

Item 1 – Cover Page

Clarus Ventures, LLC

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as of March 31, 2021

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

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

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

Item 2 – Material Changes

There has not been a material change to this Brochure since the last filing dated June 4, 2020.

However, please carefully read Items 5, 8 and 10, which have expanded upon the description of certain fees and expenses, potential risk of loss and potential conflicts of interest, respectively.

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

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Item 4 – Advisory Business

The Advisor is a Delaware limited liability company. The Advisor provides investment advisory services to Clarus Lifesciences I, L.P.; Clarus Lifesciences II, L.P.; Clarus Lifesciences III, L.P.; Clarus Defined Exit I, L.P.; Clarus Defined Exit II, L.P.; Clarus IV-A, L.P.; Clarus IV-B, L.P.; Clarus IV-C, L.P.; and Clarus IV-D, L.P. and any parallel or alternative investment vehicle formed in connection therewith (together, the “Funds”). The Funds are investment funds which specialize in investments in the life sciences industry, including the healthcare, pharmaceutical, biotechnology and medical device sectors. Affiliates of the Advisor serve as the general partner (the “General Partners”) of each of the Funds. The Advisor was established in 2005.

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

The ultimate parent of the Advisor is The Blackstone Group Inc., which is a publicly traded corporation listed on the New York Stock Exchange and which trades under the ticker symbol “BX”. The Blackstone Group Inc. (together with its affiliates, “Blackstone”) is a leading global alternative investment manager with investment vehicles focused on the private equity, real estate, hedge fund solutions, credit, infrastructure, life sciences, secondary private equity funds of funds and multi-asset class strategies.

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

The Advisor’s regulatory assets under management were \$1,877,464,647 as of December 31, 2020.

Description of Advisory Services

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

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

Item 5 – Fees and Compensation

Management Fees and Performance Fees

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

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

Certain investors in the Funds, including current and/or former senior advisors, officers, directors and personnel of Blackstone, Portfolio Entities (as defined herein) of the Fund and “Other Blackstone Clients”, (as defined herein), including charitable programs, endowment funds and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants, trusts and other related persons or entities), and other persons related to Blackstone (“Blackstone Investors”), will not pay Management Fees and/or performance-based or carried interest allocations in connection with their investment in the Funds or Blackstone-sponsored funds that make investments in or alongside the Funds. Notwithstanding the foregoing, such investors will either directly pay for their pro rata share of certain Fund expenses (as described below), or the pro rata amount of such expenses will be allocated to the General Partner or its affiliates. Such pro rata allocation of Fund expenses will, in certain circumstances, be calculated based on capital commitments, invested capital, available capital or other metrics as determined by the General Partner or its affiliates in its sole discretion. Any such methodology (including the choice thereof) involves inherent conflicts and will, in certain circumstances, 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 and related entities established by or associated with any of the foregoing (including any trusts, family members, family investment vehicles, estate planning vehicles, descendants, trusts and other related persons and entities) and related entities, make capital commitments and/or otherwise invest in or alongside the Fund, any such amounts may, in the General Partner’s sole discretion, be treated as satisfying the applicable portion of any required capital commitment of the General Partner and/or its affiliates to the

Fund (even in circumstances where any such commitments or investments are made following a separation from Blackstone). For more information with respect to the allocation of Fund expenses, please see “Expenses” in this Item 5 below.

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 (including, but not limited to, different sector and/or geographic focus) in addition to the Funds’ strategies (“Strategic Relationships”). A Strategic Relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone vehicles, one of which may be a Fund. Investors in the Funds will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect in the “most-favored nations” election process any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts or reductions on and/or reimbursements or rebates of management fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone vehicles (including, without limitation, preferential or favorable allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone vehicles (including any carried interest and/or Management Fees to be charged with respect thereto, as well as any additional discounts, reductions, reimbursements or rebates thereof or other penalties that would 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 can be expected to include co-investment in investments made by the Funds. To the extent any allocations are made pursuant to the Organizational Documents based on unused capital commitments, any such discount or reduction of Management Fees will cause the unused capital commitments of the applicable investors to fluctuate disproportionately as compared to the unused capital commitments of any other Fund investors without such Management Fee discount or reduction (and the same consequences will result from the different Management Fee terms amongst investors in a Fund as indicated in its Organizational Documents). Blackstone, including its personnel (including life sciences personnel), can be expected to receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from the Funds to or source investment opportunities for Strategic Relationships. Strategic Relationships will, in certain circumstances, therefore result in fewer co-investment opportunities (or reduced allocations) being made available to Investors in the Funds. In addition, from time to time, the Sponsor may enter into economic and/or fee sharing arrangements with respect to the Fund and/or certain limited partners thereof, which rights will not generally be made available to other limited partners. (See also “—Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment” herein.)

Other Fees Payable to the Advisor and its Affiliates

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

Any such fees that result in an offset to the Management Fee only apply to the extent it is made as part of the Funds' investments in such Portfolio Entities, and without regard to the nature of the fees, there will be no offset for Management Fees with respect to any fees paid to the Sponsor after a Fund has exited an investment. Conflicts of interest are expected to arise when a Portfolio Entity enters into arrangements with the Sponsor on or about the time the Fund exits an investment. As a result, in the case of directors' fees, the Management Fee will not be reduced or offset to the extent any Blackstone and/or Sponsor employees or professionals receive directors' fees relating to continued director service after the Funds have exited the Portfolio Entities and/or following the termination of such employee's employment with Blackstone and/or the Sponsor. Investors in the Funds should carefully consult the applicable Organizational Documents to determine the fees that can be offset and the Management Fee offset percentage applicable to the Fund in which they are Invested. (See "Other Blackstone Business Activities"). In addition, from time to time, the Advisor can be expected to also engage and retain on behalf of the Funds and/or their Portfolio Entities, strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals any of whom might be former executives or other personnel of the Advisor, its affiliates, Development Companies or Portfolio Entities of the Funds or Other Blackstone Clients and who, from time to time, can be expected to receive payments from, or allocations with respect to, Portfolio Entities or the Funds, and such amounts will not offset the Management Fee paid by the Funds (See "Advisors, Consultants and Partners" in Item 10 below).

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

Expenses

The following is a list of expenses that are typically borne by the Funds (and indirectly by the investors in the Funds). This list is not intended to be exhaustive; prospective and existing investors in the Funds are advised to review the applicable Fund offering materials and

Organizational Documents for a more extensive description of the expenses associated with an investment in the Funds.

- all costs and expenses incurred in identifying, investigating, developing, negotiating, structuring, acquiring, sourcing, trading (including trading errors), settling, monitoring, tracking and holding investments (whether or not consummated), including legal, tax, accounting and travel expenses (including first or business class commercial travel and, in the event the Sponsor determines in its reasonable discretion that commercial air travel would be impractical, the actual cost of non-commercial air travel at rates not in excess of customary commercial rates) in connection therewith;
- fees, costs and expenses related to the organization or maintenance of any Development Company or entity (including intermediate entities or other vehicles) used to develop, source, acquire, hold or dispose of any one or more investments or otherwise facilitating a Fund's investment activities, including without limitation any travel and accommodation expenses related to such entity, fees paid to any service providers of such entities and the salary and benefits of any personnel (including personnel of the General Partners or their affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity (including, without limitation, the salary and compensation of personnel of any Cayman Islands entities formed in connection with the Fund's activities and the meetings of officers or directors of such entities or their general partners) and costs associated with the leasing of office space (including, without limitation, rent and refurbishment costs and office space in the Cayman Islands);
- clearing costs;
- expenses (including legal, advisory and accounting expenses) incurred in connection with the identification, negotiation and structuring of corporate partnerships and other strategic corporate relationships of the Funds and their affiliates;
- costs and expenses of third party appraisals of prospective investments (whether or not consummated);
- broken deal expenses (see "Broken Deal Expenses" in Item 10 below);
- banks and brokerage fees and commissions and prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs;
- fees and expenses attributable to "back office" support functions provided by third party service providers;
- payments to legal counsel, tax advisors, auditors, accountants, administrators, custodians, consultants (including individuals consulted through expert network consulting firms) and other outside advisors;

- reasonable expenses of each Fund's Investor Committee attributable to such Fund and its activities (including accommodation, meal, event entertainment and other similar expenses in connection with any meetings of a Fund's Investor Committee and any fees, expenses and costs of any legal counsel or other advisors of such Investor Committee);
- costs and expenses in connection with the Funds' legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other laws and regulations, including the Cayman Islands Private Funds Law, applicable to the Funds and third party expenses incurred in connection with the preparation and administration of filings in connection with such laws or regulations;
- expenses incurred in connection with the managed distribution of marketable securities;
- insurance premiums and other related costs;
- market data costs;
- research-related expenses (including, without limitation, news and quotation equipment, software and services);
- other expenses related to the purchase, monitoring, sale, settlement, custody or transmittal of assets of the Funds;
- costs of any investigation, litigation or threatened litigation relating to the business or activities of the Funds or the Sponsor;
- all indemnification obligations set forth in the Organizational Documents;
- principal, interest and other expenses for borrowed money (including but not limited to legal and other costs associated with the negotiation and documentation of agreements with one or more lenders);
- any taxes, fees or government charges that may be assessed against the Funds;
- any extraordinary expense of the Funds, including fees and expenses associated with any tax or other audit, investigation, settlement or review of the Funds;
- liquidation expenses and costs of the Funds (including payment of any liquidation or similar fee);
- costs and expenses of annual and special meetings of each Fund's Investor Committee or otherwise holding meetings or conferences with investors in a Fund, whether individually or in a group (including the travel and other out-of-pocket costs and expenses incurred by the Sponsor in planning and attending such meetings such as for example, set-up, room and board, honorarium, dining, entertainment, and related expenses);

- costs of preparing financial statements and reports and delivering the same to the investors in the Funds and the Funds' affiliates, including but not limited to web portal and other technology costs, as well as tax returns, Schedule K-1s, Form 200s and other communications or notices relating to the Funds, including periodic investor notices and communications;
- compliance with specialized reports, assistance or documentation requested by specific investors;
- costs incurred in connection with preventing, enforcing or otherwise addressing any event of default by an investor;
- organizational expenses associated with operating the Funds, including, without limitation, filing fees, legal costs and expenses (including expenses of preparing, reviewing and negotiating the partnership agreement, side letters, placement agent arrangements and other related organizational documents);
- data management and data-related services (e.g., data analytics and statistical modeling);
- Management Fees;
- expenses related to certain personnel of the Sponsor and/or Blackstone and their affiliates, including Consultants, seconded to Portfolio Entities, vendors or service providers of the Funds and Other Blackstone Clients to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Funds or other parties (see "Secondments and Internships" in Item 10 below); and
- all other expenses properly chargeable to the activities of the Funds.

From time to time, the General Partners will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or the applicable General Partner, on the other, and whether certain costs and expenses should be allocated between or among the Funds, on the one hand, and Blackstone's other investment funds, investment vehicles, permanent capital vehicles, accounts and related entities (including those in existence as of the date hereof and those that may be formed in the future, collectively, "Other Blackstone Clients"), on the other hand. Certain expenses may be suitable for only a particular Fund or participating Other Blackstone Client and borne only by such vehicle, or, as is more often the case, expenses may be allocated *pro rata* among each participating Other Blackstone Client and the Funds even if the expenses relate only to particular vehicle(s) and/or investor(s) therein (including, for the avoidance of doubt, the expenses of any feeder entities and each of their respective alternative investment vehicles). Any Other Blackstone Clients that co-invest alongside the Funds in investments (which, for the avoidance of doubt, are not considered "parallel funds" or "parallel vehicles" of the Funds) will generally not be required to bear any portion of the organizational expenses or any other non-investment related partnership expenses (given that those other

vehicles generally bear their own non-investment related expenses). The Advisor intends to generally allocate partnership expenses, including partnership expenses of a Fund, any feeder entities and other parallel funds and alternative investment vehicles, and organizational expenses of such Fund, any feeder entities and the parallel funds between or among such Fund, any feeder entities, the parallel funds, and each of their respective alternative investment vehicles, as applicable, on a pro rata basis based on capital commitments, invested capital or available capital, as applicable, but may in certain circumstances allocate such expenses in a different manner if the Advisor determines in good faith that doing so is more equitable or appropriate under the circumstances. This will result in such Fund bearing a portion of certain partnership expenses and/or organizational expenses attributable to feeder entities and/or another parallel fund that are not directly connected to such Fund and its activities, including expenses incurred in connection with either such Fund's or a feeder entity's or parallel fund's legal, tax and regulatory compliance with any U.S. or non-U.S. law or regulation (including, without limitation, reports, disclosures, registration and other filings and notifications prepared in accordance with the laws of any such jurisdiction). Likewise, while the aggregate amount of capital contributions to be made by the partners for partnership expenses will generally be allocated among the partners based upon each of their unused capital commitments or with respect to partnership expenses directly and solely attributable to an investment, their interests in such investment, the Advisor may in certain circumstances allocate such expenses in a different manner if the Advisor determines in good faith that doing so is more equitable or appropriate under the circumstances (for example, if a partnership expense is directly attributable to the status of a particular partner or group of partners). For example, certain expenses may be incurred by or on behalf of a Fund, feeder entities, parallel funds, other funds and Other Blackstone Clients and will be allocated among such Fund and such feeder entities, parallel funds, other funds and Other Blackstone Clients by the Advisor in its good faith reasonable discretion, including, in the case of travel, based on estimated time spent with respect to the business of the Funds and Other Blackstone Clients.

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

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

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

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

As described in Item 10 — "Performance-Based Compensation", the fact that the Advisor is in part compensated based on the performance of the Funds creates a greater incentive for the applicable General Partner to make more speculative investments on behalf of a Fund or time the purchase or sale of investments in a manner motivated by the personal interest of Blackstone or Sponsor personnel than if such performance-based compensation did not exist. However, the significant commitment by the Sponsor to invest in the Funds and the General Partner clawback and related guarantee, where applicable, should reduce the incentives to make more speculative investments or otherwise time the sale of investments based on considerations related to carried interest.

The General Partner clawback, where applicable, 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 a Fund if doing so would trigger a clawback obligation.

Item 7 – Types of Clients

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

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

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

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

Investment Strategies

The Advisor offers advice to the Funds generally to focus on structured investments in late clinical stage life sciences products, including pharmaceutical corporate partnerships, pre-approval royalties and other opportunistic life sciences investments, including pre-approval royalty monetizations and investments in early stage businesses. In the past, the Advisor has also offered advice to certain of the Funds to invest in life sciences venture capital investments. These investments may be made in connection with privately negotiated partnerships and transactions including spinouts and may utilize some degree of leverage.

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

All decisions for a Fund to invest in a particular investment opportunity require the unanimous support of the Advisor's investment committee (the "Investment Committee"). The Advisor's investment team, in collaboration with Blackstone's various business units, is responsible for selecting, evaluating, structuring, diligencing, negotiating, executing, managing and exiting investments, as well as pursuing potential operational improvements and value creation initiatives. The Advisor's personnel generally meet each Monday to discuss potential and pending transactions and ongoing diligence. The members of the broader Blackstone organization investing in healthcare also meet in person and in groups on a regular basis to discuss portfolio investments and industry trends in greater detail, and the Advisor intends to conduct comprehensive in-person reviews of each Fund's portfolio twice a year. Each Fund's investment decisions will be reviewed and approved by the Investment Committee. The Investment Committee will convene as appropriate to approve binding investment decisions, ensuring that broad consensus is achieved and all key concerns have been addressed, before any Fund's capital is committed to a particular deal. The power to, among other things, grant approval for a Fund to acquire a particular investment, finance or refinance any new or existing investment or dispose of any existing investment may be delegated to a sub-committee of the Investment Committee and may be further delegated to particular investment professionals and/or other Blackstone professionals.

In addition, the Sponsor or its affiliates, in partnership with other life sciences specialist investors (the "Syndicate Partners"), own special purpose development companies, including SFJ Pharmaceuticals, Avillion and Nuvelution (each a "Development Company" and collectively, the "Development Companies"). The Sponsor's representatives have the right to sit on the board of directors of each of the Development Companies. The focus of each Development Company is to assist the Fund in identifying and diligencing high-quality, later stage assets in life

sciences pipelines, to assist in the negotiation of satisfactory terms for transactions on these assets and/or to take the lead in executing the agreed development plans through the mutually agreed success milestone. The Sponsor (or its affiliates) and the Syndicate Partners (if applicable) have exclusive rights to all deal flow sourced by these Development Companies and as such cannot be offered to outside investors. The Sponsor's team independently diligences each investment opportunity, is actively involved in negotiating the deal structure and economics, and carefully reviews the associated deal documentation with dedicated counsel. The Sponsor has significant involvement in the design of the trial protocol along with the Development Company and life sciences company counterparty. The Sponsor has authority over final deal terms and structures in all of these investments. In the future, the Sponsor may have different processes or control rights with respect to Development Companies, including in respect of any Development Company wholly-owned by the Sponsor or its affiliates. Please also see "Development Companies" in Item 10 below.

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

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

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

Risk of Loss

An investment in the Funds entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks

such investments represent. Set forth below is a non-exhaustive list of such risks (some of which may not apply to a particular Fund):

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

26. European Union Uncertainty;
27. Political Risks;
28. Social and Political Unrest;
29. Compliance with the Cayman Islands Private Fund Law and Other International Law;
30. Certain Health Care Reform Measures;
31. Certain Litigation Risks;
32. Recourse to the Fund's Assets;
33. Service on Boards and as Executives;
34. Risk of Dilution;
35. Side Agreements;
36. Cybersecurity Breaches and Identity Theft (including Software Code Protection);
37. Fund Expenses;
38. Difficulty in Valuing Investments;
39. Distributions in Kind;
40. Contingent Liabilities on Disposition of Investments;
41. Controlled Group Risks;
42. The Fund as a Potential Party in Interest to Investing ERISA Plans;
43. Possibility of United States Internal Revenue Service ("IRS") Examination or Other Audit;
44. Taxation;
45. Indemnification and Exculpation;
46. Return of Distributions;
47. Non-controlling Investments;
48. Material Non-Public Information;
49. Limited Access to Information;
50. Freedom of Information/Sunshine Laws;
51. Government Plan Partners;

- 52. Reserves;
- 53. Uncertain Time Frame for Winding-Up Affairs;
- 54. Non-U.S. Investments;
- 55. Capital Calls;
- 56. Penalty for Failure to Make Capital Calls;
- 57. Failure of Limited Partners to Fulfill Their Commitment Obligations;
- 58. Fund Size;
- 59. Functional Currency;
- 60. Confidential Information;
- 61. Industry Specific Terminology;
- 62. Compliance with Tax Laws (Including FATCA and Partnership Audit Rules);
- 63. Financial and Tax Situation;
- 64. Withholding and Other Taxes;
- 65. Legal Counsel;
- 66. Factual Statements;
- 67. Track Record Information;
- 68. Lack of Operating History;
- 69. Definitive Terms and Conditions;
- 70. Special Caution for Investors in Second or Later Closings;
- 71. General Tax Considerations;
- 72. Development and Regulatory Approval;
- 73. Permits, Approvals and Licenses;
- 74. Uncertainty Regarding the Future Utilization of LIBOR and Other “IBOR” Rates;
- 75. CFIUS;
- 76. ESG;
- 77. GDPR/Privacy;

- 78. Placement Agents;
- 79. Technical Risk;
- 80. Renewable Energy Policy Risk;
- 81. Sovereign Risk;
- 82. Weather and Climatological Risks;
- 83. Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry (Including Dodd-Frank);
- 84. Impediments to M&A and Private Equity Activities;
- 85. Dependence on Patents, Trademarks and Other Intellectual Property;
- 86. Charitable and Political Contributions;
- 87. Intermediate Entities;
- 88. Access to Information from Portfolio Entities;
- 89. Political activities (including political contributions, hiring lobbyists and other permissible political activities in U.S. or non-U.S. jurisdictions);
- 90. Sustainability Risks;
- 91. Epidemics/pandemics; and
- 92. Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments.

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

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

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

Coronavirus and Public Health Emergencies. There is currently 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. In addition, state, federal and non-U.S. laws and regulations have been implemented (and other laws and regulations are being considered) that place restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, certain jurisdictions have implemented debt payment relief packages or suspended the enforcement of residential and commercial evictions. Countries across Europe have also instituted similar protections, including residential and commercial protections for non-payment of rent, payment holidays and increased notice periods prior to evictions. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are (i) expected to have a material adverse impact on tenants, real estate lenders and commercial property owners, (ii) creating significant disruption in supply chains and economic activity and (iii) 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 its investment objectives. See also "Epidemics/Pandemics" above.

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, in addition to restrictions implemented to protect borrowers in the real estate and other industries, 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 their investment objectives, all of which could result in significant losses to the Funds. In particular, a public health emergency may have a greater impact on leveraged assets.

In addition, the operations of the Funds, their Portfolio Entities, and the Advisor may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Item 9 – Disciplinary Information

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

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

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

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

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

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

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

Actions that could be taken by the Advisor or its affiliates to mitigate a conflict include, by way of example and without limitation; (i) if applicable, handling the conflict as described in the applicable Fund's Organizational Documents; (ii) presenting a material conflict of interest to the applicable Fund's investor committee consisting of representatives of select Fund investors (an "Investor Committee") and/or the investors and as expressly provided for in the Organizational Documents; (iii) disposing of the investment or security giving rise to the conflict of interest; (iv) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the applicable Fund's investors or Investor Committee regarding the conflict of interest and either obtaining a waiver or consent from such Fund's investors or Investor Committee of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the Fund investors or such Fund's Investor Committee with respect to such conflict of interest; (v) disclosing the conflict to the applicable Fund's investors or Investor

Committee (including, without limitation, in drawdown notices, distribution notices, financial statements, quarterly letters or other communications); (vi) validating the arms-length nature of the transaction by referencing participation by unaffiliated third parties; (vii) in the case of conflicts among clients, creating groups of personnel within the Sponsor and Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise or represent one of the clients that has a conflicting position with other clients; (viii) implementing policies and procedures reasonably designed to mitigate the conflict of interest; or (ix) otherwise handling the conflict as determined appropriate by the Advisor in its discretion.

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

For purposes of this section, (a) “BREDS Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Real Estate Special Situations Advisors L.L.C.; (b) “Blackstone Credit Funds” shall be deemed to include any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Alternative Credit Advisors LP (formerly known as GSO Capital Partners LP) or its affiliated advisory entities that operate as part of the credit-focused business of Blackstone and (c) “BXMT Funds” shall mean accounts, clients, funds, vehicles or any other similar arrangements managed by BXMT Advisors L.L.C.

Performance-Based Compensation. Each General Partner’s carried interest creates a greater incentive for such General Partner to make more speculative investments on behalf of a Fund or time the purchase or sale of investments in a manner motivated by the personal interests of the Sponsor’s personnel than if such performance-based compensation did not exist, as such General Partner receives a disproportionate share of profits (above the preferred return hurdle, where applicable under the Organizational Documents). However, the significant commitment by the Sponsor to invest in the Funds (which commitment, for the avoidance of doubt, may not be allocated pro rata among the Funds) and the General Partner clawback and related guarantees (if any) should reduce the incentives for the applicable General Partner 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 investors in the Funds, such as an incentive for the applicable General Partner 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, where applicable under the Organizational Documents) and trigger the clawback, or delay the dissolution and liquidation of a Fund if doing so would trigger a clawback obligation. In addition, the Tax Reform Bill enacted in 2017 provides for a lower capital gains tax rate on performance-based compensation from investments held for at least three years, which can be expected to incentivize the applicable General Partner to cause a Fund to accelerate deployment of capital at the beginning of such Fund’s investment period, hold investments longer to ensure long-term capital gains treatment or dispose of investments prior to any change in law that would result in a higher effective income tax rate on carried interest. Furthermore, upon a withdrawal by an investor from a Fund in certain circumstances and upon

the liquidation of a Fund, the applicable 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 Partners and could incentivize the General Partners to value the securities higher than if there were no carried interest. Each General Partner can engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third party opinion of value, but there can be no assurance such an opinion will reflect value accurately.

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

Allocation of Personnel. The Advisor will devote such time to the Funds as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, including members of the Investment Committee, and personnel of Development Companies will work on other projects, serve on other committees (including boards of directors) and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients and their Portfolio Entities, including other investment programs to be developed in the future. Certain members of the Funds' investment teams are also members of other Funds' or Other Blackstone Clients' investment teams and will continue to serve in those roles and as a result, not all of their business time will be devoted to a particular Fund. Similarly, non-investment professionals may not be dedicated solely to a particular Fund and may perform work for other Funds or Other Blackstone Clients which is expected to detract from the time such persons devote to a particular Fund. Some key Blackstone personnel who devote substantially all of their time to investment programs within the BXLS (as defined herein) group do not devote time predominantly, or solely, to a Fund, as they will also be devoting time to investments made by Other Blackstone Clients. Time spent on these other initiatives diverts attention from the activities of the Funds, which could negatively impact the Funds and investors in the Funds. Furthermore, Blackstone and Blackstone personnel and personnel of Development Companies derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the BXLS group may share in the fees and performance-based compensation from the Funds; similarly, the BXLS group personnel may share in the fees and performance-based compensation generated by Other Blackstone Clients. These and other factors create conflicts of interest in the allocation of time by Blackstone personnel and Development Company personnel. Each General Partner's determination of the amount of time necessary to conduct the applicable Fund's activities will be conclusive, and investors in the Funds rely on the General Partners' judgment in this regard.

Outside Activities of Principals and Other Personnel and their Related Parties. Certain personnel of Blackstone will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to the Funds, Other Blackstone Clients and their respective Portfolio Entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the Funds, including if such other entities compete with the Funds for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than the performance of the Funds. This involvement would create conflicts of interest in making investments on behalf of the Funds and such other funds, accounts and other entities. Although the Advisor will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Funds. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interests. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by other Blackstone clients, including the Funds, or otherwise relate to companies or issuers in which the Funds have or acquire a different principal investment (including, for example, with respect to seniority). There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Funds. Investors in the Funds will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to the Funds.

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

Secondments and Internships. Certain personnel of the Sponsor and/or Blackstone, including Consultants (as defined herein), will, in certain circumstances, be seconded to one or more Portfolio Entities, Development Companies, service providers and vendors or investors in the Funds and Other Blackstone Clients to provide finance, accounting, operational support, data management and other similar services, including the sourcing of investments for the Funds or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by the Sponsor and/or Blackstone or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors, service providers (including Development Companies, law firms and accounting firms) and investors in the Funds and Other Blackstone Clients will, in certain circumstances be seconded to, serve internships at or otherwise provide consulting services to, the Sponsor, Blackstone, Development Companies and Portfolio Entities of the Funds and Other Blackstone Clients. While often the Funds, Other Blackstone Clients and their Portfolio Entity are the beneficiaries of these types of arrangements, the Sponsor and/or Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the personnel, vendor or service provider or otherwise also provides services to the Funds, Other Blackstone Clients or Blackstone in the ordinary course. The Sponsor, Blackstone or the Portfolio Entity may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Entity pays the cost it will be borne directly or indirectly by the Funds. The Sponsor, Blackstone, the Funds, Other Blackstone Clients or the Portfolio Entities could receive benefits from these arrangements at no cost, or alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements and if a Portfolio Entity or Development Company pays the cost it may be borne directly or indirectly by the applicable Fund. 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 the Sponsor, Blackstone, the Funds, Development Companies, Other Blackstone Clients, Portfolio Entities, each of their respective affiliates and related parties, and any costs of such personnel may be allocated accordingly. Blackstone will endeavour in good faith to allocate the costs of these arrangements, if any, to Blackstone, the Funds, Development Companies, Other Blackstone Clients, Portfolio Entities and other parties based on time spent by the personnel or another methodology Blackstone deems appropriate in a particular circumstance.

Other Benefits. The Advisor, its affiliates and their personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Funds, the value of which will not offset or reduce Management Fees or otherwise be shared with the Funds, their Portfolio Entities or the investors in the Funds. For example, airline travel or hotel stays will result in “miles” or “points” or credit in loyalty or status programs, and such benefits will, whether or not *de minimis* or difficult to value, inure exclusively to the benefit of the Advisor, its affiliates or their personnel or related parties receiving it, even though the cost of the underlying service is borne by the Funds as partnership expenses and/or by their respective Portfolio Entities (see also “—Service Providers, Vendors and Other Counterparties Generally” herein). Similarly, the Advisor, its affiliates and their

personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Portfolio Entities and customers or suppliers of such Portfolio Entities. The investors in the Funds consent to the existence of these arrangements and benefits.

Advisors, Consultants and Partners. The Advisor, its affiliates and their respective personnel and related parties engage and retain strategic advisors, consultants, senior advisors, executive advisors, industry experts, joint venture and other partners and professionals, any of whom might be former executives or other personnel of the Advisor, Development Companies or Portfolio Entities of the Funds or Other Blackstone Clients (collectively, “Consultants”), to provide a variety of services. Similarly, the Funds, Other Blackstone Clients and their Portfolio Entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by the Funds or a Portfolio Entity to Consultants in connection with the above services, including cash fees, profits or equity interests in a Portfolio Entity, discretionary bonus awards, performance-based compensation (e.g., promote), retainers and expense reimbursements, will be treated as partnership expenses or expenses of a Portfolio Entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Advisor, be chargeable to the Advisor or deemed paid to or received by the Advisor, or offset or reduce any Management Fees to the Advisor or be subordinated to return of capital to investors in the Funds. Amounts charged by Consultants will not necessarily be confirmed as being comparable to market rates for such services. Also, Consultants often co-invest alongside the Funds in Portfolio Entities and investments of the Funds, participate in long-term incentive plans of a Portfolio Entity, and invest directly in the Funds or in vehicles controlled by the Funds, with reduced or waived Management Fees and carried interest. Consultants’ benefits described in this paragraph will, in certain circumstances, continue after termination of status as a Consultant.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant advises Blackstone on transactions, provides the Advisor with industry-specific insights and feedback on investment themes, assists in transaction due diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of Portfolio Entities and contributing to the identification and origination of new investment opportunities. The Funds may rely on these Consultants to recommend the Advisor and the Funds as a preferred investment partner and carry out its investment program, but there is no assurance that any Consultant will continue to be involved with the Funds for any length of time. The Advisor and the Funds can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of “employees” of Blackstone and/or the Sponsor (e.g., they can be expected to have dedicated offices at Blackstone, receive administrative support from personnel of the Sponsor and/or Blackstone, participate in general meetings and events for personnel of the Sponsor and/or

Blackstone or work on Sponsor and/or Blackstone matters as their primary or sole business activity, have Blackstone-related or Sponsor-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for employees of the Sponsor and/or Blackstone), even though they are not employees, affiliates or personnel of the Sponsor or Blackstone for purposes of the Organizational Documents, and their salary and related expenses are paid by the Funds as partnership expenses or by Portfolio Entities without any reduction or offset to Management Fees. Some Consultants work only for the Funds and their Portfolio Entities, while other Consultants may have other clients. In particular, in some cases, Consultants, including those with a “Senior Advisor” title, will be engaged with the responsibility to source and recommend transactions to the Advisor potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Advisor under the Organizational Documents, 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 Advisor. Consultants are expected to 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 Advisor is limited in its ability to monitor and mitigate these conflicts. Additionally, from time to time, Consultants provide services on behalf of both the Funds and Other Blackstone Clients, and any work performed by Consultants retained on behalf of the Funds may benefit such Other Blackstone Clients (and alternatively, work performed by Consultants on behalf of Other Blackstone Clients may benefit the Funds), and the Advisor shall have no obligation to allocate any portion of the costs to be borne by the Funds in respect of such Consultant to such Other Blackstone Funds, except as described below.

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

In addition, the Advisor will, in certain circumstances, engage third parties as Consultants (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such Consultants may receive reimbursement of reasonable related expenses by Portfolio Entities or a Fund and may have the opportunity to invest in a portion of the equity available to a Fund for investment which may be taken by the Advisor and its affiliates. If such Consultants generate investment opportunities on the Funds' behalf, such Consultants may receive special additional fees or allocations comparable to those received by a third party in an arm's length transaction and such additional fees or allocations would be borne fully by the Funds and/or Portfolio Entities (with no reduction or offset to Management Fees) and not the Advisor.

Development Companies. The Development Companies are highly involved in identifying and diligencing potential investments and negotiating terms with respect to such investments. Historically, in many of these co-development transactions, Development Companies take the lead in executing the agreed development plans with respect to investments through the mutually-agreed success milestones. In those situations, Development Companies often actively manage clinical trials with respect to investments and in many cases, the applicable Development Company will take the primary responsibility for executing the clinical trials. The relevant Development Company management teams generally retain final decision-making authority on key development decisions, except those involving issues that may materially affect the commercial prospects of the drug. For many of the investments where the Development Companies do not actively manage the clinical trials, the relevant Development Company management teams generally retain supervisory oversight and certain decision-making authority and negative controls on key development decisions.

Personnel of Development Companies also source potential investments for such Development Companies. If an investment opportunity is sourced by a Development Company jointly owned by a Syndicate Partner, as opposed to being independently sourced by the Advisor for the Funds or by a Development Company that is wholly-owned by the Sponsor, or if the Advisor allocates an independently sourced investment opportunity to such a Development Company (including, for example, to leverage such Development Company's clinical expertise), such investment opportunity will often be shared with the third party life sciences specialist investors that jointly own such Development Company, which will result in the Funds participating less and having less control over such investment opportunity relative to if the investment was sourced and pursued independently by the Advisor and the Funds, or by a Development Company wholly-owned by the Sponsor. In certain circumstances, it is also possible that if a deal is sourced for a Development Company by a Syndicate Partner, the Funds will not be able to participate, and vice versa. Certain Development Companies also have rights of exclusivity with respect to investment opportunities they source. As a result, an investment opportunity sourced by such Development Companies may result in the Funds or any other Development Company not being able to independently pursue such investment, even if one or other of such other parties are better positioned to pursue such an investment opportunity. In addition, the Funds and the various Development Companies can be expected to compete for investment opportunities, thus potentially reducing the number of investment opportunities available to the Funds to

pursue independently and potentially adversely affecting the terms, including price, upon which investments can be made.

As discussed in the Organizational Documents, the Advisor or its affiliates, including Other Blackstone Clients, hold significant equity interests in each of the existing Development Companies, and representatives of the Advisor or its affiliates sit or have the right to sit on the Board of Directors of each of the Development Companies, each of which is effectively controlled by Blackstone and any of its fellow investors in the relevant company.

Development Companies and/or their personnel will be compensated for their services from the Funds or their Portfolio Entities, which Portfolio Entities are expected to often be special purpose vehicles formed and controlled by the Funds for the purposes of a particular investment. This compensation is generally in the form of a management promote, incentive fee or other performance-based compensation in connection with a Fund investment reaching a milestone and/or regulatory approval or otherwise upon the sale of or other transaction with respect to such investment. Such compensation will be received only after the Funds have received a return of their invested capital in such investment. For example, the Advisor and Funds may have arrangements with Development Companies that may or may not have termination options and may include payment, no payment, or deferred payment until occurrence of a future event, such as the occurrence of a specified milestone and/or regulatory approval. However, compensation is not limited in this regard and is expected to take other forms from time to time, including (i) reimbursement or advancement by the Funds of Portfolio Entities of the Development Company's overhead and operating cost expenses (including salary, benefits and compensation), which amounts may be funded by the Funds as a preferred investment in the relevant Development Company), or (ii) in other forms as described above with respect to Consultants. In addition, the Funds, their Portfolio Entities, the Advisor, its affiliates and their respective personnel and related parties may engage Development Companies or their personnel to provide a variety of other services. Any amounts paid by the Funds or a Portfolio Entity to a Development Company or its personnel will be treated as partnership expenses, investments by the Funds or expenses of the Portfolio Entity, as the case may be, and will not be chargeable to the Advisor or deemed paid to or received by the Advisor, or offset or reduce any Management Fees to the Advisor or be subordinated to return of the Funds' investors' capital. Development Companies and their personnel that are expected to perform services may have attributes of Blackstone affiliated entities "employees" (e.g., they may source, evaluate and execute investments, 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, and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel for purposes of the Organizational Documents and the Advisory Agreements, and the fees and compensation of the Development Companies and their personnel are paid by the Funds as partnership expenses or by Portfolio Entities without any reduction or offset to management fees. Amounts payable to Development Companies and their personnel will not necessarily be confirmed as being comparable to market rates for such services, and given the close relationship with the

Advisor or its affiliates and the Advisor or its affiliates' interest in Development Companies, there are conflicts of interest inherent in determining the relevant amount of compensation. Similarly, Other Blackstone Clients and their Portfolio Entities can be expected to engage Development Companies to provide services, and the Funds shall not receive any portion of any fees or compensation paid to such Development Companies in respect of such services. While the Advisor and its affiliates and/or Other Blackstone Clients and Blackstone are generally not expected to receive any portion of the fees or compensation paid to the Development Companies or their personnel, the Advisor or its affiliates and/or Other Blackstone Clients are generally expected to continue to hold equity interests in the Development Companies which could result in the Advisor or an affiliate of the Advisor and/or Other Blackstone Clients receiving distributions in its capacity as an equity holder of any such company or benefitting from the appreciation of such equity interests. The Advisor and its affiliates (including life sciences personnel) would generally not be eligible for such compensation or such compensation would offset or reduce the management fee payable by the Funds or investors in the Funds or otherwise be shared with the Funds. As a result, the Advisor (including life sciences personnel) could be incentivized to source investment opportunities through Development Companies or to hire professionals as employees of Development Companies rather than employees of the Advisor.

In addition, Development Companies with respect to which the Advisor or its affiliates elect members to the Board of Director which may subject such directors to fiduciary obligations to make decisions that they believe to be in the best interests of any such Development Companies. Although in most cases the interests of the Funds and any such Development Company will be aligned, this will not always be the case. Such misalignment would create conflicts of interest between the relevant director's obligations to any such Development Company and its stakeholders, on the one hand, and the interests of the Fund, on the other hand. Although the Advisor will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Funds. In certain cases, personnel of Development Companies could also have conflicts of interest between their work for the Funds and their Portfolio Entities, on the one hand, and themselves on the other hand, and the Advisor is limited in its ability to monitor and mitigate these conflicts.

Multiple Blackstone Business Lines. Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Funds, Other Blackstone Clients, Portfolio Entities of the Funds and Other Blackstone Clients and third parties will, in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits the Funds' ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the Advisor that would be relevant to monitoring the Funds' investments and other activities. Additionally, Blackstone or Other Blackstone Clients can be expected to enter into covenants that restrict or otherwise limit the

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

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

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

Minority Investments in Asset Management Firms. Blackstone and Other Blackstone Clients, including Blackstone Strategic Capital Holdings (“BSCH”) and its related parties, regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone. The Funds, Other Blackstone Clients and their respective Portfolio Entities can be expected to from time to time engage in similar investment transactions, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and portfolio entities. Typically, the Blackstone-related party with an interest in the asset management firm would be entitled to receive a share of carried interest/performance based incentive compensation and net fee income or revenue share generated by the various

products, vehicles, funds and accounts managed by that third party asset management firm that are included in the transaction or activities of the third party asset management firm, or a subset of such activities such as transactions with a Blackstone-related party. In addition, while such minority investments are generally structured so that Blackstone does not “control” such third party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. In addition, Blackstone could in certain cases have control rights. Although Blackstone and Other Blackstone Clients, including BSCH, do not intend to control such third party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone and Other Blackstone Clients, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third party asset managers will not be deemed “affiliates” of Blackstone for any purpose, Blackstone may, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic / revenue sharing interest therein may give rise to conflicts of interest. The Funds may from time to time participate in such investments alongside Other Blackstone Clients, including BSCH. Participation rights in a third party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of 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 Investor Committee approval. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and the Funds and their Portfolio Entities, on the other hand, will be at arm’s length or that Blackstone will not receive a benefit from such transactions, which can be expected to incentivize Blackstone to cause these transactions to occur. Such conflicts related to investments in and arrangements with other asset management firms will not necessarily be resolved in favor of the Funds. Investors will not be entitled to receive notice or disclosure of the terms or occurrence of either the investments in alternative asset management firms or transactions therewith and will not receive any benefit from such transactions.

Blackstone Policies and Procedures; Information Walls. Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as

regulatory and other legal considerations. Specified policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will reduce the synergies across Blackstone's various businesses that the Funds expect to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, including private equity, a credit business, a hedge fund business, a capital markets group, a life sciences business and a real estate advisory business, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses and to protect against the inappropriate sharing and/or use of information between the Funds and the other business units at Blackstone, Blackstone has implemented certain policies and procedures (e.g., Blackstone's information wall policy) regarding the sharing of information that may reduce the positive synergies that the Funds expect to utilize for purposes of identifying and managing attractive investments. For example, Blackstone will from time to time come into possession of material non-public information with respect to companies in which Other Blackstone Clients may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to a Fund, might become restricted to those other respective businesses and otherwise be unavailable to such Fund. There can be no assurance, however, that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of the Funds to effectively achieve their investment objective by unduly limiting the investment flexibility of the Funds and/or the flow of otherwise appropriate information between the Advisor and other business units at Blackstone. Personnel of Blackstone may be unable, for example, to assist with the activities of a Fund as a result of these walls. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally. In addition, due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to arrange for the sale and liquidation of all or any portion of an investment that it otherwise might have sold.

In addition, to the extent that Blackstone is in possession of material non-public information or is otherwise restricted from trading in certain securities, the Funds and the Advisor may also be deemed to be in possession of such information or otherwise restricted. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone vehicle has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of the Funds and/or their Portfolio Entities and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for the Funds, may require the Funds to share such opportunities or otherwise limit the amount of an opportunity the Funds can otherwise take.

Data. Blackstone receives or obtains various kinds of data and information from the Funds, Other Blackstone Clients, their Portfolio Entities, and investors in the Funds and Other

Blackstone Clients 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 may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from the Funds, Other Blackstone Clients, their Portfolio Entities, and investors in the Funds and in Other Blackstone Clients. Blackstone has entered and will continue to enter into information sharing and use arrangements with the Funds, Other Blackstone Clients, their Portfolio Entities, investors in the Funds and in Other Blackstone Clients, related parties and service providers, which may give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course. Although Blackstone believes that these activities improve Blackstone’s investment management activities on behalf of the Funds and Other Blackstone Clients, information obtained from the Funds, their Portfolio Entities, and certain investors in the Funds and in Other Blackstone Clients also provides material benefits to Blackstone or Other Blackstone Clients without compensation or other benefit accruing to the Funds or investors in the Funds. For example, information from Portfolio Entities owned by the Funds may enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Clients that do not own an interest in the Portfolio Entity, without compensation or benefit to the Funds or their Portfolio Entities.

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

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

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

other Funds or Other Blackstone Clients or their investors or their respective related parties, on the other hand, are not subject to the approval of limited partners or any Investor Committee or any investor in the Funds unless otherwise required under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) or other applicable laws or regulations. For example, a Portfolio Entity may sell its data to investors, Portfolio Entities of other Funds or Other Blackstone Clients or their respective related parties (see also “Data Management Services”). These transactions involve conflicts of interest, as Blackstone may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction, including different financial incentives Blackstone may have with respect to the parties to the transaction. For example, there can be no assurance that any investment or asset sold by a Fund to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties. Blackstone will not be required to solicit third party bids or obtain a third party valuation prior to causing a Fund or any of its Portfolio Entities to purchase or sell any asset or investment from or to a Fund investor, Portfolio Entity of Other Blackstone Clients or any of their respective related parties as provided above.

Blackstone’s Relationship with Pátria. On October 1, 2010, Blackstone purchased a 40% equity interest in Pátria Investments Limited and Pátria Investimentos Ltda. (collectively, “Pátria”). Pátria is a leading alternative asset manager in Latin America. 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). On January 26, 2021, Pátria completed its initial public offering (“IPO”), pursuant to which Blackstone sold a portion of its interest and no longer has representatives or the right to designate representatives on Pátria’s board of directors. As a result of Pátria’s pre-IPO reorganization transactions (which included Blackstone’s sale of 10% of Pátria’s pre-IPO shares to Pátria’s controlling shareholder) and the consummation of the IPO, Blackstone is deemed to no longer have significant influence over Pátria due to its decreased ownership and lack of board representation.

Other Blackstone Clients; Allocation of Investment Opportunities. Blackstone currently manages and will continue to manage, sponsor and close a variety of existing or future Other Blackstone Clients that have investment objectives and/or guidelines that overlap, in whole or in part, with those of the Funds to some extent, or pursue similar returns as a Fund but have a different investment strategy or objective. Investors should expect that in certain circumstances, not all of the investment opportunities suitable for the Funds will be presented to the Funds. Investment opportunities that might otherwise fall within the Funds’ investment objectives or strategy may be allocated to Other Blackstone Clients (in whole or in part). As a result, certain opportunities within the Funds’ mandate may be made by or shared with one or more of such vehicles or funds. It is expected that some activities of Blackstone, the Other Blackstone Clients and their Portfolio Entities will compete with the Funds and their Portfolio Entities for one or more investment opportunities that are consistent with the Funds’ investment objectives, and as a result such investment opportunities may only be available on a

limited basis, or not at all, to the Funds. Moreover, under certain circumstances, investment opportunities sourced and/or identified by the Fund and that fall within the Fund's investment strategy and objective may be allocated in whole or in part to Portfolio Entities, Other Blackstone Clients or portfolio entities of Other Blackstone Clients, or Blackstone. Blackstone may also from time to time make and hold investments of various types with or in lieu of Other Blackstone Clients, although such investments would be limited or restricted by the Organizational Documents or the agreements for Other Blackstone Clients. The allocation of investments to Other Blackstone Clients, including as described below, can be expected to result in fewer co-investment opportunities (or reduced allocations) being made available to the investors in the Funds. To the extent Blackstone does make or hold such investments, many of the conflicts of interest associated with the activities of Other Blackstone Clients also apply to such investment activities of Blackstone.

The Sponsor and Blackstone have conflicting loyalties in determining whether an investment opportunity should be allocated to itself, the Funds or an Other Blackstone Client, and these conflicts may not necessarily be resolved in favor of the Funds. Blackstone has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

In circumstances in which any Other Blackstone Clients have investment objectives or guidelines that overlap with those of the Funds, in whole or in part, Blackstone generally determines the relative allocation of investment opportunities between or among the Funds and/or such Other Blackstone Clients on a fair and reasonable basis in good faith according to guidelines and factors determined by it. However, the application of those guidelines and factors may result in the Funds not participating, or not participating to the same extent, in investment opportunities in which they would have otherwise participated, or participated to a greater extent, had the related allocations been determined without regard to such guidelines. Among the factors that the Advisor considers in making investment allocations among the Funds and Other Blackstone Clients are the following: (i) any applicable investment strategies, investment mandates, objectives, focus, parameters, guidelines, investor preferences, limitations, guidelines and other contractual provisions, obligations and terms relating to the Funds and such Other Blackstone Clients and the duration of their respective investment periods and holding periods, (ii) available capital of the Funds and such Other Blackstone Clients, (iii) legal, tax, regulatory accounting and other considerations deemed relevant by the Advisor, (iv) primary and permitted investment strategies, guidelines, liquidity positions and requirements, mandates, focus and objectives of the Funds and the Other Blackstone Clients, including, without limitation, with respect to Other Blackstone Clients that expect to invest in or alongside other funds or across asset classes based on expected return, (v) sourcing of the investment, (vi) the sector and geography/location of the investment, (vii) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment, (viii) expected investment return, (ix) risk/return profile of the investment, (x) expected leverage on the investment, (xi) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (xii) capital expenditure required as part of the investment, (xiii) portfolio diversification and concentration

concerns (including, but not limited to, whether a particular fund already has its desired exposure to the investment, sector, industry, geographic region or markets in question), (xiv) relation to existing investments in a fund, if applicable (e.g., “follow-on” to existing investment, joint venture or other partner to existing investment, or same security as existing investment), (xv) avoiding allocation that could result in de minimis or odd lot investments, (xvi) anticipated tax treatment of the investment, (xvii) extent of involvement of the respective teams of investment professionals dedicated to the Funds when compared to the Other Blackstone Clients and (xviii) other considerations deemed relevant by the Advisor in good faith.

Investment opportunities that the Advisor makes a good faith determination are not expected to yield the Funds’ targeted return profile or are otherwise inappropriate for a Fund given considerations described in the Organizational Documents or as otherwise determined by the Advisor, will generally not be allocated to a Fund.

The Advisor makes good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate and such determinations require it to make subjective judgment regarding application of the guidelines and arrangements described herein. Information unavailable to the Advisor, or circumstances not foreseen by the Advisor at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment that the Advisor expects to be consistent with a Fund’s return objectives will, in certain circumstances, fail to achieve or exceed them. Any such judgments and application involves inherent conflicts and risks that assumptions regarding investment opportunities may not ultimately prove correct. As such, there can be no assurance that the subjective judgments made by Blackstone and/or the Sponsor will prove correct in hindsight.

To the extent a Fund jointly holds securities with any Other Blackstone Client that has a different expected duration or liquidity terms, conflicts of interest will arise between such Fund and such Other Blackstone Client with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, such Fund may recuse itself from participating in any decisions relating or with respect to the investment by such Fund or the Other Blackstone Client. If the Other Blackstone Client maintains voting rights with respect to the securities it holds, or if the Fund does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to the Fund and such Other Blackstone Clients, which may adversely impact such Fund. (See also “Other Blackstone Clients; Allocation of Investment Opportunities” herein.) Even if a Fund and such Other Blackstone Clients and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for a Fund and/or such Other Blackstone Clients and vehicles may not be the same. Additionally, a Fund and/or such Other Blackstone Clients and/or vehicles will generally have different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities. As such, a Fund and/or such Other Blackstone Clients may dispose of

any such shared investment (or choose whether to invest in related investments (such as follow-on investments)) at different times and on different terms.

In addition, in certain circumstances certain other investment vehicles will receive allocations of investments that are otherwise appropriate for a Fund (including Other Blackstone Clients), which will from time to time result in a Fund not participating (or participating to a lesser extent) in certain investment opportunities otherwise within its mandate. Under certain circumstances, Blackstone can be expected to determine not to pursue some or all of an investment opportunity within the Funds' mandates, including without limitation, as a result of business, reputational or other reasons applicable to the Funds, Other Blackstone Clients, their respective Portfolio Entities or Blackstone. In addition, the Advisor will, in certain circumstances, determine that the Funds should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because the Funds have insufficient capital to pursue the investment. The Funds have already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Advisor in its sole discretion, or the investment is not appropriate for the Funds for other reasons as determined by the Advisor in its sole discretion. In any such case Blackstone could, thereafter, offer such opportunity to other parties, including Other Blackstone Clients or Portfolio Entities or investors in the Funds or Other Blackstone Clients, joint venture partners, related parties or third parties, and such parties may pursue the opportunity.

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

Any such Other Blackstone Clients may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than the Advisor believes to be the case. In any event, there can be no assurance that the Advisor's assessment will prove correct or that the performance of any investments actually pursued by the Funds will be comparable to any investment opportunities that are not pursued by the Funds. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the investment, including an allocation of carried interest or referral fees, and any such compensation could be greater than amounts paid by the Funds to the Advisor. In some cases, Blackstone earns greater fees when Other Blackstone Clients participate alongside or instead of the Funds in an investment.

When the Advisor determines not to pursue some or all of an investment opportunity for the Funds that would otherwise be within the Funds' objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Clients, Blackstone, including its personnel (including life sciences personnel), can be expected to receive compensation from the Other Blackstone Clients, whether or not in respect of a particular investment, including an allocation of carried interest, referral fees or revenue share, and any such compensation could be greater than amounts paid by the Funds to the Advisor. As a result, the Advisor (including life sciences personnel who receive such compensation) is incentivized to allocate investment opportunities away from the Funds to or source investment opportunities for Other Blackstone Clients, which could result in fewer opportunities (or reduced allocations) being made available to the Funds or to the investors in the Funds as co-investment. In addition, in some cases Blackstone can be expected to earn greater fees when Other Blackstone Clients participate alongside or instead of the Funds in an investment.

The Advisor makes good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate and such determinations require it to make subjective judgments regarding application of the guidelines and arrangements described herein. Information unavailable to the Advisor, or circumstances not foreseen by the Advisor at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Advisor determines to be consistent with the return objectives of a lower return fund rather than the Funds may not match the Advisor's expectations and underwriting and generate an actual return that would have been appropriate for the Funds. Conversely, an investment that the Advisor expects to be consistent with the Funds' return objectives will, in certain circumstances, fail to achieve or exceed them. Any such judgments and application involves inherent conflicts and risks that assumptions regarding investment opportunities may not ultimately prove correct. As such, there can be no assurance that the subjective judgments made by Blackstone will prove correct in hindsight.

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

Clarus IV (as defined herein) has invested alongside a BXLS Fund and the Funds may continue to invest alongside Other Blackstone Clients (including other vehicles in which Blackstone or its personnel invest) in investments that are suitable for one or more of the Funds and such Other Blackstone Clients. To the extent a Fund jointly holds securities with any Other Blackstone

Client that has a different expected duration or liquidity terms, conflicts of interest will arise between such Fund and such Other Blackstone Client with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, such Fund may recuse itself from participating in any decisions relating or with respect to the investment by such Fund or the Other Blackstone Client. If the Other Blackstone Client maintains voting rights with respect to the securities it holds, or if such Fund does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to such Fund and such Other Blackstone Clients, which may adversely impact such Fund. (See also “—Other Blackstone Clients; Allocation of Investment Opportunities” herein.) Even if the Funds or any such Other Blackstone Clients and/or co-investment or other vehicles invest in the same investments, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Funds and/or such Other Blackstone Clients and vehicles may not be the same. Additionally, the Funds and/or such Other Blackstone Clients and/or vehicles will generally have different expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities (including follow-on investments related to earlier investments made by the Funds and Other Blackstone Clients). Such Other Blackstone Clients may also have certain governance rights for legal, regulatory or other reasons that the Funds will not have). As such, the Funds and/or such Other Blackstone Clients may dispose of any such shared investment (or choose whether to invest in related investments (such as follow-on investments)) at different times and on different terms.

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

Blackstone has also entered into an investment management arrangement whereby it provides investment management services for compensation to FGL Holdings (“FGL”), which was formerly known as Fidelity & Guaranty Life Insurance Company and was acquired by Fidelity National Financial, Inc., and, as announced in January 2021 and subject to applicable regulatory approvals, Blackstone expects to enter into a similar arrangement with Allstate Life Insurance Company and certain of its affiliates (including any successors, “ALIC”). As of the date hereof, FGL is, and ALIC is expected to be, a Portfolio Entity of certain Funds or one or more Other Blackstone Clients, which involve investments across a variety of asset classes (including investments that may otherwise be appropriate for the Funds), and in the future Blackstone will likely enter into similar arrangements with other Portfolio Entities of the Funds, Other Blackstone Clients or insurance companies. Such arrangements may reduce the allocations of investments to the Funds, and Blackstone may be incentivized to allocate investments away from the Funds to the counterparties to such investment management arrangements or other

vehicles/accounts to the extent the economic arrangements related thereto are more favorable to Blackstone relative to the terms of the Funds.

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

Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally. A Fund can be expected to hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by Other Blackstone Clients (and in certain circumstances the Advisor will be unaware of an Other Blackstone Client's participation, as a result of information walls or otherwise). In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, such Fund may recuse itself from participating in any decisions relating or with respect to such investment by such Fund or the applicable investments by such Other Blackstone Clients, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the actions described below that Blackstone may take to mitigate the conflict, Blackstone will, in certain circumstances, be required to take action when it will have conflicting loyalties between its duties to such Fund and such Other Blackstone Clients, which will, in certain circumstances, adversely impact such Fund. If such Fund recuses itself from decision-making, they will generally rely upon a third party to make decisions, and the third party could have

conflicts or otherwise make decisions that Blackstone would not have made. Except to the extent expressly subject to the Management Fee offset provisions in the Organizational Documents, the investors in the Funds will in no way receive any benefit from fees paid to the Blackstone or its affiliates from a Portfolio Entity in which any Other Blackstone Client also has an interest (including, for greater certainty, any fees received by Blackstone as a result of the provision of services by such affiliates).

In addition, the Funds may invest in products developed by companies in which Other Blackstone Clients hold equity or debt securities. In such circumstances, conflicts could arise as the Funds and the Other Blackstone Client could have competing interests regarding the nature and terms of such transaction or if the product fails its clinical trial or is otherwise commercially unsuccessful or the company experiences financial distress.

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

Debt financing to the Funds and their Portfolio Entities is expected to be provided, from time to time, by investors in the Funds, Other Blackstone Clients (such as the Blackstone Credit Funds, BREDS Funds and BXMT Funds), and investors therein, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Clients and their Portfolio Entities, as well as by Blackstone itself in accordance with the terms of the Organizational Documents. Blackstone could have incentives to cause the Funds and their Portfolio Entities to accept less favorable financing terms from an investor in a Fund, Other Blackstone Clients, their Portfolio Entities, Blackstone itself, 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. The Funds or a Portfolio Entity could also occupy a different position in the capital structure than an investor in a Fund, Other Blackstone Client, their Portfolio Entities and other parties with material relationships with Blackstone, in which case Blackstone could have an incentive to cause the Funds or Portfolio Entity to offer more favorable terms to such parties. In the case of a related party financing between the Funds or their Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Clients or their Portfolio Entities, on the other hand, the Advisor could, but is not obligated to, rely on a third

party agent to confirm the terms offered by the counterparty are consistent with market terms, or the Advisor could instead rely on its own internal analysis, which the Advisor believes is often superior to third party analysis given Blackstone's scale in the market. If however any of Blackstone, a Fund, an Other Blackstone Client or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a joint venture partner, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Blackstone-related vehicle impacts the market terms. For example, in the case of a loan extended to the Funds or a Portfolio Entity by a financing syndicate in which an Other Blackstone Client has agreed to participate on terms negotiated by a third party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if such Other Blackstone Client had not participated; it is also possible that the frequent participation of Other Blackstone Clients in such syndicates could dampen interest among other potential financing providers, thereby lowering demand to participate in the syndicate and increasing the financing costs to the Funds. The Advisor does not believe either of these effects is significant, but no assurance can be given to investors in the Funds that these effects will not be significant in any circumstance. The Advisor will not be required to obtain any consent or seek any approvals from investors in the Funds or the applicable Investor Committee in the case of any of these conflicts.

Blackstone could cause actions adverse to a Fund to be taken for the benefit of Other Blackstone Clients or other Funds that have made an investment more senior in the capital structure of a Portfolio Entity than such Fund (e.g., provide financing to a Portfolio Entity, the equity of which is owned by such Fund) and, *vice versa*, actions will, in certain circumstances, be taken for the benefit of such Fund and its Portfolio Entities that are adverse to Other Blackstone Clients or other 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 such Fund or relevant Other Blackstone Client or other Funds (or their respective Portfolio Entities, as the case may be) by, for example, causing such Other Blackstone Client to decline to exercise certain control- and/or foreclosure-related rights with respect to a Portfolio Entity by agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to both normal course ongoing matters (such as consent rights with respect to loan modifications in intercreditor agreements) and also decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing such Fund or relevant Other Blackstone Client or other Funds (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 such Fund or relevant Other Blackstone Client or other Funds (or their respective Portfolio Entities, as the case may be), or (iv) create groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise one of the clients that has a conflicting position with other clients. As an example, to the extent an Other Blackstone Client holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by the Funds or their Portfolio Entities, Blackstone

may decline to exercise, or delegate to a third party, certain control, foreclosure and other similar governance rights of the Other Blackstone Client. In these cases, Blackstone would generally act on behalf of one of its clients, though the other client would generally retain certain control rights, such as the right to consent to certain actions taken by the trustee or administrative or other agent of the investment, including a release, waiver, forgiveness or reduction of any claim for principal or interest; extension of maturity date or due date of any payment of any principal or interest; release or substitution of any material collateral; release, waiver, termination or modification of any material provision of any guaranty or indemnity; subordination of any lien; and release, waiver or permission with respect to any covenants.

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

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

Although Other Blackstone Clients can be expected to provide financing to the Funds and their Portfolio Entities, there can be no assurance that any Other Blackstone Client will indeed provide any such financing with respect to any particular investment of the Funds. Participation by Other Blackstone Clients in some but not all financings of the Funds and their Portfolio

Entities may adversely impact the ability of the Funds and their Portfolio Entities to obtain financing from third parties when Other Blackstone Clients do not participate, as it may serve as a negative signal to market participants.

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

Conflicting Fiduciary Duties to Debt Funds. Other Blackstone Clients include funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments, including any of the investment funds or vehicles sponsored or managed by Blackstone Credit, an affiliate of Blackstone. As discussed above, it is expected that these Other Blackstone Clients or investors therein will be offered the opportunity to provide financing to the Funds with respect to investments made by the Funds and their Portfolio Entities. Blackstone owes a fiduciary duty to these Other Blackstone Clients and investors therein as well as to the Funds and will encounter conflicts in the exercise of these duties. For example, if an Other Blackstone Client purchases high-yield securities or other debt instruments of a Portfolio Entity of a Fund, or otherwise occupies a senior (or other different) position in the capital structure of an investment relative to a Fund, Blackstone will encounter conflicts in providing advice to such Fund and to these Other Blackstone Clients with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, among other matters. For example, in a bankruptcy proceeding, in circumstances where a Fund holds an equity investment in a Portfolio Entity, the holders of such Portfolio Entity’s debt instruments (which may include one or more Other Blackstone Clients) may take actions for their benefit (particularly in circumstances where such Portfolio Entity faces financial difficulties or distress) that subordinate or adversely impact the value of such Fund’s investment in such Portfolio Entity. In addition, a Fund could hold an investment that is senior in the capital structure, such as a debt instrument, to an Other Blackstone Client.

Similarly, certain Other Blackstone Clients can be expected to invest in securities of publicly traded companies that are actual or potential investments of the Funds or their Portfolio Entities or have partnered with or are counterparties to the Sponsor in an investment (including, without limitation, a royalty investment or growth investment). The trading activities of Other Blackstone Clients may differ from or be inconsistent with activities that are undertaken for the account of a Fund or its Portfolio Entities in any such securities. In addition, a Fund may not pursue an investment in a Portfolio Entity otherwise within the investment mandates of such Fund as a result of such trading activities by Other Blackstone Clients.

Joint Investments. The Funds will enter into joint investments with Other Blackstone Clients and may do so where such funds have certain governance rights for legal, regulatory or other

reasons. Any such Other Blackstone Client may sell any such investment to any person at any time and the Fund may or may not participate with such Other Blackstone Client in such sale.

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

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

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

Co-Investment Opportunities. The Funds will allocate co-investment opportunities to investors in the Funds, the Other Blackstone Clients and their investors, Blackstone affiliates and other

parties with whom Blackstone has a material relationship. The Organizational Documents of certain of the Funds provide that certain investors in such Funds with commitments to the Funds above a specified amount will receive priority access to their *pro rata* share of co-investment opportunities presented to other investors in the Funds or third parties. Other than with respect to this priority right, the allocation of co-investment opportunities is entirely and solely in the discretion of Blackstone and/or the Advisor, and it is expected that many investors who will, in certain circumstances, have expressed an interest in co-investment opportunities (including investors in the Funds) will not be allocated any co-investment opportunities or will, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested. Furthermore, co-investment offered by the Sponsor will be on such terms and conditions (including with respect to management fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as the Sponsor determines to be appropriate in its sole discretion on a case-by-case basis, which can be expected to differ amongst co-investors with respect to the same co-investment. In addition, the performance of Other Blackstone Clients co-investing with a Fund is not considered for purposes of calculating the carried interest payable by such Fund to the applicable General Partner. Furthermore, the Funds and co-investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold period. The Sponsor, as a result of the foregoing, will have conflicting incentives in making decisions with respect to such opportunities. Even if the Funds and any such parties invest in the same 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 investors in the Funds or investors of Other Blackstone Clients) or supplemental capital vehicles, and, except that certain investors in certain of the Funds may have a priority right to participate in co-investment opportunities pursuant to the Organizational Documents of the applicable Fund, there is no guarantee that any investor in any Fund will be offered any particular co-investment opportunity. Blackstone and/or the Advisor will take into account various facts and circumstances deemed relevant by Blackstone and/or the Advisor in allocating co-investment opportunities, including, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, Blackstone's and/or the Advisor'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 number of investors that can realistically participate in the transaction) and Blackstone's and/or the Advisor's assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required timeframe of the particular transaction. Additional considerations can be expected to also include, among others and without limitation, the size of a potential co-investor's commitments to the Funds, Other Blackstone Clients and strategic third party investors; whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone; the size of the potential co-investor's interest to be held

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

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

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

expected to relate to allocations of co-investment opportunities. While it is possible that the Funds will, along with Blackstone itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Funds would instead be referred (in whole or in part) to such third party.

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

combined purchase price paid to a seller would be allocated among the multiple assets, properties, securities or instruments based on a determination by the seller, by a third party valuation firm and/or by the Advisor and its affiliates. Additionally, it can be expected that Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral, sourcing or sharing of investment opportunities. Blackstone will, in certain circumstances, pay management fees and performance-based compensation in connection with such arrangements. Blackstone will, in certain circumstances, also provide for or receive reimbursement of certain expenses incurred or received in connection with these arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. The amount of such reimbursements can be expected to relate to allocations of co-investment opportunities and increase if certain co-investment allocations are not made. While it is possible that the Funds will, along with Blackstone itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Funds would instead be referred (in whole or in part) to such third party, either as a contractual obligation or otherwise, resulting in fewer opportunities (or reduced allocations) being made available to the Funds and/or investors in the Funds.

Liability Arising From Transactions Entered into Alongside Other Blackstone Clients. Because of the opportunistic and flexible nature of the Funds' investment strategies, the Funds will also coinvest from time to time with one or more Other Blackstone Clients (including co-investment or other vehicles in which Blackstone or its personnel invest and that co-invest with such Other Blackstone Clients) in investments that are suitable for both the Funds and such Other Blackstone Clients. Participating in investments alongside a Fund and Other Blackstone Clients will subject such Fund to a number of risks and conflicts (and in certain circumstances the Advisor will be unaware of an Other Blackstone Client's participation, as a result of information walls or otherwise). For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for a Fund and Other Blackstone Clients may not be the same. Additionally, the Funds and such Other Blackstone Clients will generally have different investment periods or expiration dates and/or investment objectives (including return profiles) and Blackstone, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities and such differences may also impact the allocation of investment opportunities (including follow-on investments related to earlier investments made by a Fund and Other Blackstone Clients). Such Other Blackstone Clients may also have certain governance rights for legal, regulatory or other reasons that the Fund will not have. As such, a Fund and/or such Other Blackstone Clients may dispose of any such shared investment at different times and on different terms. At times, a transaction counterparty will, in certain circumstances, require facing only one fund entity, which can be expected to result in (i) if a Fund is a direct counterparty to a transaction, such Fund being solely liable with respect to its own share as well as other Funds' and Other Blackstone Clients' shares of any applicable obligations, or (ii) if a

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

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

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

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

The Advisor does not have any obligation to ensure that fees for products and services contracted by the Funds or their Portfolio Entities are at market rates unless the counterparty is

considered an “Affiliate” of the Sponsor, as determined in accordance with the applicable Organizational Documents, and given the breadth of Blackstone’s investments and activities the Advisor may not be aware of every commercial arrangement between the Funds and their Portfolio Entities, on the one hand, and Blackstone, other Funds, Other Blackstone Clients and their Portfolio Entities, and personnel and related parties of the foregoing, on the other hand.

The Management Fees paid by the Funds and investors in the Funds will generally be offset by the amount of certain fees, including directors’ fees, commitment fees, break-up fees, monitoring fees and success fees, or other remuneration paid by the Funds to the Advisor and its affiliates (but excluding any fees or remuneration paid to any “venture partner”, “entrepreneur in residence” or other similar employee, or consultant to, the Advisor or its affiliates, or with respect to any of the foregoing persons plus executives and officers and/or any Development Company) net of expenses; however, the Funds and investors in the Funds will otherwise not receive the benefit (*e.g.*, through an offset to the Management Fee or otherwise) of any fees or other compensation or benefit received by the Advisor, its affiliates or their personnel and related parties (see also “—Service Providers, Vendors and Other Counterparties Generally” and “—Other Blackstone Business Activities” herein). The Advisor and its affiliates and their personnel and related parties will receive fees attributable to Other Blackstone Clients (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 Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of the Management Fees payable by investors in the Funds or otherwise be shared with the Funds, their Portfolio Entities or the investors in the Funds, even if (i) such Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) provide for lower or no management fees for the investors or participants therein (ii) such fees result in an offset to management fees or carried interest payable by any of such Other Blackstone Clients (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties). As noted in “Co-Investment Opportunities” herein, this creates an incentive for the Sponsor and/or Blackstone to offer co-investment opportunities and can be expected to result in other fees being received more frequently (or exclusively) with investments that involve co-investment.

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

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

Outsourcing. The Advisor is expected to outsource to third parties many of the services performed for the Funds and/or their Portfolio Entities, including services (such as administrative, legal, accounting, tax or other related services) that can be or historically have been performed in-house by the Advisor and its personnel. The fees, costs and expenses of such third party service providers will be borne by the Funds as partnership expenses, even if the Advisor would have borne such amounts if such services had been performed in-house.

Determining whether to engage a third party service provider and the terms (including economic terms) of any such engagement will be determined by the Advisor in its discretion, taking into account such factors as it deems relevant under the circumstances. Certain third party service providers and/or their employees will dedicate substantially all of their business time to the Funds, Other Blackstone Clients and/or their respective Portfolio Entities, while others will have other clients. In certain cases, third party service providers and/or their employees may spend a significant amount of time at Blackstone offices, have dedicated office space at Blackstone, receive administrative support from Blackstone personnel or participate in meetings and events for Blackstone personnel, even though they are not Blackstone employees or affiliates. The Advisor will have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne by the Funds as partnership expenses (with no reduction or offset to Management Fees) and retaining third parties will reduce the Advisor's internal overhead and compensation costs for employees who would otherwise perform such services in-house. The involvement of third party service providers may present a number of risks due to, among other factors, the Advisor's reduced control over the functions that are outsourced. There can be no assurances that the Advisor will be able to identify, prevent or mitigate the risks of engaging third party service providers. The Funds may suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them.

Outsourcing may not occur uniformly for all Blackstone managed vehicles and accounts and, accordingly, certain costs may be incurred by (or allocated to) the Funds through the use of third party service providers that are not incurred by (or allocated to) Other Blackstone Clients.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of Blackstone and potentially by virtue of their activities outside of Blackstone, certain employees of Blackstone may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a

transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Data Management Services. Blackstone or an affiliate of Blackstone formed in the future will provide data management services to Portfolio Entities, to investors in the Funds and in Other Blackstone Clients, and to the Funds and Other Blackstone Clients (collectively, “Data Holders”). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to the limitations in the Organizational Documents and any other applicable contractual limitations, with the Funds, Other Blackstone Clients, Portfolio Entities, investors in the Funds and in Other Blackstone Clients and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Clients make investments, and Portfolio Entities thereof). If Blackstone enters into data services arrangements with Portfolio Entities and receives compensation from such Portfolio Entities for such data services, each Fund will indirectly bear its share of such compensation based on their pro rata ownership of such Portfolio Entities and such compensation would offset or reduce the management fee payable by the Funds or investors in the Funds or otherwise be shared with the Funds. 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)). Additionally, Blackstone may determine to share the products from such Data Management Services within Blackstone or its affiliates (including the Funds, Other Blackstone Clients 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. (See also “Data” herein.)

Securities and Lending Activities. Blackstone, its affiliates and their related parties and personnel participate in underwriting and lending syndicates and otherwise act as arrangers of financing, including with respect to the public offering and private placement of debt or equity securities issued by, and loan proceeds borrowed by, the Funds and their Portfolio Entities or advising on such transactions. Underwritings and financings can be on a firm commitment basis or on an uncommitted, or “best efforts,” basis, and the underwriting or financing parties are under no duty to provide any commitment unless specifically set forth in the relevant contract.

Blackstone can also be expected to provide, either alone or alongside third parties performing similar services, placement or other similar services to purchasers or sellers of securities, including loans or instruments issued by Portfolio Entities and Other Blackstone Clients. A Blackstone broker-dealer will from time to time act as the managing underwriter, a member of the underwriting syndicate or broker for the Funds or their Portfolio Entities, or as dealer, broker or advisor to a counterparty to the Funds or a Portfolio Entity, and purchase securities from or sell securities to the Funds, Other Blackstone Clients or Portfolio Entities of the Funds and Other Blackstone Clients, or advise on such transactions. Blackstone will also from time to time, on behalf of the Funds or their Portfolio Entities, or other parties to a transaction involving the Funds or their Portfolio Entities, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by the Funds or their Portfolio Entities or the counterparty to the transaction, thereby creating a potential conflict of interest. This could include, by way of example, fees and/or commissions for equity syndications to co-investment vehicles. Subject to applicable law, Blackstone will from time to time receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing fees, capital markets, advisory fees, lending arrangement fees, asset/property management fees, insurance (including title insurance) fees and consulting fees, monitoring fees, commitment fees, syndication fees, origination fees, organizational fees, operational fees, loan servicing fees, and financing and divestment fees (or, in each case, rebates in lieu of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone, the Funds, an Other Blackstone Client or their Portfolio Entities are purchasing debt) or other compensation with respect to the foregoing activities; however, the Management Fee with respect to an investor in a Fund generally will be reduced by such amounts. The Advisor has sole discretion to approve the foregoing arrangements if the Advisor believes in good faith that such transactions are appropriate for the Funds.

Sales of securities for the account of the Funds and their Portfolio Entities will from time to time be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Clients. It could be impossible, as determined by the Advisor in its sole discretion, to receive the same price or execution on the entire volume of securities sold, and the various prices will, in certain circumstances, therefore be averaged which may be disadvantageous to the Funds.

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

Blackstone employees, including employees of the Advisor, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles,

including potential competitors of the Funds. The limited partners will not receive any benefit from any such investments.

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

Portfolio Entity Relationships Generally. Blackstone, Portfolio Entities of the Funds, including special purpose vehicle Portfolio Entities that may be formed in connection with investments, the Development Companies and Other Blackstone Clients are and will be counterparties or participants in agreements, transactions and other arrangements with the Funds, Other Blackstone Clients, and/or Portfolio Entities of the Funds and Other Blackstone Clients or other Blackstone affiliates for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or other benefits to Blackstone, a Blackstone affiliate and/or a Portfolio Entity, none of which will result in any offset to the Management Fees or otherwise be shared with the Funds or any Fund investors because Portfolio Entities are generally not considered to be affiliates of the Advisor, the Funds or Blackstone under the Organizational Documents of the Funds, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by the Advisor. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds and/or such Other Blackstone Client or the consent of the applicable Investor Committee and investors in the Funds or such Other Blackstone Client (including, without limitation, in the case of minority investments by the Funds in such Portfolio Entities or the sale of assets from one Portfolio Entity to another). This is because, among other considerations, Portfolio Entities of the Funds and Portfolio Entities of Other Blackstone Clients are not considered affiliates of the Blackstone, the Funds or the Advisor under the Organizational Documents and therefore are not covered by affiliate transaction restrictions included in the Organizational Documents, such as the requirement to obtain consent from an

Investor Committee in certain circumstances. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to the Funds as otherwise would be the case if the counterparty were not related to Blackstone.

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

In addition, Portfolio Entities, Blackstone and affiliates of Blackstone may also establish other investment products, vehicles and platforms focusing on specific asset classes or industry sectors that fall within a Fund's investment strategy, which may compete with the Fund for investment opportunities (it being understood that such arrangements may give rise to conflicts of interest that may not necessarily be resolved in favor of the Funds).

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

Portfolio Entity Service Providers and Vendors. The Funds, the Development Companies, Other Blackstone Clients, Portfolio Entities of each of the foregoing and Blackstone can be expected to engage Portfolio Entities of the Funds and Other Blackstone Clients to provide corporate support services (including, without limitation, accounts payable, accounts receivable, accounting/audit (including valuation support services), account management, insurance procurement, placement, brokerage and consulting services, cash management, corporate secretarial services, domiciliation, data management, directorship services, finance/budget, human resources, information technology/systems support, internal compliance, know-your-client reviews and refreshes, judicial processes, legal, operational coordination (*i.e.*, coordination with JV partners, property managers), risk management, reporting tax, tax analysis and compliance (*e.g.*, CIT and VAT compliance), transfer pricing and internal risk control, treasury and valuation services), and other services. Similarly, Blackstone, the Funds, Other

Blackstone Clients and their portfolio entities can be expected to engage Portfolio Entities of the Funds to provide some or all of these services. Some of the services performed by Portfolio Entity service providers could also be performed by the applicable General Partner or its affiliates from time to time and vice versa. Fees paid by a Fund or its Portfolio Entities or value created by other Portfolio Entity service providers or vendors do not offset or reduce the Management Fee payable by the investors in the Funds and are not otherwise shared with the Fund, unless otherwise required by the Organizational Documents. In addition, see “—Development Companies” herein.

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

The Funds and their Portfolio Entities will compensate one or more of these service providers and vendors owned by the Funds or Other Blackstone Clients, including through incentive based compensation payable to their management teams and other related parties. Some of these service providers and vendors owned by the Funds or Other Blackstone Clients will charge the Funds and their Portfolio Entities for goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates under “—Blackstone Affiliated Service Providers” herein applies equally in respect of the fees and expenses of the Portfolio Entity service providers, if charged at rates generally consistent with those available in the market.

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

that are not controlled by the Funds or Other Blackstone Clients will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. If benchmarking is performed, the related expenses will be borne by the Funds, Other Blackstone Clients and their respective Portfolio Entities and will not offset the Management Fee. A Portfolio Entity service provider will, in certain circumstances, subcontract certain of its responsibilities to other Portfolio Entities. In such circumstances, the relevant subcontractor could invoice the Portfolio Entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The Portfolio Entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above. Similarly, Other Blackstone Clients, their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of the Fund to provide services, and these Portfolio Entities will generally charge for services in the same manner described above, but the Fund and its 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 vehicles, such as the Funds and Other Blackstone Clients. In certain instances a similar company could be owned and controlled by Blackstone directly. Blackstone could cause a transfer of ownership of one of these service providers from the Funds to an Other Blackstone Client, or from an Other Blackstone Client to the Funds.

The transfer of a Portfolio Entity service provider between the Funds, other Funds and/or Other Blackstone Clients (where a Fund may be a seller or a buyer in any such transfer) will generally be consummated for minimal or no consideration, and without obtaining any consent from the Investor Committee or the investors in the Funds. The Advisor may, but is not required to, obtain a third party valuation confirming the same, and if it does, the Advisor may rely on such valuation. Portfolio Entities of the Funds and Other Blackstone Clients are not considered “affiliates” of Blackstone, the Advisor or the Funds under the Organizational Documents and therefore are not covered by affiliate transaction restrictions included in the Organizational Documents, such as the requirement to obtain consent from the Investor Committees in certain circumstances.

Service Providers, Vendors and Other Counterparties Generally. Certain third party advisors and other service providers and vendors to the Funds and their Portfolio Entities (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms) are owned by Blackstone, the Funds or Other Blackstone Clients or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Funds, the Other Blackstone Clients (including co-investment vehicles, where applicable) and their respective Portfolio Entities and affiliates and personnel of the foregoing. Such advisors and service providers referred to above may be investors in the Funds or Other Blackstone Clients, affiliates of the General Partners, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone, the Funds and/or Other Blackstone Clients have an investment, and

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

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those available to the Funds and their Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discounted rate, such that if the Funds and their Portfolio Entities consummate a higher percentage of transactions with a particular law firm than Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities, the investors in the Funds could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, the Funds or Other Blackstone Clients and/or their Portfolio Entities. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by the Funds and

their Portfolio Entities are different from those used by Blackstone, Other Blackstone Clients and their Portfolio Entities, and their affiliates and personnel, the Funds and their Portfolio Entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, the Funds, the Other Blackstone Clients and their Portfolio Entities and affiliates can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including without limitation the volume of transactions entered into with such counterparty by the Sponsor, Blackstone, the Funds and their investments and/or Portfolio Entities.

Blackstone may, from time to time, encourage service providers to the Funds and their Portfolio Entities 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.

With respect to transactions or agreements with Portfolio Entities (including, for the avoidance of doubt, long-term incentive plans), at times if unrelated officers of a Portfolio Entity have not yet been appointed, Blackstone may negotiate and execute agreements between Blackstone and/or the Funds on the one hand, and the Portfolio Entity or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. 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.

Charitable and Political Contributions. The Advisor may, from time to time, require, cause or invite the Funds and/or a Portfolio Entity to make contributions to charitable initiatives, or other non-profit organizations that the Advisor believes could, directly or indirectly, enhance the value of the Funds' investments, assist in completing an acquisition of a Portfolio Entity or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Funds or their Portfolio Entities. Such contributions could be designed to benefit employees of a Portfolio Entity, the community in which a Portfolio Entity operates or a charitable cause essential to, or consistent with, the business purpose of a Portfolio Entity. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of Blackstone, portfolio entity management teams, advisors, operating partners, service providers, vendors, joint venture partners, and/or other persons or organizations associated with Blackstone, the Funds, Other Blackstone Clients or the Portfolio Entities. These relationships could influence the Advisor's decision whether to require, cause or invite a Fund or the Portfolio Entities to make charitable contributions. Further, from time to time, such charitable contributions by the Funds or the Portfolio Entities could supplement or replace charitable contributions that Blackstone would have otherwise made. Also, in certain instances, the Advisor may, from time to time,

select a service provider or other counterparty to the Funds or their investments based, in part, on the charitable initiatives of such person where the Advisor believes such charitable initiatives could, directly or indirectly, enhance the value of the Funds' investments or otherwise be beneficial to the Portfolio Entities.

A Portfolio Entity may, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in U.S. or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. The Portfolio Entities are not subject to relevant policies of the Advisor and such activities may be undertaken by a Portfolio Entity without the knowledge or direction of the Advisor. In other circumstances, there may be initiatives where such activities are coordinated by Blackstone for the benefit of one or more Portfolio Entities. In certain circumstances, interests of a Portfolio Entity may not align with or be adverse to the interests of other Portfolio Entities, the Funds, Other Blackstone Clients or the Fund investors. While the costs of such activities will typically be borne by the Portfolio Entity (and indirectly the Funds) undertaking such activities, such activities could also directly or indirectly benefit other Portfolio Entities, Other Blackstone Clients or Blackstone.

Any such charitable contributions or political contributions made by the Fund or the Portfolio Entities, if material, could affect the Funds' performance in respect of the relevant investment and will not offset Management Fees payable by the Funds. There can be no assurance that any such activities will actually be beneficial to or enhance the value of the Funds or the Portfolio Entities, or that the Advisor will be able to resolve any associated conflict of interest in favor of the Funds.

Blackstone Insurance Solutions. Blackstone Insurance Solutions ("BIS") 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, a Fund or Other Blackstone Clients, in whole or in part, such as FGL). Actual or potential conflicts of interest will likely arise in relation to the funds, vehicles or accounts BIS advises or sub-advises, including accounts where an insurer participates in investments directly and there is no separate vehicle controlled by Blackstone (collectively, "BIS Clients"). BIS Clients will engage in a variety of activities, including participating in transactions related to a Fund and/or its Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Under certain circumstances (e.g., where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client (or any Other Blackstone Clients participating via a similar arrangement) will not be an "Affiliate" under the Organizational Documents of a Fund, in which case any limitations or obligations pursuant to such Organizational Documents with respect to transactions with affiliates will not apply. BIS Clients have invested and are expected to continue investing in Other Blackstone Clients and the Funds. BIS Clients may have investment objectives that overlap with those of the Funds or their Portfolio Entities, and such BIS Clients may invest alongside the Funds or such Portfolio Entities in certain investments, which will reduce the investment opportunities otherwise available to the Funds or such Portfolio Entities. 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 “Conflicting Fiduciary Duties to Debt Funds” and “Investments in Which Other Blackstone Clients Have a Different Principal Investment Generally” herein). When investing alongside the Funds or their Portfolio Entities or in other transactions related to the Funds or their Portfolio Entities, BIS Clients may not invest or divest at the same time or on the same terms as the Funds or the applicable Portfolio Entities. BIS Clients will also from time to time acquire investments and Portfolio Entities directly or indirectly from the Funds, including one or more royalty streams, which may be securitized along with other royalty streams. In circumstances where the Advisor determines in good faith that the conflict of interest is mitigated in whole or in part through various measures that Blackstone or the Advisor implements, the Advisor is not required and does not intend to seek approval of any Investor Committee or the investors in the Funds. In order to seek to mitigate any potential conflicts of interest with respect to such transactions (or other transactions involving BIS Clients), Blackstone may, in its discretion, involve independent members of the board of a Portfolio Entity or a third party stakeholder in the transaction to negotiate price and terms on behalf of the BIS Clients or otherwise cause the BIS Clients to “follow the vote” thereof, and/or cause an independent client representative or other third party to approve the investment or otherwise represent the interests of one or more of the parties to the transaction. In addition, Blackstone or the Advisor may limit the percentage interest of the BIS Clients participating in such transaction, or obtain appropriate price quotes or other benchmarks, or, alternatively, a third party price opinion or other document to support the reasonableness of the price and terms of the transaction. BIS will also from time to time require the applicable BIS Clients participating in a transaction to consent thereto (including in circumstances where the Advisor does not seek the consent of an Investor Committee or the investors in the Funds). There can be no assurance that any such measures or other measures that may be implemented by Blackstone will be effective at mitigating any actual or potential conflicts of interest.

Transactions with Portfolio Entities. Blackstone and Portfolio Entities of the Funds and Other Blackstone Clients operate in multiple industries and provide products and services to or otherwise contract with the Funds and their Portfolio Entities, among others. In connection with any such investment, Blackstone, the Funds and Other Blackstone Clients and their respective Portfolio Entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to Portfolio Entities of the Funds or Other Blackstone Clients. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a Portfolio Entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, ongoing account services (e.g., interacting and coordinating with banks generally and with regard to their know your client requirements), risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services) to such portfolio entities that are referred to the joint venture or business by Blackstone. Such referrals may be made by Blackstone in an effort, in part, to increase the

customer base of such companies or businesses (and therefore the value of the investment held by the Funds or Other Blackstone Client) or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, participation in revenue share and/or milestones benefitting the referring or introducing party and/or to Blackstone or its affiliates in the case of a joint venture that are tied or related to participation by the Portfolio Entities of the Funds and/or of Other Blackstone Clients, accruing to the party making the introduction. Such joint venture or business could use data obtained from such portfolio entities (see “Data” and “Data Management Services” herein). The Funds and the investors in the Funds typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Clients and their Portfolio Entities as a result of the introduction of the Funds and their Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that the Funds or their Portfolio Entities share in some or all of any resulting financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where the Funds or one of their Portfolio Entities is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) may be similarly shared with the participating Other Blackstone Clients or their respective Portfolio Entities.

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

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

Asset Pooling. A Fund may pool certain or all investments with one or more other Funds or Other Blackstone Clients (any such pool, an “Asset Pool”), including for the purposes of obtaining leverage or other financing, or seeking a full or partial exit from one or more Investments including through securitization. In such circumstances an Asset Pool may be managed or controlled by the Advisor or any of its affiliates and securities or other interests in the Asset Pool will be owned by such Fund, other Funds and other affiliated funds. The consummation of any such transaction will generally not require the consent of such Fund’s Investor Committee unless required by the applicable Organizational Documents and will involve the exercise of the Advisor’s and its affiliates’ discretion with respect to a number of material matters, which may give rise to actual or potential conflicts. For example, in connection with such transactions, the Advisor will have broad discretion to determine whether and to what extent such a transaction constitutes a disposition of the contributed assets under the terms of the applicable Organizational Documents, to determine the proportionate interest of such Fund, the other Funds and the Other Blackstone Clients (as applicable) in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), which will require the Advisor and its affiliates to determine the relative value of assets contributed to the Asset Pool and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool, and to determine how interests in or proceeds from the Asset Pool are attributed to investors in the Funds or the Funds, each of which may have a material impact on Fund Investors’ returns in respect of such investments or the Funds more generally. In making these determinations the Advisor and its affiliates may, but are not required to, engage or seek the advice of any third party independent expert, however even if such advice was sought, valuing such assets and interests and, therefore, the value of a Fund’s interest in, or proceeds received from, any Asset Pool, will be subjective. A Fund will generally be exposed to the performance of all assets in an Asset Pool and those investments contributed to the Asset Pool by the other Funds or Other Blackstone Clients (as applicable) may not perform as well as those investments contributed by such Fund. Accordingly the returns of such Fund of in respect of investments contributed by it may be lower than if they had not been contributed to the Asset Pool. The receipt, use and recontribution by such Asset Pools of any such proceeds shall not be considered distributions received by, or contributions made by, a Fund or its investors for purposes of the applicable Organizational Documents (including, for example, that such proceeds would not reduce or increase, as the case may be, the unpaid capital commitment of the limited partners, will not be subject to the investment limitations applicable to such Fund’s investments, will not be subject to the carried interest waterfall, will not be subject to any preferred return and will not be subject to any requirements under the Organizational Documents with respect to the timing of distribution of proceeds) and may result in higher or lower reported returns than if such proceeds had otherwise been distributed (or deemed distributed) to the Funds or the investor.

Cross-Guarantees and Cross-Collateralization. In certain circumstances the Funds and their Portfolio Entities can be expected to enter into cross-collateralization or cross-guarantee or any similar arrangements (including with respect to Asset Pools) with Other Blackstone Clients (including co-investment vehicles) and their Portfolio Entities, particularly in circumstances in which better financing terms are available through such arrangements. Also, it is expected that

cross-collateralization will generally occur at Portfolio Entities rather than the Funds for obligations that are not recourse to the Funds except in limited circumstances such as “bad boy” events. Any cross-collateralization arrangements with Other Blackstone Clients could result in the Funds losing their interests in otherwise performing investments of the Funds due to poorly performing or non-performing investments or other assets of other Funds or of Other Blackstone Clients in the collateral pool, or such persons otherwise defaulting on their obligations under the terms of such arrangements (and for the avoidance of doubt, the Funds’ obligations under such cross-collateralization arrangements are expected to apply to investments in which the Funds have not participated). The Fund investors may also be required to fund capital contributions to cover the Funds’ obligations under such a default. A Fund can, in certain circumstances, be exposed to risks associated with borrowings or other indebtedness of other Funds and/or Other Blackstone Clients when such other entities are not in turn exposed to risks associated with such Fund’s borrowing for a similar purpose if, for example, the such other entities or the partners thereof are excused from cross-collateralizing certain partnership expenses, management fees or other obligations of such Fund and other Funds. Through cross-collateralization, such other Funds may nevertheless be indirectly exposed to risks associated with leverage on fees, expenses and/or other obligations of the Fund. (See also “—Liability Arising From Transactions Entered into Alongside Other Blackstone Clients” and “Asset Pooling” herein.)

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

Joint Venture Partners. The Funds have and will from time to time enter into one or more joint venture arrangements with third party joint venture partners, including biopharmaceutical and medical device companies. Investments of the Funds made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as determined by the Advisor in its sole discretion. The joint venture partners could provide services similar to those provided by the Advisor or Development Companies to the Funds. Yet, no compensation or fees paid to the joint venture partners would reduce or offset Management Fees or carried interest payable to the Advisor to the extent such joint venture partners are not considered affiliates of the Advisor under the Funds’ Organizational

Documents. Additional conflicts would arise if a joint venture partner is related to Blackstone in any way, such as a limited partner investor in, lender to, a shareholder of, or a service provider to Blackstone, the Funds, Other Blackstone Clients, or their respective Portfolio Entities, or any affiliate, personnel, officer or agent of any of the foregoing. See also “—Development Companies” herein.

Valuation Matters. The fair value of all investments (including any asset received in exchange for any investments or interests in the Funds, as applicable) will ultimately be determined by the Advisor in accordance with the Organizational Documents and the Funds’ valuation policy and procedures. It will, in certain circumstances, be the case that the carrying value of an investment may not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value from time to time and the ultimate sales price could be material. The valuation methodologies used to value any investment will involve subjective judgments and projections and will, in certain circumstances, not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. For example, the Sponsor could believe that capitalization rates will be lower upon a sale of an investment than they ultimately are, or that interest rates will decline during the hold period of an investment thereby creating attractive value even though rates do not decline. Valuation methodologies may permit reliance on a prior period valuation of particular investments. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone’s and the Sponsor’s control.

The valuation of investments will affect the amount and timing of the Advisor’s performance-based compensation and, under certain circumstances, the amount of Management Fees and servicing fees (if any) payable to the Advisor. The valuation of investments of Other Blackstone Clients will, in certain circumstances, affect the decision of potential investors to subscribe for interests in a Fund. Similarly, the valuation of investments of a Fund will, in certain circumstances, affect the ability of Blackstone to form and attract capital to Other Blackstone Clients. As a result, there may be circumstances in which Blackstone is incentivized to defer realization of Investments, make more speculative Investments, seek to deploy the capital commitments in Investments at an accelerated pace, hold investments longer and/or determine valuations that are higher than the actual fair value of investments, which generally remains in the sole discretion of Blackstone. There will be no retroactive adjustment in the valuation of any Investment or the carried interest distributions or Management Fees paid to the Advisor to the extent any valuation proves to not accurately reflect the realizable value of an Investment in a Fund.

Diverse Investor Group. The investors in the Funds may have conflicting investment, tax and other interests with respect to their investments in the Funds and with respect to the interests of investors in other investment vehicles managed or advised by Blackstone that participate in the same investments as the Funds, and investor personnel may have incentives or conflicts with respect to their investments in the Funds or Other Blackstone Clients, including matters Blackstone is not aware of, such as interests in The Blackstone Group Inc. The conflicting interests of investors in the Funds and/or investors in other investment vehicles would generally relate to or arise from, among other things, the nature, structuring, financing, tax

profile and timing of disposition of investments of the Funds. The Advisor will, in certain circumstances, as a result have conflicts in making these decisions, which can be expected to be more beneficial for one or more (but not all) investors in the Funds than for other investors in the Funds or *vice versa*. In addition, the Funds can be expected to make investments that will, in certain circumstances, have a negative impact on related investments made by the investors in the Funds in separate transactions. In selecting and structuring investments appropriate for the Funds and the Sponsor will consider the investment and tax objectives of the Funds and their partners as a whole (and those of investors in Other Blackstone Clients that participate in the same investments as the Funds), not the investment, tax or other objectives of any investor in a Fund individually. Additionally, the Advisor will, in certain circumstances, elect to exclude certain investors in the Funds from particular investments (in whole or in part), including, for the avoidance of doubt, follow-on investments (or such investors in the Funds will benefit from excuse rights or investment limitations with respect to particular investments or follow-on investments), for legal, tax, regulatory or other reasons applicable to any such investment in which case non-excluded investors in the Funds shall generally be allocated a greater proportionate interest in such investment (or a follow-on investment related thereto, notwithstanding the initial or existing ownership proportions thereof). In addition, certain investors in the Funds may also be limited partners in Other Blackstone Clients, including supplemental capital vehicles and co-investment vehicles that may invest alongside the Funds in one or more investments of the Funds, which could create conflicts for the Advisor in the treatment of different investors in the Funds. Investors in the Funds can be expected to also include affiliates of the Advisor. All Sponsor-related investors in the Funds will have equivalent rights to vote and withhold consents as nonrelated investors in the Funds, unless otherwise provided by the terms of the Organizational Documents of the Funds. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Sponsor related investors in the Funds. It is also possible that the Funds or the Funds' Portfolio Entities will, in certain circumstances be counterparties (such counterparties dealt with on an arm's length basis) or participants in agreements, transactions or other arrangements with an investor in a Fund or its affiliates (which may occur in connection with such investor or its affiliates making a capital commitment to a Fund or Other Blackstone Client), including with respect to one or more investments (or types of investments). Such transactions may include agreements to pay performance fees to a management team and other related persons in connection with the Funds' investment therein, which will reduce the Funds' returns and will not necessarily be subordinated to the return of the capital contributions made by the investors in the Funds. Such investors in the Funds described in the previous sentences can be expected to therefore have different information about Blackstone and the Funds than investors in the Funds not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealings with any such investors in the Funds, and the Advisor may not be motivated to act solely in accordance with its interests relating to the Funds. (See also "—Other Blackstone Business Activities" herein.) Similarly, not all investors in the Funds monitor their investments in vehicles such as the Funds in the same manner. For example, certain investors in the Funds can be expected to periodically request from the Advisor information regarding the Funds and/or their Portfolio Entities and investments that is not otherwise included in the reporting and other information delivered to all investors in the Funds—for instance, pre-quarterly reporting

valuation. In such circumstances, the Advisor may provide such information to such Fund investor and not to other investors in the Funds. As a result, certain investors in the Funds can be expected to receive more information from the Advisor about the Funds and their Portfolio Entities or may receive information about the Funds and their Portfolio Entities at an earlier time than other investors in the Funds, and the Advisor will have no duty to ensure all investors in the Funds receive the same information regarding the Funds and their Portfolio Entities. Therefore, certain investors in the Funds can be expected to be able to take actions on the basis of such information which, in the absence of such information, other investors in the Funds do not take. Furthermore, at certain times Blackstone will, in certain circumstances be restricted from disclosing to the investors in the Funds material non-public information regarding any assets in which the Funds invests, particularly those investments in which an Other Blackstone Client or Portfolio Entity that is publicly registered co-invests with the Funds. In addition, investment banks or other financial institutions, as well as Blackstone personnel, can be expected to also be investors in the Funds. These institutions and personnel are a potential source of information and ideas that could benefit the Funds, and can be expected to receive information about the Funds and their Portfolio Entities in their capacity as a service provider or vendor to the Funds and their Portfolio Entities.

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

Failure to Make Payments. If a Fund investor fails to pay when due installments of its capital commitment to a Fund or its portion of Management Fees, organizational expenses or any amount otherwise due under the Organizational Documents, and the contributions and / or payments made by non-defaulting Fund investors and borrowings by such Fund are inadequate to cover the defaulted capital contributions, such Fund may be unable to pay its obligations when due. As a result, such Fund may be subjected to significant penalties that could materially adversely affect the returns to the Fund investors (including non-defaulting Fund investors). If a Fund investor defaults, such Fund investor may be subject to various remedies as provided in the Organizational Documents, including, without limitation, reductions in its capital account balance and percentage interest, a forced sale of its interest in a Fund and preclusion from participation in any further investments made by such Fund. A General Partner may, subject to certain limitations, require an additional funding of capital contributions from the non-defaulting Fund investors to fund the shortfall caused by the defaulting Fund investor(s). A default by a Fund investor may also limit a Fund's availability to incur borrowings and avail itself of what would otherwise have been available credit.

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

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

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

Other Conflicts. In addition, other present and future activities of the Sponsor, Blackstone, the Funds, Other Blackstone Clients and their Portfolio Entities, the Development Companies, affiliates (including the Advisor) and related parties will from time to time give rise to additional conflicts of interest relating to the Funds and its investment activities. The Advisor generally attempts to resolve conflicts in a fair and equitable manner, but conflicts will not necessarily be resolved in favor of the Funds' interests. In addition, pursuant to the Organizational Documents, an Investor Committee has been established and authorized to give consent on behalf of the Funds with respect to certain matters. A General Partner may allow one or more investors in the Funds to appoint a non-voting observer to the Investor Committee, to attend meetings of the Investor Committee and to receive information and materials provided to the

members of the Investor Committee (subject to certain limitations). If the Investor Committee of a Fund consents to a particular matter as to which it is consulted and the applicable General Partner acts in a manner, or pursuant to the standards and procedures, approved by, such Investor Committee or otherwise as provided in the Organizational Documents of such Fund, then such General Partner and its affiliates will not have any liability to such Fund or the investors in the Funds for such actions taken in good faith by them. However, such Investor Committee will not represent the interests of all the Fund investors, each member of such Investor Committee may act in the interests of the Fund investors with which it is associated, and the members of such Investor Committee may themselves be subject to various conflicts of interest. In general, the Fund investors will not be entitled to control the selection of members of such Investor Committee or to review the actions or deliberations of such Investor Committee. Furthermore, some or all of the members of a Fund's Investor Committee may also be on the advisory committee of other Funds or Other Blackstone Clients with which there is a potential conflict or may represent investors that have an interest in both such other Funds or Other Blackstone Clients. Such Investor Committee members will generally not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve actual or potential conflict of interests.

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

Side Letters and Agreements. Each General Partner enters into side letters or other similar agreements with certain limited partners in connection with their admission to a Fund without the approval of any other limited partner, which have the effect of establishing rights (other than as set forth in the Organizational Documents as a general matter) under or altering or supplementing the terms of the Organizational Documents with respect to such limited partners in a manner more favorable to such investors than those applicable to other investors.

Notwithstanding the fact that an investor may have a most favored nations provision in its side letter, such investor will not have the right to elect certain rights of benefits. It is also expected that Blackstone will from time to time confirm factual matters to investors, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to the Funds and/or Blackstone's activities pertaining thereto in one or more respects. In addition, Blackstone may from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more limited partners as part of an overall firm relationship. Additionally, it is expected that limited partners who designate representatives to participate on the Investor Committee may, by virtue of such participation, have more information about the Funds and Investments in certain circumstances than other limited partners generally and may be provided information in advance of communication to other limited partners generally. Any such statements, confirmations, agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and therefore will not be subject to the "most favored nations" process or election by the limited partners, and as a result limited partners will not typically receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on the Funds or that such arrangements will not influence Blackstone's activities or the operation of the Fund.

Other Financial Industry Affiliations

The Advisor is an affiliate of each of the following entities:

Bank Entity	
Luminor Bank AS*	A Baltic bank purchased by Blackstone Capital Partners
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 Securities Partners L.P.	Provides a variety of limited investment banking services
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds

Incenter Securities Group LLC**	Provides a variety of limited investment banking services
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 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 Credit Systematic Strategies LLC	Provides investment advisory services to debt-focused separately managed accounts, private investment funds, closed-end funds and UCITS funds
Blackstone Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone Structured Products 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 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 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 CLO Management LLC (Management Series)	Provides investment advisory services to U.S. CLOs
Blackstone Ireland Limited	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone Ireland Fund Management Limited	Provides investment advisory services to a number of debt-focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
CT High Grade 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 Separate Account Management, LLC*	Investment adviser created to provide investment advisory services to a business development company that has not yet launched
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
Blackstone Credit BDC Advisors LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
Blackstone Liquid Credit Advisors I LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts

Blackstone Liquid Credit Advisors II LLC	Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone Alternative Credit Advisors LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
Blackstone Liquid Credit Strategies LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
Harvest Fund Advisors LLC	Provides investment advisory services to various categories of institutions and high net worth individuals via private pooled investment vehicles and separate accounts investing principally in publicly-traded energy infrastructure Master Limited Partnerships and the North American energy market
Finance of America Capital Management LLC**	Provides investment advisory services to mortgage related asset private funds and managed accounts
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
First Eagle Alternative Capital BDC, Inc.*	Provides investment advisory services to certain private funds and separate accounts that have invested alongside First Eagle Alternative Capital BDC, Inc.
First Eagle Direct Lending Manager III, LLC*	Serves as the manager of a private direct lending fund
NIBC Bank N.V.***	Entity is an advisory/banking affiliate of NIBC, a PE and BTO portfolio company
NIBC Credit Management, Inc.***	Entity is an advisory affiliate of NIBC, a PE and BTO portfolio company
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 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
Gryphon Mutual Insurance Company****	A captive property insurance company
Lexington National Land Services	A wholly owned title and escrow agent
Partners Life Limited**	Life and medical insurance company in New Zealand

*Portfolio company of affiliated private equity fund

**Portfolio company of affiliated tactical opportunities funds

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

****Portfolio company owned by its participants, including Blackstone real estate funds, and managed by an affiliate of Blackstone

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

Item 11 – Code of Ethics

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

The Advisor is governed by the Blackstone Code of Ethics (the “Code”). The Code governs a number of potential conflicts of interest which exist in connection with the Funds it manages. The Code is reasonably designed to ensure that the Advisor meets its fiduciary obligations to Fund investors (or prospective investors) and to instill a culture of compliance within the Advisor. An additional benefit of the Code is to detect and prevent violations of securities laws.

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

The Code includes, among other items, the following:

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

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

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

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

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

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

Item 12 – Brokerage Practices

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

Item 13 – Review of Accounts

REVIEW OF ACCOUNTS

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

REPORTS TO INVESTORS

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

Certain investors in the Funds may request additional information relating to the Funds and/or Portfolio Entities, to the extent such information is readily available or may be obtained without unreasonable effort or expense, the Advisor generally will provide such investors with the information requested. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Funds that may not be known to other investors. As a result, certain investors can be expected to be able to take actions on the basis of such information which, in the absence of such information, other investors do not take. Furthermore, at certain times the Advisor may be restricted from disclosing to investors material non-public information regarding any assets in which a Fund invests, particularly those investments in which an Other Blackstone Client or Portfolio Entity that is publicly registered co-invests with a Fund.

Item 14 – Client Referrals and Other Compensation

The Funds are no longer being actively marketed and there are no remaining placement arrangements in place with affiliated and non-affiliated third party solicitors pursuant to which on-going payments may still be due and owing.

Item 15 – Custody

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

Item 16 – Investment Discretion

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

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

Proxy Policy

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

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

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

Item 18 – Financial Information

The Advisor has never been the subject of a bankruptcy petition and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

Item 19 – Requirements for State Registered Advisers

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