisory Account clients may request a copy of the Proxy Voting Policies and Procedures by contacting Neil Schwartz at +1 (212) 583-5000 or Neil.Schwartz@Blackstone.com.

Item 18 – Financial Information

The Registrant does not charge fees more than six months in advance, has never filed for bankruptcy as of the date of this Brochure and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the Funds and the Advisory Accounts.

Item 19 – Requirements for State Registered Advisors

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