

Item 1 – Cover Page

Blackstone Real Estate Advisors V L.P.

345 Park Avenue
New York, NY 10154
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www.blackstone.com
as of March 31, 2022

Form ADV, Part 2A; the “Brochure” provides information about the qualifications and business practices of the Adviser.

If you have any questions about the contents of this Brochure, please contact Madeleine Russo, Chief Compliance Officer for the Adviser, at (212) 583-5000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

The Adviser is registered with the SEC as an investment adviser. The Adviser’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications the Adviser provides to you, including this Brochure, serve as information for you to use to evaluate the Adviser and should be considered in your decision whether to invest in an Investment Vehicle advised by the Adviser.

The Blackstone logo, featuring the word "Blackstone" in a white serif font on a black rectangular background.

Item 2 – Material Changes

There has not been a material change to this Brochure since the last annual update on March 31, 2021.

However, please carefully read Items 5, 8 and 10, which describe certain fees and expenses, potential risk of loss and potential conflicts of interest, respectively.

The Adviser, at any time, may update this Brochure and offer to send you a copy (either by electronic means (email) 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 the Adviser's Chief Compliance Officer, Madeleine Russo, at (212) 583-5000.

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Item 3.1 – Defined Terms

As used throughout this Brochure, the following terms have the following meanings:

Acquisition Fees: Fees received by the Adviser and its Affiliates with respect to the acquisition of an Investment, which are often calculated as a percentage of the total enterprise valuation of the transaction (*i.e.*, generally the aggregate amount of invested capital and debt assumed or financed by the purchaser).

Additional Fees: Additional fees received by the Adviser and its Affiliates for the performance of certain services, directly or indirectly, for Clients, which are not specifically identified as services to be performed by the Adviser and its Affiliates pursuant to the Organizational Documents of the relevant Client.

Administrative Services: Administrative services, which include, but are not limited to, fund administration, accounting, tax, valuation and reporting-related services customarily provided by a third party.

Adviser: Blackstone Real Estate Advisors V L.P., a Delaware limited partnership formed in October 2005.

Advisers Act: U.S. Investment Advisers Act of 1940, as amended.

Advisory Agreements: The investment advisory agreements with respect to each of the Adviser's Clients.

Affiliate: With respect to a Person, any other Person that either directly or indirectly controls, is controlled by or is under common control with the first Person (it being understood that "control" (and derivations thereof) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract or otherwise). For greater certainty, (i) Portfolio Entities of Clients and Other Blackstone Vehicles shall not be deemed Affiliates of the General Partners, Blackstone or the Adviser, and (ii) Pátria, in which Blackstone has as of the date hereof a minority interest, shall not, as a result of such minority interest, be deemed an Affiliate of the General Partners or Blackstone for purposes hereof.

BIS: Blackstone Insurance Solutions private investment platform.

BIS Clients: Insurers and other investors (including insurance companies that are owned, directly or indirectly, by Blackstone or Other Blackstone Vehicles, in whole or in part) to whom BIS provides investment advisory services.

Blackstone: Blackstone Inc. (and its successors), together with its Affiliates (excluding the Clients and Other Blackstone Vehicles).

Blackstone Employee Investors: Current and/or former senior advisors, officers, directors and personnel of Blackstone, Portfolio Entities of the Clients and Other Blackstone Vehicles, including any account, client, fund vehicle or any other similar arrangement managed by Blackstone Multi-Asset Advisors L.L.C., personnel of PJT and charitable programs, endowment funds and related entities established by or associated with any of the foregoing, and other persons related to Blackstone.

Blackstone Real Estate Group: Blackstone’s Real Estate group, which includes the Adviser, the General Partners and their respective Affiliates that, collectively, manage the Real Estate Vehicles.

Blackstone Real Estate Group Investment Committee: The investment and review committees of the Blackstone Real Estate Group that are, collectively, responsible for review and approval of the investment decisions by the Blackstone Real Estate Group.

BREP Funds: Investment Vehicles managed by the Adviser that invest primarily in control-oriented “opportunistic” Investments in real estate assets or real estate related companies.

BSCH: Blackstone Strategic Capital Holdings.

BSP: Blackstone Securities Partners L.P., a registered broker-dealer Affiliate of Blackstone, which can be expected to serve as an uncompensated placement agent for one or more Clients in the United States and in other jurisdictions.

BTAS Funds: Any account, client, fund, vehicle or any other similar arrangement managed by Blackstone Multi-Asset Advisors L.L.C.

BXMT: Blackstone Mortgage Trust Inc. and related entities.

CFIUS: The Committee on Foreign Investment in the United States.

Clients: The BREP Funds and any other investment advisory clients of the Adviser.

CMBS: Commercial mortgage-backed securities.

Code of Ethics: The Blackstone Code of Ethics.

Consultants: Strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of Blackstone, Clients, Other Blackstone Vehicles or Portfolio Entities of the foregoing.

COVID-19: A novel and highly contagious form of coronavirus.

Custody Rule: Rule 206(4)-2, as amended, of the Advisers Act.

Data Holders: Portfolio Entities, Clients, Other Blackstone Vehicles and Investors in Clients and Other Blackstone Vehicles to whom Blackstone or an Affiliate thereof provide data management services.

Debt Funds: Investment Vehicles primarily investing in senior secured loans, distressed debt, subordinated debt, high-yield securities, mezzanine loans, RMBS, CMBS and other debt instruments.

Dodd-Frank: The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

FATCA: The Foreign Account Tax Compliance Act.

GDPR: Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

General Partner: The general partner or other governing body, as applicable, acting in a similar capacity of each Client.

Investor: Limited partners or other investors in a Client or other Investment Vehicle.

Investment: Any equity, debt or other investment of any type made by an Investment Vehicle.

Investment Vehicles: Single investor and pooled investment funds, managed accounts, supplemental accounts, collective investment vehicles and other similar arrangements (including vehicles in existence as of the date hereof and those that may be formed in the future), together with any related feeder funds, parallel funds and alternative investment vehicles.

IPO: Initial public offering.

IRR: Internal rates of return.

JV Arrangements: Investments in Portfolio Entities with Joint Venture Partners.

Joint Venture Partners: Third-party co-investors that enter into JV Arrangements with the Clients and Other Blackstone Vehicles.

L.P. Advisory Committee: Limited partner advisory committee of a Client.

Management Fee: Compensation to the Adviser from each Client for services in the form of an annual management fee.

NAV: Net asset value.

Offering Materials: The offering materials of a Client, including the PPM.

Organizational Documents: The organizational documents of a Client, including any applicable limited partnership agreements, limited liability company agreements, charter, bylaws, Advisory Agreement, side letters and other formation documents, as amended or restated from time to time.

Other Blackstone Vehicles: Investment Vehicles managed by Blackstone, including the Other Real Estate Vehicles, other than the BREP Funds.

Other Real Estate Vehicles: Investment Vehicles managed by Blackstone that are focused on real estate and real estate related Investments, other than the BREP Funds.

Pátria: Pátria Investments Limited, together with Pátria Investimentos Ltda.

Person: Any individual, partnership, corporation, limited liability company, unincorporated organization or association, trust (including the trustees thereof in their capacity as such), government, governmental entity or other entity.

PJT: PJT Partners Inc.

Portfolio Entity: Any entity in which a Client or Other Blackstone Vehicle owns an equity interest or has a debt interest, including, as the context requires, portfolio companies, holding companies, special purpose vehicles, borrowers from a Client or Other Blackstone Vehicle or issuer of securities owned by a Client or Other Blackstone Vehicle.

PPM: The confidential private placement memorandum of a Client, as amended, restated or supplemented, from time to time.

Proxies: Proxy proposals, amendments, consents or resolutions.

Proxy Rule: Rule 206(4)-6 under the Advisers Act.

Proxy Voting Policy: A set of policies and procedures adopted by the Adviser in compliance with the Proxy Rule.

Real Estate Vehicles: The BREP Funds and the Other Real Estate Vehicles.

REIT: Real estate investment trust.

RMBS: Residential mortgage-backed securities.

SEC: U.S. Securities and Exchange Commission.

Securities Act: U.S. Securities Act of 1933, as amended, together with the rules adopted thereunder by the SEC.

SFDR: The European Union Sustainable Finance Disclosure Regulation and any other applicable legislation or regulations related to the European Commission's Action Plan on Financing Sustainable Growth.

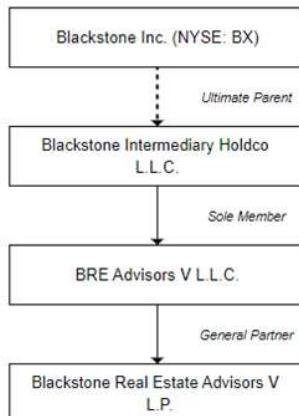
Strategic Relationships: Strategic relationships entered into between Blackstone and Investors (and/or one or more of their Affiliates) that involve an overall relationship with Blackstone that could incorporate one or more strategies (including, but not limited to, different sector and/or geographical focus) in addition to the Client's strategy.

Item 4 – Advisory Business

Overview of the Firm

The Adviser, directly or indirectly through its subsidiaries, provides investment advisory services to its Clients, and Affiliates of the Adviser generally serve as General Partner of each Client. The Adviser’s Clients primarily make control-oriented “opportunistic” Investments in real estate and real estate related assets and companies. The Adviser also serves as an investment sub-advisor to certain Investment Vehicles, pursuant to sub-advisory agreements with the applicable Investment Vehicle’s investment adviser.

The ultimate parent of the Adviser is Blackstone. Please see the structure chart below. Blackstone is a global alternative investment manager with Investment Vehicles focused on real estate, private equity, hedge fund solutions, credit, infrastructure, secondary funds of funds and multi-asset class strategies. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



As of December 31, 2021, the Adviser had regulatory assets under management of approximately \$553.3 million on a discretionary basis. Please note that this figure is an unaudited estimate.

Description of Advisory Services

The Adviser serves as investment adviser to its Clients pursuant to the Advisory Agreements. The Adviser performs the following services, among others, for its Clients:

-
1. Identifies and analyzes investment opportunities;
 2. Makes investment recommendations to the General Partner of each Client, as applicable;
 3. Participates in the monitoring and evaluation of Investments; and
 4. Provides other related services in connection with the implementation of the investment program of each Client.

The Adviser tailors its advisory services to the particular needs of each Client. However, the specific needs of the individual Investors in a Client (*i.e.*, limited partner investors) are not the basis for recommendations by the Adviser. Investment advice is provided directly to the Client, not individually to the respective Investors in the Client.

Item 5 – Fees and Compensations

Management Fees and Performance Fees

The Adviser charged each Client a Management Fee quarterly that was payable in arrears. The term of the Adviser's Clients has ended, and the Adviser is no longer charging Management Fees.

The Management Fee is prorated for any partial periods. In certain cases, the portion of the Management Fee allocable to an Investor in a Client is offset by specified Additional Fees received by the Adviser (as more fully described below) or will be waived or reduced for a certain period for certain Investors (including but not limited to Investors participating in early closings or Blackstone Employee Investors).

As set forth in **Item 6** below, each of the General Partners, or an affiliate thereof, receives performance-based compensation in respect of realized appreciation, subject to certain conditions, and, in addition, certain Clients distribute current income from Investments.

Management Fees and performance-based compensation are either called from Investors or withheld from distributions to Investors, as applicable.

Management Fees and/or performance-based compensation will not be paid by Blackstone Employee Investors in connection with their investments. Notwithstanding the foregoing, such Investors will either directly pay for their *pro rata* share of certain other expenses incurred by the applicable Client (as described below), or the *pro rata* share of such expenses will be allocated to the General Partner or its Affiliates. Such *pro rata* allocation of Client 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 their 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. For more information on the allocation of Client expenses, please see "Expenses" in **Item 5** below.

Other Fees Payable to the Adviser and its Affiliates

The Adviser and its Affiliates will also, from time to time, receive (dependent upon the Client) (i) Acquisition Fees; (ii) fees relating to Investments for any management, construction, leasing, development and other property management services, as well as services related to mortgage

servicing, group purchasing, healthcare, consulting/brokerage, capital markets (including with respect to syndications or placements of debt and/or equity securities or instruments issued by Portfolio Entities formed to invest therein), credit origination, loan servicing, property, title and/or other types of insurance, management consulting and other similar operational matters performed by the Adviser or its Affiliates on arm's-length terms and at competitive market rates; (iii) fees for advisory services (including investment banking services) provided to entities (or with respect to assets) in which the Clients, directly or indirectly, have an interest, on arm's length terms and at competitive market rates; and (iv) fees associated with capital invested by co-investors relating to Investments in which the Clients participate or otherwise, in connection with a JV Arrangement in which the Clients participate or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Adviser or its Affiliates performs services. Such fees will not result in an offset to the Management Fee, except as set forth in the Organizational Documents of the Clients. Furthermore, the Adviser and its Affiliates will, in certain circumstances, receive Additional Fees, which do offset the Management Fee.

In addition, Portfolio Entities and Blackstone-affiliated service providers will receive fees in respect of services provided to Clients, Other Blackstone Vehicles and Portfolio Entities of the foregoing. There can be no assurances that amounts charged by Portfolio Entity service providers that are not controlled by a Client or Other Blackstone Vehicles will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. Please see **Item 10 – Other Financial Industry Activities and Affiliations** below and, in particular, “*–Portfolio Entity Service Providers and Vendors*”, “*–Service Providers, Vendors and Other Counterparties Generally*” and “*–Blackstone Affiliate Service Providers*” therein respectively for further information about such Portfolio Entities and Blackstone-affiliated service providers.

The Management Fees paid to the Adviser, pursuant to the Organizational Documents of Clients, with respect to Investors in the Clients is generally offset by some or all of such Investor's share of the placement fees paid by such Investor, Additional Fees and Acquisition Fees, which vary among the Clients. Such fees will be allocated between the relevant Client and any other Investment Vehicles sponsored by the Adviser and its Affiliates having an interest in such fees on a *pro rata* basis.

The amount of such fees which are allocable to Other Blackstone Vehicles or accounts and co-investment vehicles generally do not offset the Management Fee allocable to Investors in the Clients, even if such Other Blackstone Vehicles or accounts and co-investment vehicles provide

for lower or no Management Fees for the Investors or participants therein (such as the vehicles established in connection with Blackstone’s side-by-side co-investment rights, which generally do not provide for a Management Fee or performance-based compensation payable by participants therein), subject to certain limitations.

The Adviser or its Affiliates, from time to time, will also receive topping, break-up or other similar fees in connection with any unconsummated or terminated transaction as noted above. To the extent the Adviser or its Affiliates receive such fees, they are treated like Additional Fees. In the event that break-up or topping fees are paid to the Adviser and its Affiliates in connection with a transaction that is not ultimately consummated, co-investment vehicles that invest alongside the Clients will generally not be allocated any share of such break-up or topping fees; similarly, such co-investment vehicles generally do not bear their share of broken deal expenses for unconsummated transactions and such costs and expenses will generally be borne by the Clients. Please see **Item 10 – “Broken Deal Expenses.”** In the event break-up fees, topping fees, or similar expenses are payable by a co-investment vehicle, the Clients will, in certain circumstances, advance such fees and expenses on behalf of the co-investment vehicle without charging interest until paid by the co-investment vehicle and the General Partners may, in their discretion, request contribution from such co-investment vehicle in an amount equal to the advance. Such other fees may give rise to conflicts of interest in connection with a Client’s investment activities.

In addition, the Adviser and its Affiliates will, in certain circumstances, receive a fee from the Clients in respect of the provision of Administrative Services as well as the payment or reimbursement of any expenses, charges or related costs incurred by such Clients, the Adviser or its Affiliates in connection with such provision of Administrative Services to such Clients (or specifically allocated thereto); *provided, however*, that any such expenses, fees, charges or related costs in connection with such provision of Administrative Services will not be greater than what would be paid to an unaffiliated third party for substantially similar services. Such allocations require judgments as to methodology that Blackstone will make in good faith. Such methodologies can include (i) requiring personnel to periodically record or allocate their historical time spent with respect to the Clients or Blackstone approximating the proportion of certain personnel’s time spent with respect to the Clients, and in each case allocating their compensation and allocable overhead based on time spent, or charging their time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that Blackstone believes represents a fair recoupment of expenses and a market rate for such services or (iii) any other similar methodology determined by Blackstone to be appropriate under the circumstances.

Any methodology (including the choice thereof) involves inherent conflicts and may result in incurrence of greater expenses by the Clients and their Portfolio Entities than would be the case if such services were provided by third parties. These expenses will be borne by the Clients and will not result in any offset to the Management Fee.

The Adviser and its personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Clients, the value of which will not offset or reduce Management Fees or otherwise be shared with the Clients or their Investors or Portfolio Entities. Please see **Item 10 – “Other Benefits”** for examples of such benefits, discounts and perquisites received by the Adviser, its Affiliates and their personnel and related parties.

CoreTrust is an independent group purchasing organization used by large corporations and private equity firms to obtain volume discounts on products and services. In consideration of Blackstone’s work in facilitating Portfolio Entities’ participation in CoreTrust and in enhancing CoreTrust’s program, Blackstone receives a portion of the administrative fee CoreTrust collects from vendors as well as an annual consulting fee from CoreTrust. These fees do not offset Management Fees payable by Investors.

In addition, the Adviser engages and retains on behalf of the Clients or their Portfolio Entities, Consultants who will, from time to time, receive payments from, or performance-based compensation, retainers and expense reimbursements with respect to, Portfolio Entities (as well as from Blackstone or the Clients), and such amounts will not offset the Management Fees payable by the Investors. Such payments, performance-based compensation, retainers and expense reimbursements, as applicable, will be paid at rates determined by Blackstone, the Adviser or the General Partner, in its sole discretion.

The Clients will generally bear the costs and expenses related to the organization or maintenance of any entity used to directly or indirectly acquire, hold or dispose of any Investment or otherwise facilitate such Clients’ Investment activities (including, without limitation, travel, accommodation and related expenses related to such entity, and the salary and benefits of any personnel (including of the Adviser or its Affiliates) reasonably necessary or advisable for the maintenance and operation of such entity), expenses of liquidating Clients, capital raising and Investor-related services and other similar costs and expenses of administering side letters entered into with Investors (including the process of distributing and implementing applicable elections pursuant to any “most-favored nation” clauses in side letters) and to the extent not reimbursed by a third party,

all third-party expenses incurred in connection with a proposed Investment that is not ultimately made (or a proposed Investment that was initially considered by an Other Blackstone Vehicle and subsequently allocated to a Client) or a proposed disposition that is not actually consummated (including legal, tax, accounting, travel and other expenses related to underwriting and pursuing an Investment, advisory and consulting fees and expenses, travel, accommodation, dining (including, *e.g.*, late night meals for the Advisor's employees working on a proposed Investment or disposition) and related expenses and printing expenses, and any liquidated damages, reverse termination fees or similar payments). Service providers (including Affiliates of the Adviser) will be retained for such purposes in accordance with the terms described in **Item 10 – “Portfolio Entity Service Providers and Vendors” and “Service Providers, Vendors and Other Counterparties Generally.”**

The Adviser intends to generally allocate partnership expenses and organizational expenses of the Clients on a *pro rata* basis on the capital commitments, invested capital or available capital, as applicable, but may in certain circumstances allocate such expenses in a different manner if the Adviser determines in good faith that doing so is more equitable or appropriate under the circumstances. This will result in (i) a Client bearing a portion of certain partnership expenses and/or organizational expenses attributable to Luxembourg parallel fund (and/or another parallel fund) that are not directly connected to such Client and its activities, and (ii) the Luxembourg parallel fund (and/or another parallel fund) bearing certain partnership expenses and/or organizational expenses of the Client that are not directly connected to such parallel fund or its activities.

The Clients will, in certain circumstances, be required to make contingent funding commitments or guarantees to their Portfolio Entities or other vehicles or entities in or alongside which the Clients invest and to provide other credit support arrangements in connection therewith. Such credit support may take the form of a guarantee, a letter of credit or other forms of promise to provide funding. Such credit support will, in certain circumstances, result in fees, expenses and interest costs to the Clients, subject to certain limitations set forth in the organizational documents of the applicable Clients.

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 Adviser through negotiations with Investors in each Client, and the Offering Materials, the Organizational Documents and the Advisory Agreement of each Client include further details on such fees, compensation and related matters.

Expenses

The following is a list of expenses that are typically borne by the Clients (and indirectly by the Investors in the Clients). This list is not intended to be exhaustive; existing Investors in the Clients are advised to review the applicable Client's Offering Materials and Organizational Documents for a more extensive description of the expenses associated with an investment in such Client.

- Legal fees (including costs for in-house legal and tax advice and/or services charged or attributed or allocated by the Adviser and its Affiliates to the Clients or their Portfolio Entities on matters related to potential or actual Investments or transactions of the Clients and their Portfolio Entities, as applicable; *provided*, that any such expenses, fees, charges or related costs will not be greater than what would be paid to an unaffiliated third party for substantially similar advice and/or services)
- Placement fees and due diligence of placement agents (See **Item 14** below)
- Regulatory filing fees and expenses of the Clients, including but not limited to compliance with U.S. federal and state securities laws and international laws
- To the extent permitted by applicable law, expenses related to the Adviser's compliance matters and disclosure and reporting obligations to the extent they relate to the Clients' activities (*e.g.*, Form PF, CFTC filings and FCPA diligence)
- Risk management
- Data management and services
- Administrative fees (including in-house administration and/or accounting costs, where applicable), expenses and charges, including overhead related thereto
- Administrator fees and due diligence of such administrator or other service provider
- Organizational expenses
- Operating expenses
- Consultant, operating partner and senior advisor expenses (See “*Advisors, Consultants and Partners*” in **Item 10** below) and the expenses of investment bankers (See “*Other Blackstone Business Activities*” and “*Multiple Blackstone Business Lines*” in **Item 10** below)
- Technology expenses (including, without limitation, third-party as well as internally allocated charges, costs and expenses of technology service providers and related software/hardware (including those that analyze operational improvements as a part of due diligence or otherwise utilized in connection with a Client's investments) and market data and research costs)

- Certain hardware expenses and software fees
- Property, loan administration and servicing and other asset management fees
- Audit and accounting fees
- Fees and expenses associated with brokerage services (including prime broker account charge, brokerage commissions and distribution fees)
- Fees and expenses associated with borrowing, guarantees and other financing, including interest charges
- Fee and other expenses incurred in connection with derivative transactions
- Expenses associated with the development, negotiation, acquisition, settling, holding, monitoring and disposition of Investments and transaction fees
- Costs and expenses associated with vehicles through which the Clients or their Investors directly or indirectly participate in Investments
- Taxes, fees, related interest, penalties or governmental charges imposed on the Investment Vehicles and expenses related to the preparation and delivery of any entity-level taxes
- Custodial, depositary, representative and paying agent and other third-party professional fees
- Bank and bank wire fees
- Fees and expenses related to hedging arrangements and currency conversion
- Travel and other expenses in connection with the Clients' organization, fundraising and Investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals and social and entertainment events with Portfolio Entity employees, customers, clients, investors, borrowers, brokers and service providers) and related costs and expenses incidental thereto)). Most staff out-of-pocket travel expenses in connection with the Clients' transactions are treated as expenses of the Clients, subject to the terms of the Offering Materials, Organizational Documents and the Advisory Agreements.
- Fees, costs and expenses related to the organization or maintenance of any entity (including intermediate entities or other vehicles) used to acquire, hold or dispose of any one or more Investment(s) or otherwise facilitating a Client'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 Adviser or its Affiliates and Luxembourg entities formed in connection with the Clients' activities) reasonably necessary and/or advisable for the maintenance and operation of such entity, costs associated with the leasing of office space (including,

without limitation, rent and refurbishment costs and office space in Luxembourg), or other overhead expenses in connection therewith

- Fees, costs and expenses of feeder vehicles to the extent not paid by such vehicle or its partners, as applicable
- Expenses related to the preparation and delivery of internal control reports
- Marketing, advertising, printing, wholesaling and other capital raising expenses associated with Investor admission/subscription and Investor-related services and other similar costs (including the cost of space to hold meetings with prospective investors related to capital raising and marketing)
- Research-related expenses, including news and quotation equipment and services
- Expenses associated with market data and research (including fees for internal and/or third-party research-related services)
- Expenses of Blackstone-internal and third-party printing and publishing (including time spent performing such printing and publishing services)
- Preparing, printing and delivering all reports, documents and filings related to the Clients and their Investments
- Expenses associated with the preparation of the Clients' periodic reports (and related financial and other statements) and Investor notices and communications
- Expenses of Investor meetings
- Broken-deal expenses
- Insurance expenses
- Extraordinary expenses, including expenses of litigation or settlement involving the Clients or Portfolio Entities in which the Clients have Investments and the amount of any judgments or settlements paid in connection therewith
- Expenses incurred in connection with complying with provisions in Investor side letter agreements related to the Clients, including "Most-Favored Nations" provisions
- Valuation costs (including costs related to a third-party valuation advisor and/or third-party appraiser)
- Cost of trading (including trading errors)
- Expenses of the L.P. Advisory Committee or board of directors, including director fees, as applicable
- Expenses of third-party advisory committees and Investor Representatives of the Clients as well as of other goods and services provided by third parties
- Expenses incurred in connection with organizing and/or attending Investment-related conferences

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- Dissolution and liquidation expenses
 - Arbitration expenses
 - Expenses of loan servicers and other service providers
 - Expenses associated with admissions/subscriptions

There can be no assurance that a different manner of allocation would not result in a Client bearing less (or more) expenses.

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

In addition to the Management Fees and other fees described in **Item 5** that are received by the Adviser, General Partners or their respective Affiliates (as applicable), the General Partners of each Client receives a portion of the profits of current disposition proceeds from each Client with respect to each Investor (other than Blackstone Employee Investors), which is equal to, in the case of the BREP Funds, 20% of the amounts otherwise distributable to such Investor, and in the case of the Other Real Estate Vehicles, a percentage of the amounts otherwise distributable to such Investor that varies depending on the particular Other Real Estate Vehicle. Such allocation of profits is only allocated to the General Partners when specific conditions are met, including the return to each of the Investors of an aggregate amount equal to all capital contributed by such Investors for realized Investments, writedowns (or net writedowns in certain cases) on unrealized Investments, fees and expenses allocable to such Investments and the receipt of a preferred return on such amounts.

The Investment Vehicles distribute current income from an Investment generally in the manner described above relating to the distribution of disposition proceeds, except that distributions of current income are made on an Investment by Investment basis and do not take account of a return of capital and any writedowns, but will take into account actual unrecouped losses from prior dispositions.

As described in **Item 10 – “Performance-Based Compensation”**, the fact that the Adviser’s Affiliates are in part compensated based on the performance of the Clients creates a greater incentive for the Adviser to make more speculative Investments on behalf of the Clients or time the purchase or sale of Investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist. However, the significant commitment by Blackstone to invest in the Clients and the General Partner clawback provisions, where applicable, should reduce the incentives to make more speculative Investments or otherwise time the sale of Investments based on considerations related to performance-based compensation. The General Partner clawback, where applicable, potentially creates other misalignments of interests between the General Partner and Investors, such as an incentive for the General Partner to defer disposition of an Investment that would result in a realized loss and trigger the clawback, or delay the dissolution and liquidation of the Clients if doing so would trigger a clawback obligation.

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

Finally, as described in **Item 10 – “Joint Venture Partners”**, the Clients will, from time to time, enter into one or more JV Arrangements with Joint Venture Partners, which will often involve performance-based compensation and/or other fees payable to such Joint Venture Partners directly or indirectly by such Clients. Any such compensation and/or fees will reduce the actual returns realized by Investors on their Investments in the Clients and will not result in an offset of the Management Fee.

The precise amount of, and the manner and calculation of, the compensation described above are established by the Adviser and General Partners, as applicable, through negotiations with Investors in each Client, and the actual amount of compensation could differ from the described above. The Offering Materials, the Organizational Documents and the Advisory Agreement of each Client include further details on such compensation and related matters.

Item 7 – Types of Clients

The Adviser provides investment advice to its Clients. A Client's Investors can be expected to consist of some or all of the following:

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

All Investors in certain Clients are subject to applicable suitability requirements. The Adviser and the General Partner of certain Clients require that each Investor in the Clients be an “accredited investor” as defined in Regulation D under the Securities Act and 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, or for certain Clients, a minimum euro amount, as determined in the applicable General Partner's sole discretion. The 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

Analysis

The Adviser identifies and evaluates the Investments in which the Clients invest. The Adviser's analysis is based on certain criteria, which include, but are not limited to, risk/return profile, capital structure, liquidity and investment performance. See **Item 10 – “Advisors, Consultants and Partners”** for additional information on sourcing Investments.

Investment Strategies

The Adviser generally advises the Clients to invest in equity, equity-related real estate securities (including (i) preferred stock, debt and other securities relating to common equity Investments and (ii) preferred stock, debt and other securities that are expected to produce equity-like returns), single real estate assets, portfolios of real estate assets, real estate operating companies, and other real estate and real estate-related assets.

The Adviser's investment analysis methods include fundamental, technical and cyclical research. The Adviser's investment team is responsible for evaluating real estate, securities and other products for investment for the Clients. The Adviser's investment professionals, with the advice and assistance of legal counsel when deemed appropriate, also review portfolios for adherence to the applicable investment guidelines of each applicable Client.

Before making Investments, the Adviser will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each Investment. Due diligence will, in certain circumstances, entail, among other factors, evaluation of important and complex business, financial, tax, accounting, environmental, social, governance, real property and legal issues. When conducting due diligence and analyzing an Investment, the Adviser will rely on the resources available to it, including information provided by the seller of the Investment and, in some circumstances, third-party investigations and in some circumstances, the due diligence conducted by another Blackstone Vehicle.

In addition, in certain instances, the Clients may not have access to all available information to determine fully the origination and underwriting practices utilized with respect to the Investments or the manner in which the Investments have been serviced and/or operated. As a result, the Advisor's due diligence activities may provide less information than due diligence reviews

conducted in more developed countries. The lower standards of due diligence in certain countries will increase the risk related to the Client's Investments in these countries. Although the Clients will endeavor to conduct appropriate due diligence in connection with each investment, no guarantee can be given that they will obtain the information or assurances that an investor in a more sophisticated jurisdiction would obtain before proceeding with an investment.

In particular, the Adviser typically conducts four types of due diligence on prospective Investments:

- A preliminary review of each opportunity is conducted to screen the attractiveness of each potential Investment followed by an initial projection based on macro- and micro-economic analyses. Projection assumptions are generally developed from analysis of historical operating performance, discussions with national and local real estate contacts, and review of published sources, in each case, to the extent available in connection with such potential Investment.
- The Adviser reviews relevant books and records (such as comparing rent roll to leases for office buildings), confirms cash flow information provided by the seller, and conducts similar types of analysis, in most instances using Consultants, and in all cases subject to available information.
- Physical due diligence which primarily involves an analysis of environmental and engineering matters through third-party Consultants, the work product of which is reviewed by the Adviser and affiliates of the Adviser. Conclusions from environmental/engineering reports are incorporated into the financial projection analysis. Additionally, each potential Investment and comparable assets are investigated to assess relative market position, quality, functionality and obsolescence.
- The Adviser works closely with legal counsel to review, diligence and negotiate all applicable legal and property-specific documents pertaining to an Investment (*e.g.*, loan documents, leases, management agreements, purchase contracts, etc.).

The Blackstone Real Estate Group Investment Committee generally meets weekly to carefully review and challenge Investments and dispositions around the world. Discussions are led by the Global Co-Heads of Real Estate. In addition to its Chairman, who is also the President and Chief Operating Officer of Blackstone, the Blackstone Real Estate Group Investment Committee also includes the Chairman and CEO of Blackstone, the CFO of Blackstone and all Senior Managing

Directors in the Blackstone Real Estate Group. Blackstone manages its Investments through proactive day-to-day asset management, as well as regular global asset reviews and quarterly valuation meetings. Certain significant Investments of the Clients are reviewed and approved by the Blackstone Real Estate Group Investment Committee. Smaller Investments are reviewed by a prescribed subset of the Blackstone Real Estate Group Investment Committee. The Blackstone Real Estate Group Investment Committee utilizes a consensus-based approach to decision-making among the members.

The above is only a summary of the principal investment strategies employed by the Adviser. The material risks associated with these strategies is set forth below.

The Adviser also seeks to integrate Environmental, Social, and Governance (“ESG”) principles into its investment process and operating philosophy. Blackstone has adopted a firm-wide ESG policy, which outlines its approach to integrating ESG in its business and investment activities (the “ESG Policy”).

Risk of Loss

An investment in the Clients entails a significant degree of risk and therefore should be undertaken only by Investors capable of evaluating the risks of an investment therein and bearing the risks such investment represents. Set forth below is a non-exhaustive list of such risks (some of which may not apply to a particular Client):

1. No established market for potential Investments exists
2. Illiquidity of Investments by the Clients
3. Restrictions on transfers of investor interests under the Organizational Documents or the Securities Act and lack of a public market
4. Financial market fluctuations and the availability of financing
5. Economic, political and social uncertainty in the markets where Clients invest and globally
6. Political activities (including political contributions, hiring lobbyists and other permissible political activities in U.S. or non-U.S. jurisdictions)
7. Regional risk; interdependence of markets
8. United Kingdom relations with the European Union and related volatility

9. Changes in legal, fiscal and regulatory regimes
10. Nature of equity or equity-related Investments
11. For non-U.S. Investments, currency fluctuation, exchange controls and political factors
12. Portfolio and geographic concentration
13. Investment environment and market risk
14. Market volatility risks, including interest rate fluctuations and inflation
15. Public health risk/epidemics/pandemics (including COVID-19)
16. Environmental risks and potential liabilities, including weather and climatological risks
17. Risks related to climate change and the increased focus on sustainability issues
18. Risk of loss of entire Investment
19. Deterioration of property values
20. Policy risks in emerging markets
21. Highly competitive nature of real estate investment business
22. Inability to deploy capital in conjunction with finding suitable Investments
23. Lender liability risks, including equitable subordination
24. Leverage risk (including with respect to subscription credit facilities)
25. Hedging risk
26. Inability to implement a Client's investment strategy
27. Service provider process / control
28. Increase in supply / decrease in demand
29. Dependence on the Adviser, the Adviser's key personnel, and Portfolio Entity management
30. Real estate's susceptibility to adverse changes in economic and employment conditions
31. Valuation matters, including deficiencies in appraisal quality in the investment process
(please see **Item 10** – "*Valuation Matters*" for more information)
32. Accounting, disclosure and regulatory standards
33. Risks of acquiring real estate property, including fluctuations in occupancy, rental rates, operating income and expenses

34. Contingent liabilities incurred on dispositions or financings of Investments
35. Limited ability to protect the Client's interest when making non-controlling Investments or Investments with third parties (including joint ventures)
36. Lack of diversification in Investments
37. Limited availability of investment opportunities
38. Operating and financial risks of Portfolio Entities
39. Reliance on Portfolio Entity management and third parties
40. Cyber security breaches, identity theft, denial of service attacks, ransomware attacks, and social engineering attempts (including software code protection)
41. Risks arising from ERISA including potential control group liability
42. Litigation risk (including at the property level)
43. Cross incurrence of indebtedness or guarantees on a several, joint and several or cross-collateralized basis among the Clients and with Other Blackstone Vehicles (please see **Item 10 – “*Cross-Guarantees and Cross-Collateralization*”** for more information)
44. CFTC registration requirements or maintenance of exemptions therefrom
45. Enhanced scrutiny and potential regulation of the private investment fund industry and the financial services industry (including Dodd-Frank)
46. Compliance with pay-to-play laws, regulations and policies
47. Compliance with U.S. economic and trade sanctions
48. Compliance with anti-corruption laws and regulations
49. Compliance with international law
50. Compliance with CFIUS
51. Compliance with tax law (including FATCA and partnership audit rules)
52. Counterparty risks due to derivative contracts
53. Risks of fraud
54. Delayed construction arising in Investments in new development
55. Acquisition of sub-performing real estate loans and participations

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56. Risks of distressed securities being subject to workouts, restructurings or bankruptcy
 57. Risks of investing in publicly-traded securities
 58. Risks associated with real estate investment activities generally and Clients
 59. Interest rate, credit, reinvestment and general market risks related to Investments in securities
 60. Benchmark reform and the impact on LIBOR and other IBORs
 61. Risks associated with distributions in-kind
 62. Due diligence may not reveal all factors affecting an Investment
 63. Risks related to bridge financings
 64. Sharing and use of “big data” and other information
 65. Risks related to privacy/GDPR
 66. Future investment techniques and instruments
 67. Social and political unrest / terrorist activities / war
 68. Natural disasters
 69. Availability of insurance against certain catastrophic losses
 70. Risks relating to due diligence of Investments
 71. Risks relating to technological and scientific innovations
 72. Platform investments
 73. Risk of default by Investors

Prospective Investors are advised to review the applicable Client’s Offering Materials for a more extensive description of the applicable investment strategies and the risks of its investment program.

Stock markets, bond markets and real estate markets fluctuate substantially over time. Performance of any Investment is not guaranteed. As a result, there is a risk of loss of the Investments managed by the Adviser that are out of its control. The Adviser cannot guarantee any level of performance or that the Clients will not experience a substantial or complete loss of their Investment. There is no assurance that the Clients will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy. The marketability and value of

any Investment will depend upon many factors beyond the control of the Adviser. The expenses of the Clients may exceed their income, and an Investor in a Client could lose the entire amount of its contributed capital. Therefore, an Investor should only invest in a Client if the Investor can withstand a total loss of its investment. The past investment performance of the Clients cannot be taken to guarantee future results of the Clients or any of their Investments.

Inflation and rapid fluctuations in inflation rates have recently had, and may continue to have, negative effects on the economies and financial markets (including securities markets) of various countries, including those with emerging economies. For example, if a Portfolio Entity is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected, including, without limitation, as a result of a significant increase to such Portfolio Entity's operating cost. Portfolio Entities may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. As inflation rises, a Portfolio Entity may earn more revenue but incur higher expenses. As inflation declines, a Portfolio Entity may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, certain countries have imposed wage and price controls at times and certain central banks have raised interest rates.

Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed, and similar governmental efforts could be taken in the future to curb inflation and could have similar effects. Certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on a Client's returns.

Additionally, certain countries have been susceptible to epidemics or pandemics, most recently COVID-19. 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 Clients invest), and thereby is expected to adversely affect the performance of a Client's 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 a Client and the performance of its Investments or operations, and the ability of a Client to achieve its investment objectives.

There is currently an ongoing outbreak of 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 has been rapidly evolving over the course of the COVID-19 pandemic, and at different points in time 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 have also implemented, at different times and to different degrees, 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 healthcare, consumer and other industries. Moreover, with the continued spread of COVID-19, governments and businesses have taken, and may continue to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 has, and could in the future, continue to spread, the potential impacts, including global, regional or other economic recessions or adverse market impacts have already occurred and the likelihood of ongoing exacerbated impact is uncertain and difficult to assess.

Any public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Client and its Portfolio Entities and could adversely affect a Client’s ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Clients and their Portfolio Entities’ operational and financial performance will depend on many factors, including the duration and

scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support 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. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on Clients and their Portfolio Entities at a future point when COVID-19 may not be as prevalent in the public. For this reason, valuations in such environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may materially and adversely impact the value and performance of the Clients' Portfolio Entities, the Clients' ability to source, manage and divest investments and the Clients' ability to achieve their investment objectives, all of which could result in significant losses to the Clients. In particular, a public health emergency may have a greater impact on leveraged assets.

While the U.S. Food and Drug Administration and other similar regulators globally have approved COVID-19 vaccines (some for emergency use only) and these vaccines are currently available to the general public in the U.S. and in many non-U.S. jurisdictions, due to limited supply, they are not yet widely available to the general public in some other jurisdictions. Furthermore, a substantial proportion of the population in the U.S. and other jurisdictions has, despite the availability of vaccines, not been vaccinated, which is believed to be prolonging the global effects of COVID-19. In addition, the vaccines have been found to be less than 100 percent effective and to have waning effectiveness within an extended period of time following inoculation, which means a portion of the population that receives such vaccinations is less than fully protected against the disease. Furthermore, such vaccines have shown reduced efficacy against certain existing or emerging variants of COVID-19, and emerging variants may continue to be more transmissible or deadly than existing variants of COVID-19. COVID-19 is likely to continue to affect the economy

generally, and the COVID-19 pandemic and/or its economic impact may affect the Clients and their ability to achieve its investment objectives to a degree that is not currently known, given the situation continues to evolve.

In addition, the operations of the Clients, their Portfolio Entities, and the Adviser 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 and the volatility in the labor, transport, energy and other markets resulting from or otherwise linked to the relaxation of the related quarantine measures, meeting and travel restrictions.

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date hereof, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Clients invest), and therefore could adversely affect the performance of the Clients' investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Clients and the performance of its investments and operations, and the ability of the Clients to achieve its investment objectives. Similar risks will exist to the extent that any portfolio entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

In recent years, the SEC's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, terms agreed in side letters and similar arrangements with investors, consistency of firms' practices with disclosures, handling of material non-public information and insider trading, purported waivers or limitations of fiduciary duties and the existence of, and adherence to, policies and procedures with respect to conflicts of interest.

In early 2022, the SEC proposed several new rules and amendments to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds (including amendments to Form PF). Among these proposals, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; prohibit certain types of clawback provisions; increase reporting requirements (including in reduced timeframes) by private funds to investors concerning performance, fees and expenses and to the SEC regarding certain transactions and other fund and portfolio events and information; require registered advisers to obtain an annual audit for private funds and also require such fund's auditor to notify the SEC upon the occurrence of certain material events; enhance requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions; prohibit advisers from engaging in certain practices, such as, without limitation, charging private fund clients fees for unperformed services or fees and expenses associated with an examination; and impose prohibitions on certain types of preferential treatment of investors in private funds via side letters or other arrangements with an adviser and new disclosure requirements for all other types of preferential treatment.

The scope and timing of any final rules and amendments with respect to these proposals is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs and complexity and reduce the ability to receive certain expense reimbursements or indemnification in certain circumstances. This, in turn, would be expected to increase the need for broader insurance coverage by fund managers and increase the costs and expenses charged to the Clients and its Investors. In addition, these amendments could increase the risk of exposure of the Clients, the General Partners and the Manager to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect Adviser and the Clients' reputation, and to negatively impact the Clients in conducting its business (thereby materially reducing returns to Investors). Further, as described above, as these amendments could impose limitations regarding preferential treatment of investors in private funds, the General Partners and its affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive Investors of the previously negotiated benefits of such agreements.

As noted above, Blackstone has established an ESG Policy that the Adviser intends to apply across the Clients' investment portfolios, consistent with and subject to its fiduciary duties and applicable

legal, regulatory or contractual requirements. The Adviser will endeavor to consider material¹ ESG factors in connection with its investment activities in order to protect and maximize investment performance. However, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by the Adviser or a third-party ESG advisor will reflect the beliefs, values, internal policies or preferred practices of any particular investor or align with the beliefs or values or preferred practices of other asset managers or with market trends. Considering ESG factors when evaluating an investment in certain circumstances could, to the extent material economic risks associated with an investment are identified, cause the Adviser not to make an investment that it may have made or to take action with respect to a company differently than it may have taken in the absence of such consideration, which could result in the Clients performing differently than investment funds that do not take ESG factors into account. Additionally, ESG factors are only some of the many factors that the Adviser may consider in making an investment. Although the Adviser considers application of the ESG Policy to be an opportunity to enhance or protect the performance of investments over the long-term, the Adviser cannot guarantee that application of Blackstone's ESG Policy and engagement with its investments on ESG, which depends in part on skill and qualitative judgments, will positively impact the financial or ESG performance of any individual investment or a Client, or the Adviser's financial performance as a whole.

The materiality of sustainability risks and impacts on an individual asset or issuer and on a portfolio as a whole depends on many factors, including the relevant industry, country, asset class and investment style. In evaluating a prospective investment, the Adviser often depends upon (and will not independently verify) information and data provided by the entity or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause the Adviser to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities.

Certain Clients are expected to fall within the scope of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 ("SFDR"). There is legal uncertainty around

¹ As used in this instance, "material" ESG factors are defined as those factors that the Adviser determines have—or have the potential to have—a material impact on an investment's going-forward ability to create, preserve or erode economic value, including as related to environmental and social value, for that organization and its stakeholders. The word "material" as used herein should not be equated to or taken as a representation about the "materiality" of such ESG factors under the US federal securities laws or any similar legal or regulatory regime globally.

the parameters applicable when categorizing a financial product under SFDR, and there is no guarantee that regulators will agree with the relevant characterization. In circumstances where there is a determination that a Client has been characterized incorrectly, there could be a risk of investigation, enforcement proceedings and/or sanctions. Furthermore, the reporting requirements applicable to certain financial products under SFDR are currently uncertain, and there is a risk that the applicable Funds may have to capture and report EU Taxonomy data in relation to investments, and such additional reporting would be at additional cost to these Funds.

In addition, Blackstone's ESG Policy is expected to change over time. The Adviser could determine, in its discretion, to revisit the implementation of certain of its ESG initiatives (including due to cost, timing, or other considerations). It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for the Adviser to adhere to all elements of a particular Client's investment strategy, including with respect to ESG risk and opportunity management and impact, whether with respect to one or more individual investments or to the Client's portfolio generally.

There is also growing regulatory and investor interest, particularly in the US, UK, and EU (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. Blackstone's ESG Policy and the Clients are subject to evolving regulations and could become subject to additional regulation in the future. The Adviser cannot guarantee that its current approach (including Blackstone's ESG Policy) or a Client's investments will meet future regulatory requirements, reporting frameworks or best practices. There is also risk of mismatch between US, EU and UK initiatives.

Additionally, Blackstone has established certain enterprise-level and business group-specific ESG goals. Although the aim of these goals is to create strong returns for investors, the pursuit of these goals (which will include data collection, analysis and reporting) will involve the dedication of time and resources that may otherwise be allocated to other investment management activities and there is consequently a risk that the pursuit of these goals could adversely affect the performance of the Clients.

Item 9 – Disciplinary Information

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

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, the Adviser does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect the Adviser or the Clients’ results of operations, financial position or cash flows.

Certain regulatory, litigation and other similar matters are, from time to time, 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 online portal related to Investors.

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 Adviser, its Clients, the Other Blackstone Vehicles, the Portfolio Entities of Clients and Other Blackstone Vehicles and Affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. Not all potential, apparent and actual conflicts of interest are included herein and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future.

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

Performance-Based Compensation. The Adviser's performance-based compensation creates a greater incentive for the Adviser to make more speculative Investments on behalf of a Client or time the purchase or sale of Investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist, as the Adviser receives a disproportionate share of profits above the preferred return hurdle. However, the significant commitment by Blackstone to invest in a Client and the General Partner clawback should reduce the incentives for the Adviser to make more speculative Investments or otherwise time the purchase or sale of Investments based on considerations related to performance-based compensation. The General Partner clawback potentially creates other misalignments of interests between the Adviser and Investors, such as an incentive for the Advisers to defer disposition of an Investment that would result in a realized loss and trigger the clawback, or delay the dissolution and liquidation of the Client if doing so would trigger a clawback obligation. In addition, the current law 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 Adviser to cause a Client to accelerate deployment of capital at the beginning of a Client's investment period and to 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 performance-based compensation. Furthermore, upon a withdrawal by an Investor from a Client, in certain circumstances, including in the event of a transfer of interests, and upon the liquidation of a Client, the Adviser may receive performance-based compensation with respect to a distribution in-kind of

non-marketable securities. The amount of the performance-based compensation will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the Adviser and could incentivize the Adviser to value the securities higher than if there were no performance-based compensation. The Adviser can engage third parties to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third-party opinion of value, but there can be no assurance such an opinion will reflect value accurately. Moreover, under the terms of the Organizational Document, the Adviser is entitled to elect to receive its performance-based compensation in the form of an in-kind distribution of marketable securities, including, but not limited to, if the purpose of such election is to permit Blackstone personnel to donate such securities to charity (which may include private foundations, funds or other charities associated with any such personnel). The tax benefit derived from charitable giving has the effect of reinforcing and/or enhancing the Adviser's incentives otherwise resulting from the existence of the Adviser's performance-based compensation described above and therefore conflicts of interest may arise in making decisions on behalf of the Clients (including the timing of the disposition of Investments). In addition, the Adviser is incentivized to make certain determinations under the Organizational Document in a manner that results in its receipt of a greater amount of, or earlier payment of, performance-based compensation. For example, unlike disposition proceeds, distributions of current income will not take into account a return of capital from the respective Investment or allocable fees or expenses thereto, which creates an incentive for the Adviser to determine that a recapitalization, refinancing or other similar transaction was not a "disposition" (in whole or in part) for purposes of the Organizational Document (including for purposes of calculating the General Partner's performance-based compensation. Additionally, regardless of whether a recapitalization, refinancing or other similar transaction is treated as a "disposition" (in whole or in part) for purposes of determining the Adviser's performance-based compensation, such recapitalization, refinancing or other similar transaction are not expected to be treated as a "disposition" (in whole or in part) for purposes of calculating invested capital under the Organizational Document or investment advisory agreement.

Allocation of Personnel. The Adviser will devote such time to a Client as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, including members of the Blackstone Real Estate Group Investment Committee will work on other projects, serve on other committees (including boards of directors, as applicable) and source potential Investments for and otherwise assist the investment programs of Other Blackstone Vehicles and their Portfolio Entities, including other investment programs to be developed in the future. Time spent on these other initiatives diverts attention from the activities of Clients, which

could negatively impact the Clients and their Investors. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the Blackstone Real Estate Group share in the fees and performance-based compensation from Clients; similarly, the Blackstone Real Estate Group personnel share in the fees and performance-based compensation generated by Other Blackstone Vehicles. These and other factors create conflicts of interest in the allocation of time by Blackstone personnel. The Adviser's determination of the amount of time necessary to conduct a Client's activities will be conclusive, and Investors rely on the Adviser's judgment in this regard.

Outside Activities of Principals and Other Personnel and their Related Parties. Certain personnel of Blackstone will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to Clients, Other Blackstone Vehicles 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 Clients, including if such other entities compete with Clients 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 a Client. This involvement may create conflicts of interest in making Investments on behalf of a Client and such other funds, accounts and other entities. 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 interest. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by a Client or Other Blackstone Vehicles, or otherwise relate to companies or issuers in which a Client has or acquires 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 Clients. Investors will not receive any benefit from any such Investments, and the financial incentives of Blackstone personnel in such other Investments could be greater than their financial incentives in relation to a Client. Although the Adviser will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for a Client.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which Clients invest and/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 Clients or other counterparties of Clients and their Portfolio Entities and/or assets. Moreover, in certain instances, a Client 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 a Client from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Adviser. The Investors rely on the Adviser to manage these conflicts in its sole discretion.

Secondments and Internships. Certain personnel of Blackstone and its affiliates, including Consultants, will, in certain circumstances, be seconded to one or more Portfolio Entities, vendors, personnel, service providers or Investors of Clients and Other Blackstone Vehicles to provide finance, accounting, operation support, data management and other similar services, including the sourcing of Investments for Clients or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors, service providers (including law firms and accounting firms) and Investors of Clients and Other Blackstone Vehicles will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to Blackstone, Clients, Other Blackstone Vehicles and Portfolio Entities of Clients and Other Blackstone Vehicles. While often Clients, Other Blackstone Vehicles and their Portfolio Entities are the beneficiaries of these types of arrangements, Blackstone is, from time to time, a beneficiary of these arrangements as well, including in circumstances where the vendor, personnel or service provider or otherwise also provides services to Clients, Other Blackstone Vehicles, their Portfolio Entities or Blackstone in the ordinary course. 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 a Client, Blackstone, Other Blackstone Vehicles or their Portfolio

Entities. If Blackstone pays salaries or covers expenses associated with such secondees and interns, it may seek reimbursement from a Client for such amounts. Blackstone, its Clients, Other Blackstone Vehicles or their Portfolio Entities could receive benefits from these arrangements at no cost, or alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements and if a Portfolio Entity pays the cost or Blackstone seeks reimbursement from the Client or its Portfolio Entities for such secondment costs, it could be borne directly or indirectly by the Clients. To the extent such fees, compensation or other expenses are borne by a Client, including indirectly through its Portfolio Entities or reimbursement of Blackstone for such cost, the Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Blackstone, Clients, Other Blackstone Vehicles, Portfolio Entities, each of their respective affiliates and related parties, and any costs of such personnel may be allocated accordingly. Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to Blackstone, Clients, Other Blackstone Vehicles, 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 Adviser, 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 a Client, the value of which will not offset or reduce Management Fees or otherwise be shared with a Client, its Portfolio Entities or the Investors. For example, airline travel or hotel stays will result in “miles” or “points” or credit in loyalty or status programs, and such benefits will, whether or not *de minimis* or difficult to value, inure exclusively to the benefit of the Adviser, its Affiliates or their personnel or related parties receiving it, even though the cost of the underlying service is borne by a Client as partnership expenses or by its Portfolio Entities. (See also “— ***Service Providers, Vendors and Other Counterparties Generally***” herein.) Similarly, the Adviser, 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.

Advisors, Consultants and Partners. The Adviser, its Affiliates and their personnel and related parties engage and retain Consultants to provide a variety of services. Similarly, Clients, Other Blackstone Vehicles and their Portfolio Entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to originate, acquire and develop assets and

businesses in a particular sector or involving a particular strategy. Any amounts paid by a Client or a Portfolio Entity to Consultants in connection with the above services, including, performance-based compensation (*e.g.*, promote), retainers, cash fees, profits, equity interests in a Portfolio Entity, discretionary bonus awards and expense reimbursements, will be treated as partnership expenses or expenses of the Portfolio Entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser, be chargeable to the Adviser or deemed paid to or received by the Adviser, or offset or reduce any Management Fees to the Adviser or be subordinated to return of the Investor's capital. Amounts charged by Consultants will not necessarily be confirmed as being comparable to market rates for such services. Also, Consultants often co-invest alongside a Client in Portfolio Entities and Investments, participate in long-term incentive plans of a Portfolio Entity, and invest directly in a Client or in vehicles controlled by a Client, with reduced or waived Management Fees and performance-based compensation and such co-investment or participation (which generally will result in the Client being allocated a smaller share of an Investment and less co-investment being available to Investors) may or may not be considered part of Blackstone's side-by-side co-investment rights, as determined by the Adviser in its sole discretion. Consultants' benefits described in this paragraph will, in certain circumstances, continue after termination of status as a Consultant.

The time dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant advises the Adviser on transactions, provides the Adviser 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. A Client may rely on these Consultants to recommend the Adviser and Client 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 a Client for any length of time. The Adviser and Client can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of Blackstone "employees" (*e.g.*, they can be expected to have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business

cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, Affiliates or personnel for purposes of the Organizational Documents and the Advisory Agreement, as applicable, and their salary and related expenses are paid by a Client as partnership expenses or by Portfolio Entities without any reduction or offset to Management Fees. Some Consultants work only for a Client and its Portfolio Entities, while other Consultants may have other clients, including Other Blackstone Vehicles as described below. In particular, in some cases, Consultants, including those with a “Senior Advisor” title, have been and will be engaged with the responsibility to source and recommend transactions to the Adviser potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Adviser under the investment advisory agreement, the compensation to such Consultants could be borne fully by the Client and/or Portfolio Entities (with no reduction or offset to Management Fees) and not the Adviser. Consultants could have conflicts of interest between their work for a Client and its Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and the Adviser is limited in its ability to monitor and mitigate these conflicts. Additionally, Consultants could provide services on behalf of both the Client and Other Blackstone Vehicles, and any work performed by Consultants retained on behalf of the Client could benefit such Other Blackstone Vehicles (and alternatively, work performed by Consultants on behalf of Other Blackstone Vehicles could benefit the Client), and the Adviser shall have no obligation to allocate any portion of the costs to be borne by the Client in respect of such Consultant’s work on behalf of the Client to such Other Blackstone Vehicles.

In addition, a Client will, in certain circumstances, enter into an arrangement, from time to time, with one or more individuals (who may be former personnel of Blackstone or current or former personnel of Portfolio Entities of the Client or Other Blackstone Vehicles, 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: 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 Client or a Portfolio Entity or asset of the Client, or other long term incentive plans. Compensation could also be based on assets under management or other similar metric. The Client could bear the cost of overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and the sourcing, diligence and analysis of Investments, as well as the compensation for the individuals and entity

undertaking the build-up strategy. Such expenses could be borne directly by a Client 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 Adviser 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 Adviser could engage third parties as senior advisors (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such senior advisors could receive reimbursement of reasonable related expenses by Portfolio Entities or the Client and could have the opportunity to invest in a portion of the assets available to the Client for investment which could be taken by the Adviser and its affiliates. If such senior advisors generate investment opportunities on the Client's behalf, such senior advisors could 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 Client and/or Portfolio Entities (with no reduction or offset to Management Fees) and not the Adviser.

Multiple Blackstone Business Lines. Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, Clients, Other Blackstone Vehicles, Portfolio Entities of Clients and Other Blackstone Vehicles 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 Client's 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 Adviser that would be relevant to monitoring the Client's Investments and other activities. 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 a Client will not benefit from their experience. The Investors will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Blackstone is under no obligation to decline any engagements or Investments in order to make an investment opportunity available to a Client. Blackstone has long-term relationships with a

significant number of corporations and their senior management. The Adviser will consider those relationships when evaluating an investment opportunity, which may result in the Adviser 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). A Client may be required 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 has 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 a Client. (See also “—*Other Blackstone Vehicles; Allocation of Investment Opportunities*” and “—*Portfolio Entity Relationships Generally*” herein.) The Client 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 Adviser with respect to a Client’s Investments and otherwise result in a conflict. (See also “—*Other Blackstone Vehicles; Allocation of Investment Opportunities*” herein.)

Also, Blackstone will represent creditors or debtors in proceedings under Chapter 11 of the U.S. Bankruptcy Code or prior to such filings and will serve as advisor to creditor and equity committees. This involvement, for which Blackstone will, from time to time, be compensated, could limit or preclude the flexibility that a Client would otherwise have to buy or sell certain real estate related assets, and may require that a Client dispose of an Investment at an inopportune time.

Finally, Blackstone and Other Blackstone Vehicles could acquire investor interests in a Client in the secondary market. Blackstone and Other Blackstone Vehicles would generally have greater information than counterparties in such transactions, and the existence of such business could produce conflicts, including in the valuation of a Client’s Investments.

Minority Investments in Asset Management Firms. Blackstone and Other Blackstone Vehicles, including BSCH and its related parties, regularly make minority Investments in alternative asset management firms that are not affiliated with Blackstone, Clients, Other Blackstone Vehicles and their respective Portfolio Entities, and which may, from time to time, engage in similar investment transactions, including with respect to purchase and sale of Investments, with these asset management firms and their sponsored funds and Portfolio Entities. Typically, the Blackstone related party with an interest in the asset management firm would be entitled to receive a share of performance-based compensation and net fee income or revenue share generated by the various products, vehicles, funds and accounts managed by that third-party asset management firm that are included in the transaction or activities of the third-party asset management firm, or a subset of

such activities such as transactions with a Blackstone related party. In addition, while such minority investments are generally structured so that Blackstone does not “control” such third-party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of “protective” rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. Although Blackstone and Other Blackstone Vehicles, 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 Vehicles, including BSCH, will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third-party asset managers will not be deemed “Affiliates” of Blackstone under the Organizational Documents or for any other purpose, Blackstone may, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic/revenue sharing interest therein may give rise to conflicts of interest. Participation rights in a third-party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the investments of a Client 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 a Client. Clients, their affiliates and their respective Portfolio Entities may, from time to time, engage in transactions with, and buy and sell investments from, any such third-party asset managers and their sponsored funds and transactions and other commercial arrangements between such third-party asset managers and a Client and its Portfolio Entities are not subject to L.P. Advisory Committee approval, as applicable. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and a Client and its 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 Client. 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. Some of these policies and procedures, such as Blackstone's information wall policy, also have the effect of reducing firm-wide synergies and collaboration that a Client could otherwise expect to utilize for purposes of identifying and managing attractive Investments. Personnel of Blackstone may be unable, for example, to assist with the activities of a Client 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 Client may not be able to initiate a transaction that it otherwise might have initiated and may not be able to purchase or sell an Investment that such Client otherwise might have purchased or sold, which could negatively affect such Client's operations.

Data. Blackstone receives, generates or obtains various kinds of data and information from Clients, Other Blackstone Vehicles, their Portfolio Entities, and, at their election, certain investors in Clients and investors in Other Blackstone Vehicles, and service providers, including but not limited to data and information relating to business operations, financial information results, trends, budgets, plans, ESG, carbon emissions and related metrics, customer and user data, employee and contractor data, supplier and cost data, and other related data and information, some of which is sometimes referred to as alternative data or "big data." Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes or identify specific investment, trading or business opportunities, as a result of its access to (and rights regarding) this data and information from Clients, Other Blackstone Vehicles, their Portfolio Entities and, at their discretion, investors in Clients and investors in Other Blackstone Vehicles. Blackstone has entered and will continue to enter into information sharing and use, measurement and other arrangements, which will give Blackstone access to (and rights regarding, including use, distribution and derived works rights over) data that it would not otherwise obtain in the ordinary course, with Clients, Other Blackstone Vehicles, their Portfolio Entities, and, at their election, certain investors in Clients and investors in Other Blackstone Vehicles, related parties and service providers. Further, this alternative data is expected to be aggregated across the Funds, Other Blackstone Clients and their respective Portfolio Entities. Although Blackstone believes that these activities improve Blackstone's investment management activities on behalf of Clients and Other Blackstone Vehicles, information obtained from a Client, its Portfolio Entities and, at their election, certain investors in Clients and in Other Blackstone Vehicles also provides material benefits to Blackstone or Other Blackstone Vehicles typically without compensation or other benefit accruing to a Client, its investors or Portfolio Entities. For example, information from

a Portfolio Entity owned by a Client can be expected to enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Vehicles that do not own an interest in the Portfolio Entity, typically without compensation or benefit to the Client or its Portfolio Entities. Blackstone is expected to serve as the repository for data described in this paragraph.

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

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

Blackstone Strategic Relationships. Blackstone has entered, and it can be expected that Blackstone in the future will enter, into Strategic Relationships. A Strategic Relationship often involves an Investor agreeing to make a capital commitment to two or more Blackstone funds, one of which may be a Client. Investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect in the "most-favored nations" election process any such rights or benefits afforded through a Strategic Relationship (for the avoidance of doubt, no further disclosure or reporting information will be shared with the Investors about any Strategic Relationship). Specific examples of such additional rights and benefits have included and can be expected to include, among others, specialized

reporting, discounts on, reductions to and/or reimbursement or rebates of management fees or performance-based compensation beyond those available to the Investors, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Other 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 Other Blackstone Vehicles (including any performance-based compensation and/or management fees to be charged with respect thereto, as well as any additional discounts, reductions, reimbursements or rebates thereof or other penalties that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). The co-investment that is part of a Strategic Relationship may include co-investment in investments made by all Clients. To the extent any allocations are made pursuant to the Organizational Document based on unused capital commitments, any such discount or reduction of management fees may cause the unused capital commitments of the applicable investor to fluctuate disproportionately as compared to the unused capital commitments of any other Limited Partner without such management fee discount or reduction. See also “—*Diverse Investor Group*” below. Blackstone, including its personnel (including real estate personnel), will receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from a Client or source investment opportunities for Strategic Relationships. Strategic Relationships will, in certain circumstances, result in fewer co-investment opportunities (or reduced allocations) being made available to Investors. See also “—*Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment*” herein.

Buying and Selling Investments or Assets from Certain Related Parties. A Client and its Portfolio Entities can be expected to purchase investments or assets from or sell investments or assets of a Client (including its Portfolio Entities) to Investors, Portfolio Entities of other Clients or Other Blackstone Vehicles or their respective related parties, including parties which such Investors or Portfolio Entities, or Other Blackstone Vehicles, own or have invested in. Such purchases and sales could occur on a programmatic basis; for example, where one Portfolio Entity is focused on property development and construction within a given sector and another Portfolio Entity is focused on acquiring and holding multiple properties within the same sector as a part of a platform investment. Blackstone will generally rely upon internal analysis to determine the ultimate value of the applicable investment or asset, though it could also obtain third-party valuation reports in respect thereof. Such purchases and sales could occur on a programmatic basis; for example, where one Portfolio Entity is focused on property development and construction within a given sector and another Portfolio Entity is focused on acquiring and holding multiple properties within the

same sector as a part of a platform investment. In each such circumstance it can be expected that the proceeds received by a seller from a Client or its Portfolio Entities in respect of an investment or asset will be distributed, in whole or in part, to a related party (i.e., an Investor, Portfolio Entity of an Other Blackstone Vehicle or Other Blackstone Vehicle) of the Client when such related party indirectly holds interests in such underlying investment or asset through the seller (including, for example, in such related party's capacity as an investor in such seller). In other circumstances where a Client or a related party (i.e., an Investor, Portfolio Entity of an Other Blackstone Vehicle or an Other Blackstone Vehicle) of a Client holds publicly traded securities in a Portfolio Entity and a Client or such related party has entered into a privately negotiated transaction with such Portfolio Entity, a Client or such related party can be expected to receive (directly or indirectly) proceeds from such related party or a Client, as applicable, upon the consummation of such privately negotiated transaction. In each such circumstance, investors, Other Blackstone Vehicles, Portfolio Entities of Other Blackstone Vehicles or their respective related parties may also have limited governance rights in respect of such seller or such investment or asset. Purchases and sales, directly or indirectly, of investments or assets of a Client between a Client or its Portfolio Entities, on the one hand, and Investors and/or Portfolio Entities of other Clients or Other Blackstone Vehicles or their respective related parties, on the other hand, are not subject to the approval of the L.P. Advisory Committee, as applicable, or any Investor, except as expressly required under the Organizational Document or unless otherwise required under the Advisers Act or other applicable laws or regulations. A Client may originate or initially acquire an Investment (or portfolio of related Investments) in circumstances where it expects that certain portions or tranches thereof (which may be of different levels of seniority or credit quality) will be syndicated to one or more Other Blackstone Vehicles as described above (in which case Blackstone will have conflicting duties in determining the tranching thereof). Blackstone will have conflicting duties to the Client and Other Blackstone Vehicles when a Client or its Portfolio Entities sells assets to Other Blackstone Vehicles or Portfolio Entities thereof, including as a result of different financial incentives Blackstone may have with respect to a Client and such Other Blackstone Vehicles. In addition, certain financings between a Client and Blackstone affiliates may be structured as a transaction between a Client and an affiliate, but will not be treated as the sale of an Investment from or to a Client from a Blackstone affiliate for purposes of the Organizational Documents, as determined by the General Partner in good faith. For example, where the Clients in anticipation of a take private transaction purchase publicly traded securities of an issuer in which an Other Blackstone Vehicle holds a *de minimis* interest, such take private transaction, if structured as a merger between the issuer and one or more subsidiaries of the Clients would generally not be treated as the sale of an Investment in such issuer from such Other Blackstone Vehicle to the

Clients for purposes of the Organizational Document, including in a situation where holders of the securities of the issuer automatically receive each consideration in exchange for their interest when the merger becomes effective. There can be no assurance that any assets sold by a Client to an Other Blackstone Vehicle will not be valued at 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 an Other Blackstone Vehicle. For example, a Portfolio Entity may sell its data to limited partners, Portfolio Entities of other Clients or Other Blackstone Vehicles or their respective related parties. See also “*Data*” and “—*Data Management Services*” herein. 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.

Selling Assets to Other Blackstone Vehicles. Blackstone will have conflicting duties to a Client and Other Blackstone Vehicles when a Client sells assets to Other Blackstone Vehicles or when such Other Blackstone Vehicles provide equity or debt financing to a Client or third party purchasers in connection with the disposition of such assets, including as a result of different financial incentives Blackstone may have with respect to a Client and such Other Blackstone Vehicles. A Client may originate or initially acquire an Investment (or portfolio of related Investments) in circumstances where it expects that certain portions or tranches thereof (which may be of different levels of seniority or credit quality) will be syndicated to one or more Other Blackstone Vehicles (in which case Blackstone will have conflicting duties in determining the tranching thereof). Blackstone will have conflicting duties to a Client and Other Blackstone Vehicles when a Client sells assets to Other Blackstone Vehicles, including as a result of different financial incentives Blackstone may have with respect to a Client and such Other Blackstone Vehicles. In addition, certain financings between a Client and Blackstone affiliates may involve structuring that in form is a transaction between the Client and an Affiliate, but will not be treated as the sale of an Investment from or to the Client from or to a Blackstone affiliate for purposes of the Organizational Documents of such Client, as determined by the General Partner in good faith. There can be no assurance that any assets sold by a Client or its Portfolio Entities to an Other Blackstone Vehicle or Portfolio Entities thereof (or where such Other Blackstone Vehicle is providing financing to a Client or a third party purchaser) 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 an Other Blackstone Vehicle or Portfolio Entities thereof, including a third party purchaser that is not receiving such financing from an Other Blackstone Vehicle. Blackstone will not be required to solicit third-party bids prior to causing a Client to sell an asset to an Other Blackstone Vehicle as provided above. In the event Blackstone does solicit third-party bids in a

sale process of any such assets, the participation of an Other Blackstone Vehicle through the financing of a third party purchase, could potentially have a negative impact on the overall process. For example, a bidder that is not or has otherwise chosen not to work with an Other Blackstone Vehicle for such financing, may perceive the process as favoring parties that are doing so. While Blackstone will seek to develop sale procedures that mitigate conflicts for the Clients, there can be no assurance that any bidding process will not be negatively impacted by the presence of any Other Blackstone Vehicles.

Blackstone's Relationship with Pátria. Blackstone owns a non-controlling equity interest in Pátria. Pátria is a leading Brazilian alternative asset manager and advisory firm. Pátria's alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds (e.g., a multi-strategy fund and a long/short equity fund). On January 26, 2021, Pátria completed its 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. Blackstone does not control the day-to-day management of Pátria or the investment decisions of Pátria's funds, all of which reside with the local Brazilian partners of Pátria.

Other Blackstone Vehicles; Allocation of Investment Opportunities. Blackstone invests its own capital and third-party capital on behalf of Other Blackstone Vehicles and Clients in a wide variety of investment opportunities throughout the world. Not every opportunity suitable for a Client will be allocated to it in whole or in part. Certain exceptions exist that allow specified types of investment opportunities that fall within a Client's investment objectives or strategy to be allocated in whole or in part to Blackstone itself or Other Blackstone Vehicles, such as strategic Investments made by Blackstone itself (whether in financial institutions or otherwise) and the exception for other Clients and Other Blackstone Vehicles that have investment objectives or guidelines similar to, or overlapping, in whole or in part with, those of a Client, to some extent, or pursue similar returns as a certain Client but have a different investment strategy or objective. Therefore, there may be a limited number of circumstances where investments that are consistent with a certain Client's investment objectives may be required or permitted to be offered to, shared with or made by one or more Other Blackstone Vehicles (and so, offered to, shared with or made thereby). It is expected that some activities of Blackstone, other Clients, the Other Blackstone Vehicles and their

Portfolio Entities will compete with a Client and its Portfolio Entities for one or more investment opportunities that are consistent with a Client’s investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to a Client. The Adviser has conflicting loyalties in determining whether an investment opportunity should be allocated to one or more Clients, Blackstone or an Other Blackstone Vehicle. Blackstone has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

- Overlapping Objectives and Strategies: In circumstances in which any Other Blackstone Vehicles have investment objectives or guidelines that overlap with those of a Client, in whole or in part, Blackstone generally determines the relative allocation of investment opportunities among such vehicles on a fair and reasonable basis in good faith according to guidelines and factors determined by it. However, the application of those guidelines and factors may result in a Client not participating, or not participating to the same extent, in investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines. The Adviser could also determine not to pursue opportunities, as discussed below in “Certain Investments inside a Client’s Mandate that are not Pursued by a Client”, or, alternatively, could later determine an opportunity is appropriate for the Client after initially reviewing such opportunity for or on behalf of an Other Blackstone Vehicle. Certain Clients could invest in the securities of publicly traded companies in which Other Blackstone Vehicles hold existing investments. Subject to certain limitations, a Client may invest in the securities of publicly traded companies in which Other Blackstone Vehicles hold existing investments. Among the factors that the Adviser considers in making investment allocations among Clients and Other Blackstone Vehicles are the following: (i) any applicable investment objectives, parameters, limitations and other contractual provisions relating to a Client and such Other Blackstone Vehicles, (ii) available capital of a Client and such Other Blackstone Vehicles, as determined by the Adviser in good faith (which may take into account relative portfolio composition, anticipated co-investment and other considerations in addition to buying power), (iii) legal, tax, accounting, regulatory and other considerations, (iv) primary and permitted investment strategies, and objectives of a Client and the Other Blackstone Vehicles, including, without limitation, with respect to Other Blackstone Vehicles that expect to invest in or alongside other funds or across asset classes based on expected return, (v) sourcing of the Investment (including by a particular Blackstone business unit), (vi) the sector and geography/location of the Investment, (vii) the specific nature (including size,

type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the Investment, (viii) expected investment return, (ix) risk profile of the Investment, (x) expected leverage on the Investment, (xi) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (xii) capital expenditure required as part of the Investment, (xiii) portfolio diversification concerns (including, but not limited to, whether a particular fund already has its desired exposure to the Investment, sector, industry, geographic region or markets in question), (xiv) relation to existing investments in a fund, if applicable (*e.g.*, “follow on” to existing investment, joint venture or other partner to existing investment, or same security as existing investment), (xv) avoiding allocation that could result in *de minimis* or odd lot investments, (xvi) timing expected to be necessary to execute an investment, and (xvii) other considerations deemed relevant by the Adviser in good faith. It may be the case that following the consummation of a particular Investment, Blackstone determines based on a variety of factors that it deems relevant in its discretion that such Investment is suitable for a “continuation” fund or vehicle. In such case, Blackstone may determine that the Limited Partners will receive the first opportunity to elect to roll over their interests in such Investment even if those Investments have a “core” or “core+” profile on a go-forward basis.

- Investments Outside of a Client’s Mandate: Investment opportunities that the Adviser makes a good faith determination are not expected to yield a Client’s targeted return profile or are otherwise inappropriate for a Client given considerations described in Organizational Documents or as otherwise determined by the Adviser, will generally not be allocated to a Client.
- Certain Investments Inside a Client’s Mandate that are not Pursued by a Client: Under certain circumstances, Blackstone can be expected to determine not to pursue some or all of an investment opportunity within a Client’s mandate, including without limitation, as a result of business, reputational or other reasons applicable to Clients, Other Blackstone Vehicles, their respective Portfolio Entities or Blackstone. In addition, the Adviser will, in certain circumstances, determine that a Client should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because (i) a Client has insufficient available capital (as determined by the Adviser in its good faith discretion taking into account not only capital that is actually available but considerations such as portfolio composition, anticipated co-investment and other factors) to pursue the

investment opportunity, (ii) a Client has already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Adviser in its good faith discretion, or (iii) the investment opportunity is not appropriate for a Client for other reasons as determined by the Adviser in its good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity, in whole or in part, to other parties, including Other Blackstone Vehicles or Portfolio Entities or Investors of a Client or Other Blackstone Vehicles, Joint Venture Partners, related parties or third parties. Such Other Blackstone Vehicles will from time to time (i) make or receive priority allocations of certain investments that are appropriate for a Client and (ii) participate in investments alongside a Client, *provided*, that any such allocation may be subsequently adjusted at Blackstone's discretion. Any such Other Blackstone Vehicles 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 Adviser believes to be the case. In any event, there can be no assurance that the Adviser's assessment will prove correct or that the performance of any Investments actually pursued by a Client will be comparable to any investment opportunities that are not pursued by a Client. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the Investment, including an allocation of performance-based compensation or referral fees, and any such compensation could be greater than amounts paid by a Client to the Adviser. In some cases, Blackstone earns greater fees when Clients or Other Blackstone Vehicles participate alongside or instead of a particular Client in an Investment.

- Financial Compensation to Allocate Investment Opportunities to Other Blackstone Vehicles: When the Adviser determines not to pursue some or all of an investment opportunity for a Client that would otherwise be within the Client's objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to other Clients or Other Blackstone Vehicles, Blackstone, including its personnel (including Blackstone Real Estate Group personnel), can be expected to receive compensation from the other Clients or Other Blackstone Vehicles, whether or not in respect of a particular Investment, including in some cases an allocation of performance-based compensation, referral fees or revenue share, and any such compensation could be greater than amounts paid by a Client to the Adviser. As a result, the Adviser (including real estate personnel who receive such compensation) could be incentivized to allocate investment opportunities away from a Client to or source investment opportunities for other Clients and Other

Blackstone Vehicles, which could result in fewer opportunities (or reduced allocations) being made available to a Client or to the Investors in a Client as co-investors. In addition, in some cases Blackstone can be expected to earn greater fees when Clients and Other Blackstone Vehicles participate alongside or instead of a particular Client in an Investment.

- Basis for Investment Allocation Determinations; Reallocation: The Adviser makes good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate. Information unavailable to the Adviser, or circumstances not foreseen by the Adviser at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Adviser determines to be consistent with the return objectives of a particular type of fund rather than a particular Client could exceed the Adviser's expectations and underwriting and generate an actual return that would have been appropriate for the Client. Conversely, an Investment that the Adviser expects to be consistent with a Client's return objectives will, in certain circumstances, fail to achieve them. Furthermore, in certain circumstances where a Client is participating alongside one or more Other Blackstone Vehicles in an investment opportunity, the Adviser is expected to be required to make initial investment allocation decisions at the time of the signing of the related purchase agreement (or equivalent) and/or funding of the deposit in respect thereof. The Adviser could change the applicable investment allocations as between the Client and such Other Blackstone Vehicles between such signing funding and the closing of such investment opportunity as it determines appropriate based on a number of factors, including (i) changes in available capital (taking into account changes in capital commitment subscriptions, redemptions, transfers, deployment of capital, reserves for future investments among other factors) and (ii) prevailing concentration limits in respect of sector, industry, geographic region or markets in question. In such circumstances, the Client's and such Other Blackstone Vehicles' respective obligations related to any deposit and transaction costs (including broken deal fees and expenses) would be expected to change accordingly, provided that any such adjustments, particularly in respect of funded deposits, are expected to occur at the time of the closing of the investment and interest or other additional amounts will not be due or payable in respect of any such adjustments. In addition, the Adviser could determine at any point prior to the closing of an investment opportunity that any such investment opportunity that was initially allocated to a Client based on information available to the Adviser at the time the allocation decision is made should subsequently be reallocated in whole or in part to one or more Other Blackstone Vehicles (and vice versa)

based on subsequent information received by the Adviser in respect of such investment opportunity (e.g., an investment opportunity that the Adviser initially determines to be consistent with the return objectives of the Client could subsequently be determined to be consistent with the return objectives of a core+ fund). In such circumstance, the Adviser could determine to reallocate all or any portion of any such investment opportunity from a Client to such Other Blackstone Vehicle (or vice versa) (such fund from which an investment opportunity is being reallocated, a “Reallocating Fund”), including in circumstances where such Reallocating Fund has entered into an exclusivity arrangement or other binding agreement with one or more third parties (any such reallocated investment opportunity, a “Reallocated Investment”). In such cases, if the non-Reallocating Fund agrees to pursue the investment, it will reimburse the Reallocating Fund for any deferred acquisition costs (including non-refundable or refundable deposits, breakage fees, due diligence costs and other fees and expenses) incurred by the Reallocating Fund relating to such Reallocated Investment may be so reallocated prior to closing without the consent of the L.P. Advisory Committee, the Investors, or otherwise, as applicable.

- Investment alongside other Clients and Other Blackstone Vehicles: A Client will also invest alongside other Clients and Other Blackstone Vehicles (including other vehicles in which Blackstone or its personnel invest) in Investments that are suitable for one or more of the Client and such other Clients and Other Blackstone Vehicles. To the extent a Client jointly holds securities with any other Client or Other Blackstone Vehicle that has a different expected duration or liquidity terms, conflicts of interest will arise between the Client and such Other Blackstone Vehicle with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, a Client may recuse itself from participating in any decisions relating, or with respect, to the Investment by a Client or Other Blackstone Vehicle. If the Other Blackstone Vehicle maintains voting rights with respect to the securities it holds, or if a Client does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to Clients and Other Blackstone Vehicles, which may adversely impact a Client. (See also “—*Other Blackstone Vehicles; Allocation of Investment Opportunities*” herein.) In certain instances, a Client and the applicable Other Blackstone Vehicles may dispose of any such shared Investment at different times and on different terms. While such investments are not expected to represent a substantial portion of a Client’s portfolio, as part of its investment strategy, a Client may pursue investments in growth stage property technology companies. A “growth stage property technology company” means a real-estate

related portfolio company exhibiting growth characteristics. To the extent a Client pursues such investments, it is expected that such investment opportunities will initially be shared between the Client and one or more growth equity funds, taking into account allocation considerations described above (including, for the avoidance of doubt, available capital and the concentration and risk considerations of the investment committees of such funds). Such sharing is expected to comprise of annual vintages, with annual allocations as between the Client and the applicable growth equity fund set by the Adviser in its sole discretion at the beginning of each such annual vintage (e.g., the Adviser and the current growth equity fund may form one “vintage” with a specific sharing allocation for one annual period and subsequently form a new “vintage” with a different specific sharing allocation for the following annual period). The determination as to whether an Investment is in a growth stage property technology company is largely subjective and Blackstone will have significant latitude in determining what constitutes such Investment. See also “—Liability Arising From Transactions Entered into Alongside Other Blackstone Vehicles” and “—Broken Deal Expenses”.

From time to time, investment opportunities that are appropriate for a Client may not be allocated to such Client in whole or in part, and Other Blackstone Vehicles will, from time to time, make or receive priority allocations of certain Investments that are appropriate for a Client and will, from time to time, participate in Investments alongside a Client.

- Investment alongside Blackstone Affiliates: The Organizational Document specifies that Blackstone (which includes participation by Blackstone affiliates, professionals, employees and related parties, and entities and other key advisors and relationships of Blackstone, including in certain circumstances, Other Blackstone Vehicles) will be permitted to make investments alongside the Clients up to a maximum specified percentage of the total investment amount through Blackstone’s side-by-side investment rights. In addition, subject to the terms of the Organizational Document, the Adviser will, in certain circumstances, permit certain Blackstone personnel and other professionals responsible for portfolio operations and other similar operational initiatives to participate in these side-by-side rights on an investment-by-investment basis. The Adviser intends to limit participation by any such professionals to Investments involving Portfolio Entities of the Clients with respect to which the Adviser expects in good faith that such professionals will be materially involved following the consummation of such Investment. Such side-by-side investments generally result in the Clients being allocated a smaller share of an investment than would

otherwise be the case in the absence of such side-by-side investment rights, Blackstone generally receives no fees in relation to side-by-side investments, but will often receive additional income in fees and performance compensation from Other Blackstone Vehicles in connection with such investments. Additionally, Other Blackstone Vehicles will be permitted (or have the preferred right) to participate in Blackstone's side-by-side co-investment rights. In particular, the BTAS Funds, which invest in, or alongside, multiple Blackstone funds, will participate in investments alongside the Clients pursuant to Blackstone's side-by-side investment rights, and in such cases Blackstone would be eligible to receive fees and carried interest from the investors in such vehicles (as determined in Blackstone's sole discretion). The Clients can be expected to lend an amount to Blackstone and its affiliates with respect to its pro rata share of such Investments; provided, that any such amounts so borrowed shall be on no more favorable terms than those applicable to the Clients' borrowing of the related proceeds.

- Supplemental Account: Blackstone could establish one or more supplemental capital vehicles (collectively, "Supplemental Account") for certain investors with different capital commitment amounts, to invest alongside a Client, Investor or Investors. Such Supplemental Accounts would be expected to receive allocations of investment opportunities allocated to the Client that otherwise exceed the amount that Blackstone determines is appropriate for Clients to invest. Any allocations to a Supplement Account will (in those circumstances where co-investment opportunities are or otherwise would be offered) have the effect of reducing the amount of potential co-investment opportunities that are available to the Investors.

Holding Entities and Tracking Interests. The Adviser may determine that for legal, tax, regulatory, accounting, administrative or other reasons the Clients should hold an Investment (or a portion of a portfolio or pool of assets) through a single holding entity through which one or more Other Blackstone Vehicles (including a similar fund) hold different investments (or a different portion of such portfolio or pool of assets, including where such portfolio or pool has been divided and allocated among the Clients and such Other Blackstone Vehicles as described in "—Allocation of Portfolios") in respect of which the Clients does not have the same economic rights, obligations or liabilities. In such circumstances, it is expected that the economic rights, liabilities and obligations in respect of the Investment (or portion of a portfolio or pool) that is indirectly held by the Clients would be specifically attributed to the Clients through tracking interests in such holding entity or back-to-back or other similar contribution or reimbursement

agreements or other similar arrangements entered into with such Other Blackstone Vehicles, and that the Clients would be deemed for purposes of the Organizational Document to hold its Investment (or portion of a portfolio or pool) separately from, and not jointly with, such Other Blackstone Vehicles (and vice versa in respect of the investments (or portion of a portfolio or pool) held indirectly through such holding entity by such Other Blackstone Vehicles).

Allocation of Portfolios. Blackstone will, in certain circumstances, have an opportunity to acquire a property, portfolio or pool of assets, securities and instruments that it determines should be divided and allocated among Clients and Other Blackstone Vehicles. Such allocations generally would be based on Blackstone's assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool may have an opportunistic return profile, while others may have a lower return profile not appropriate for Clients. Also, a pool may contain both debt and equity instruments that Blackstone determines should be allocated to different funds. Similarly, there will likely be circumstances in which the Clients and Other Blackstone Vehicles will sell assets in a single or related transactions to a buyer. In that regard, the contractual purchase price paid to a seller or received from a buyer would be allocated among the multiple assets, securities and instruments in the pool, and therefore among the Clients and Other Blackstone Vehicles acquiring or selling any of the assets, securities and instruments, in accordance with the allocation of value in respect of the transaction (e.g., accounting, tax or different manner), although Blackstone could, in certain circumstances, allocate value to the Clients and such Other Blackstone Vehicles on a different basis. For example a counterparty could utilize an allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not appropriate 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 Clients and Other Blackstone Vehicles when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an Investment of a Client 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 Clients and Other Blackstone Vehicles. In certain cases, a Client could purchase the entire portfolio or pool from a third party seller and promptly thereafter sell the portion of the portfolio or pool allocated to an Other Blackstone Vehicle to that Other Blackstone Vehicle pursuant to an agreement entered into between the Client

and such Other Blackstone Vehicle prior to closing of the transaction (or vice versa), and any such sell down of assets will not be subject to the approval of the L.P. Advisory Committee, any Investor, or otherwise, as applicable.

Investments in Which Other Blackstone Vehicles Have a Different Principal Investment Generally. A Client 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 Clients or Other Blackstone Vehicles (and in certain circumstances, the Adviser will be unaware of an Other Blackstone Vehicle's participation, as a result of information walls or otherwise). Generally, there are no limitations in the Organizational Documents of the Client with respect to such investments (including with respect to terms, price, quantity, frequency, percentage interest therein or otherwise). In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, a Client may recuse itself from participating in any decisions relating or with respect to such Investment by a Client or the applicable Investments by other Clients or Other Blackstone Vehicles, 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 other 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 a Client and such other Clients and Other Blackstone Vehicles, which will, in certain circumstances, adversely impact the Client. In that regard, actions may be taken for other Clients and Other Blackstone Vehicles that are adverse to a Client (and *vice versa*). If a Client recuses itself from decision-making, it will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made. Except to the extent expressly subject to the Management Fee offset provisions of the Organizational Documents, the Investors will in no way receive any benefit from fees paid to the Adviser or its affiliates from a Portfolio Entity in which any Other Blackstone Vehicle also has an interest (including, for greater certainty, any fees the Adviser or its affiliates received as a result of the provision of services by such affiliates).

In addition, under certain circumstances, a Client may be prohibited (or refrain) from decision-making or exercising other rights it would otherwise have with respect to a Portfolio Entity, as a result of the Client's affiliation with Other Blackstone Vehicles that own different interests in such Portfolio Entity. While the Adviser will seek, where applicable to have a third party exercise rights on behalf of the relevant Client for purposes of exercising voting rights and/or managing any conflicts of interest related to such investments (which may include third-party co-investors or

independent representatives), in certain instances such investments may be made without any such third-party participation (for example, because the Client owns or acquires the entirety of the relevant instrument or tranche), and in such circumstances the absence of any such third party could adversely affect the Client or its interest in the Portfolio Entity (or the applicable Other Blackstone Vehicle(s)) or its ability to effectively mitigate such conflicts of interest.

With respect to debt securities acquired or sold in a secondary transaction or syndication between Other Blackstone Vehicles and a third party in particular (following the issuance or origination of any financing or refinancing) the Adviser and/or such Other Blackstone Vehicles may determine that no mitigation of any potential conflicts of interest with respect to such acquisition or sale is required. Such investments and transactions will give rise to potential or actual conflicts of interest. There can be no assurance that any conflict will be resolved in favor of the Client.

In addition, Clients and/or Other Blackstone Vehicles may seek to initially acquire investments (including all or part of the relevant tranche of securities) for the purpose of syndicating a portion thereof to one or more Other Blackstone Vehicles, co-investors or third parties. The terms of any such acquisition and syndication will be determined by the Adviser in its sole discretion, and may involve a client initially acquiring all or substantially all of an instrument or relevant tranche or class of securities with a view towards syndication. In any such circumstance, third parties may not be available for purposes of mitigating any potential conflicts of interest (as described above) and the Other Blackstone Vehicles and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of Management Fees payable by the Investors. The conflicts applicable to Other Blackstone Vehicles who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations. (See also “—*Securities and Lending Activities*” and “—*Syndication; Warehousing*” herein.)

Continuation Vehicles and Continuation Transactions. The Adviser could, subject to the requirements of the Organizational Documents, from time to time establish other investment vehicles for the purpose of purchasing one or more investments from a Client (sometimes, but not always, where the selling Client is approaching the end of its term) in connection with, or alongside another Client making an investment (such vehicles, “Continuation Vehicles” and such transactions, “Continuation Transactions”). In such circumstances, the Adviser is acting on behalf of, and making the investment decision for, both a Client and the applicable Continuation Vehicle. As a result, Continuation Transactions implicate conflicts of interest described above in “Buying and Selling Investments or Assets from Certain Related Parties” between the Client and the

Continuation Vehicle more generally. Further, because the Adviser and/or its affiliates will have the opportunity to earn additional management fees and/or receive additional Carried Interest and other benefits in respect of such Continuation Transactions, and because each purchaser's commitment to acquire interests in a Continuation Vehicle will ordinarily be conditioned upon completion of the Continuation Transaction, the Adviser will have a potential conflict of interest in determining transaction terms and participants. While certain conflicts of interest related to Continuation Transactions often require approval by the limited partner advisory committee of a Client, certain transactions may be able to be completed at the initiation of the Adviser without any such approval.

Simultaneous Transactions. There may be instances where Blackstone negotiates transactions with counterparties that involve a Client, an Other Blackstone Vehicle and/or Blackstone in different capacities. For example, a Client may sell or purchase an interest in a portfolio company to a counterparty (such as another sponsor's fund), while the same counterparty acquires or sells an interest in a portfolio company of an Other Blackstone Vehicle or Blackstone. While these transactions may be separate or non-contingent, due to the simultaneous or closely related timing of these transactions, there may be actual or perceived conflicts of interest in connection with such transactions due to Blackstone's duties to a Client on one hand, and such Other Blackstone Vehicle or Blackstone participating in the related transaction on the other, for example with respect to ensuring each transaction is separately in the best interest of the applicable Other Blackstone Vehicle and a Client and that the valuations are fair and reasonable to each respective fund, among other things. To mitigate such conflicts, Blackstone could, for example, negotiate each such transaction independently and ensure there is not a cross-conditioned closing of the two transactions, to ensure that the terms of each such transaction stand on their own.

Related Financing Counterparties. Clients can be expected to invest in companies or other entities in which Other Blackstone Vehicles make an investment in a different part of the capital structure (and *vice versa*). The Adviser requests in the ordinary course proposals from lenders and other sources to provide financing to Clients and their Portfolio Entities. The Adviser 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 Clients and their Portfolio Entities is expected to be provided, from time to time, by third parties, affiliates of Investors, Other Blackstone Vehicles 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 Vehicles 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 a Client and its Portfolio Entities to accept less favorable financing terms from an Investor, Other Blackstone Vehicles, their Portfolio Entities and Investors, Blackstone 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 such Client, even if the form of the transaction is not a financing. Although less common, a Client or a Portfolio Entity could also occupy a more senior position in the capital structure than an Investor, Other Blackstone Vehicle, their Portfolio Entities and other parties with material relationships with Blackstone, in which case Blackstone could have an incentive to cause such Client or Portfolio Entity to offer more favorable financing terms to such parties. In the case of a related party financing between a Client or its Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Vehicles or their Portfolio Entities, on the other hand, the Adviser 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 Adviser could instead rely on its own internal analysis, which the Adviser believes is often superior to third-party analysis given Blackstone's scale in the market. If, however, any of Blackstone, a Client, an Other Blackstone Vehicle 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 and Blackstone may have influence on such third parties. For example, in the case of a loan extended to a Client or a Portfolio Entity by a financing syndicate in which an Other Blackstone Vehicle has agreed to participate on terms negotiated by a third-party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if the Other Blackstone Vehicle had not participated; it is also possible that the frequent participation of Other Blackstone Vehicles 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 a Client. The Adviser does not believe either of these effects

is significant, but no assurance can be given to Investors that these effects will not be significant in any circumstance. The Adviser will not be required to obtain any consent or seek any approvals from Investors, the L.P. Advisory Committee, or otherwise, as applicable, in the case of any of these conflicts.

Blackstone could cause actions adverse to a Client to be taken for the benefit of Other Blackstone Vehicles that have made an Investment more senior in the capital structure of a Portfolio Entity than such Client (*e.g.*, provide financing to a Portfolio Entity, the equity of which is owned by a Client) and, vice versa, actions will, in certain circumstances, be taken for the benefit of such Client and its Portfolio Entities that are adverse to Other Blackstone Vehicles. 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 a Client or relevant Other Blackstone Vehicle (or their respective Portfolio Entities, as the case may be) by, for example, agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing a Client or relevant Other Blackstone Vehicle (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 a Client or relevant Other Blackstone Vehicle (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 Vehicle holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by a Client or its 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 Vehicle. 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 Vehicle) 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 Adviser 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 a Client and its Portfolio Entities receive market terms.

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

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

Any financing provided by an Investor or an Affiliate to a Client or a Portfolio Entity is not a capital contribution to such Client and does not reduce the unused capital commitment of such Investor. To the extent any Investor in a Client (or Investor in any Other Blackstone Vehicle) or any of its Affiliates provides debt financing to such Client or its 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. Clients and Other Blackstone Vehicles include Debt Funds and accounts that make investments in senior secured loans, distressed debt, subordinated debt, high-yield securities, CMBS and other debt instruments. As discussed above, it is expected that Clients and these Other Blackstone Vehicles will be offered the opportunity to provide financing with respect to Investments made by a Client and its Portfolio Entities. Blackstone owes a fiduciary duty to all Clients and Other Blackstone Vehicles and will encounter conflicts in the

exercise of these duties. For example, if a Client or Other Blackstone Vehicle purchases high-yield securities or other debt instruments of a Portfolio Entity of a particular Client, or otherwise occupies a senior (or other different) position in the capital structure of an Investment relative to a particular Client, Blackstone will encounter conflicts in providing advice to this Client and to the other Clients and Other Blackstone Vehicles with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies), among other matters. Less commonly, a Client could hold an Investment that is senior in the capital structure, such as a debt instrument, to another Client or Other Blackstone Vehicle. Although measures described above in “—***Related Financing Counterparties***” can mitigate these conflicts, they cannot completely eliminate them.

Similarly, certain Other Blackstone Vehicles can be expected to invest in securities of publicly traded companies that are actual or potential Investments of a Client or its Portfolio Entities. The trading activities of Other Blackstone Vehicles may differ from or be inconsistent with activities that are undertaken for the account of a Client or its Portfolio Entities in any such securities. In addition, a Client may not pursue an Investment in a Portfolio Entity otherwise within the investment mandate of such Client as a result of such trading activities by Other Blackstone Vehicles.

Possible Exclusion. The General Partner of a Client may determine that it is appropriate to exclude one or more Investors (or categories of Investors) of the Client from a particular Investment (or category of Investments) initially or permanently due to particular tax concerns related thereto or for other policy, regulatory or legal reasons. An Investor of the Client may be excluded from participation in certain Investments in whole or in part if such participation would result in a significant delay, extraordinary expense or material adverse effect with respect to such Investment, the Client or its Affiliates or such Investor of the Client, or would cause a serious risk of jeopardizing such Investment including potential competitive disadvantages, which may, among other things, reasonably likely result in the imposition of conditions by a governmental authority that reduce the reasonably anticipated benefits to the Client of the Investment or would subject such Investment, the Client or its Affiliates to any material regulatory requirement or render any material filing advisable or mandatory or make such filing or regulatory requirements substantially more burdensome. Subject to the goal of maximizing overall returns for the Investors of the Client, the General Partner of the Client will generally seek to mitigate the circumstances giving rise to such exclusion. Furthermore, to the extent the General Partner of the Client determines the participation of any Investor of the Client in an Investment on a temporary or permanent basis may subject the Client, or an Other Blackstone Vehicle participating in such Investment, to a regulatory

or other filing, notice or approval requirement, the General Partner of the Client may provisionally exclude such Investor of the Client from such Investment, including in connection with regulatory or other filings made with respect to such Investment prior to such Investor's admission (or prior to an increase in capital commitment with respect to an existing Investor). To the extent an Investor is provisionally excluded, such Investor's unused capital commitment will be deemed reduced by an amount equal to such Investor's pro rata participation in the Investment as if such Investor had participated in such Investment from the closing date of such Investment, and such recalculated unused capital commitment will be used to determine such Investor's participation in any subsequent Investment following the date of such provisional exclusion, pursuant to the Organizational Document. Further, to the extent a provisionally excluded Investor becomes permanently excluded, such Investor's unused capital commitment will be increased on a prospective basis by the amount described in the foregoing sentence on the date of such permanent exclusion is determined by the General Partner but its share of any Investment made between the date of such provisional exclusion and such determination to permanently exclude will not be adjusted. In addition or in lieu of the foregoing, the General Partner may structure all or a portion of such Investors' interest in such Investment in a manner it determines, in its sole discretion, including, without limitation, where an alternative investment vehicle may hold all or a portion of its interest in such Investment as debt (rather than equity), in which case the applicable Investor's indirect interest in such Investment through such alternative investment vehicle may be on different terms and timing from other Investors' participation in such Investment.

The General Partner expects to accept capital commitments from a significant number of investors that are subject to tax, ERISA, and other regulatory or policy considerations. The foregoing may result in the Client not pursuing certain opportunities that it otherwise would have, or excluding investors that are subject to ERISA or certain tax, regulatory or policy limitations, or other investors (in whole in part) from participating in certain Investments. In any such case the General Partner will determine in good faith the manner and proportions in which applicable Investors are excluded, depending the circumstances at such time. To the extent investors or capital are excluded from participating in certain Investments, the participating investors will bear a greater interest in such Investments. In addition, while the General Partner may from time to time request an investor confirm whether it will exercise its excuse rights with respect to one or more particular Investments, the General Partner is under no obligation to do so. Generally, unless otherwise expressly agreed to with the Investors of a Client, excuse or exclusion rights will not apply to follow-on investments, and in particular, excuse or exclusions rights do not apply to follow-on investments resulting from decisions in respect of subsequent acquisitions made by management

of a Portfolio Entity of a Client, or follow-on investments that are made as part of a platform investment, or in the same Portfolio Entity as the initial Investment (and therefore is not segregated from the initial Investment). See also “—*Diverse Investor Group*” herein regarding participation in follow-on investments (or lack thereof).

Related Financing of Counterparties to Acquire Assets from, or Sell Assets to, a Client and its Portfolio Entities. In certain transactions, Clients and Other Blackstone Vehicles will commit to and/or provide financing to third parties that bid for or purchase assets from a particular Client or its Portfolio Entities. Generally, there are no limitations in the Organizational Documents of the Client with respect to such investments (including with respect to terms, price, quantity, frequency, percentage interest therein or otherwise). In addition, a Client and its Portfolio Entities will, from time to time, purchase assets or portfolio companies from third parties that obtain, or currently have outstanding, debt financing from Other Blackstone Vehicles. (See also “—*Related Financing Counterparties*” herein.) Although Blackstone believes that the participation by other Clients and Other Blackstone Vehicles in such debt financings could be beneficial to the Client by supporting third parties in their efforts to bid on the sale of assets by, and to sell assets to, the Client and its Portfolio Entities, Blackstone will have an incentive to cause a Client or relevant Portfolio Entity to elect to sell an asset to, or purchase an asset from, a third party that obtains debt financing from another Client or Other Blackstone Vehicle to the potential detriment of a Client. For example, although price is often the deciding factor in selecting from whom to acquire, or to whom to sell, an asset, other factors at times influence the buyer or the seller, as the case may be. The Adviser could therefore cause a Client or a Portfolio Entity to sell an asset to, or buy an asset from, a third party that has received financing from another Client or Other Blackstone Vehicle, even when such third party has not offered the most attractive price. Investors rely on the Adviser to select in its sole discretion the best overall buyer in sales of, and the best overall seller in the acquisition, of Client assets, despite any conflict related to the parties financing the buyer or the seller, as applicable.

Co-Investment. A Client will co-invest with Investors, other Clients, Other Blackstone Vehicles and their Investors, Blackstone and other parties with whom Blackstone has a material relationship. The offering and allocation of co-investment opportunities is entirely and solely in the discretion of Blackstone, and it is expected that many Investors who may have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or will, in certain circumstances, receive a smaller amount of co-investment opportunities than the amount requested. Furthermore, co-investments offered by Blackstone will be on such terms and

conditions (including with respect to Management Fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as Blackstone determines to be appropriate in its sole discretion on a case-by-case basis, which can be expected to differ amongst co-investors with respect to the same co-investment, and Blackstone will determine in its sole discretion whether to offer co-investment opportunities (based on, among other factors, whether there has been sufficient allocation of an investment to a Client and whether a potential co-investor would offer a strategic benefit to the investment, including, but not limited, to the consummation, operation or monitoring thereof). In addition, the performance of Other Blackstone Vehicles co-investing with a Client is not considered for purposes of calculating the performance-based compensation payable by a Client to the Adviser. Furthermore, a Client and co-investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold periods. Blackstone, as a result of the foregoing, will have conflicting incentives in making decisions with respect to such opportunities. Even if a Client and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the Investors, among other items.

- General Co-Investment Considerations: There are expected to be circumstances where an amount that would have otherwise been invested by a Client is instead allocated to co-investors (who may or may not be Investors of Clients or Other Blackstone Vehicles) or supplemental capital vehicles, and there is no guarantee that any Investor will be offered any particular co-investment opportunity. The Adviser will take into account various facts and circumstances deemed relevant by the Adviser in allocating co-investment opportunities, including, among others, whether a potential co-investor has a history of participating in co-investment opportunities with Blackstone, the potential co-investor's history of investments with Blackstone, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the Adviser's assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the Investment (taking into account the amount of capital needed as well as the maximum number of Investors that can realistically participate in the transaction) and the Adviser'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 Clients and Other Blackstone Vehicles and strategic third-party investors; whether a potential co-investor has committed to a Client or Other Blackstone Vehicle; the size of the potential

co-investor's interest to be held in the underlying Portfolio Entity as a result of a Client's Investment (which is likely to be based on the size of the potential co-investor's capital commitment or investment in a Client); whether the potential co-investor has demonstrated a long-term or continuing commitment to the potential success of Blackstone, the Clients or Other Blackstone Vehicles (including whether a potential co-investor will help establish, recognize, strengthen or cultivate relationships that may provide indirectly longer-term benefits to Clients or Other Blackstone Vehicles and their Portfolio Entities, or whether the co-investor has significant capital under management by Blackstone or intends to increase such amount); whether the potential co-investor has an overall Strategic Relationship with Blackstone that provides it with more favorable rights with respect to co-investment opportunities; whether the co-investor is considered "strategic" to the Investment because it is able to offer certain benefits, including, but not limited to, the ability to help consummate the Investment, the ability to aid in operating or monitoring the Portfolio Entity or the possession of certain expertise; the transparency, speed and predictability of the potential co-investor's investment process; whether Blackstone has previously expressed a general intention to seek to offer co-investment opportunities to such potential co-investor; 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 Blackstone has with the personnel and professionals of the Investor in working together in investment contexts (which can be expected to include such potential co-investor's history of investment in a Client or Other Blackstone Vehicles); whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of a Client or an Other Blackstone Vehicle (*i.e.*, a stapled co-investment opportunity); the extent to which a potential co-investor has been provided a greater or smaller amount of co-investment opportunities relative to others; the ability of a potential co-investor to invest in potential follow-on acquisitions for the Portfolio Entity or participate in defensive Investments; the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the Investor would be willing to defer to Blackstone and assume a more passive role in governing the Portfolio Entity); any interests a potential co-investor may have in any competitors of the underlying Portfolio Entity; the tax profile of the potential co-investor and the tax characteristics of the Investment (including whether or not the potential co-investor would require particular structuring implementation or

covenants that would not otherwise be required but for its participation or whether such co-investor's participation is beneficial to the overall structuring of the Investment); whether a potential co-investor's participation in the transaction would subject a Client or any of its Portfolio Entities to additional regulatory requirements, review 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 Client is investing or otherwise); whether there is any evidence to suggest that there is a heightened risk with respect to the potential co-investor maintaining confidentiality; whether the potential co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for distributions; the ability of the investor to hold investments for longer periods of time and whether the expected holding period and risk-return profile of the Investment is consistent with the stated goals of the Investor and the expected underwriting of the investment; and such other factors that Blackstone may in good faith deem relevant and appropriate to consider in the circumstances. Blackstone can be expected to establish co-investment vehicles for one or more Investors (including third-party Investors and Investors in a Client) in order to co-invest alongside a Client in one or more future Investments. The existence of these vehicles could reduce the opportunity for other Investors to receive allocations of co-investments. Also, Blackstone will, in certain circumstances, agree with Investors (including Investors, Blackstone strategic relationships (including Strategic Relationships) and third-party Investors) to more favorable rights or pre-negotiated terms with respect to co-investment opportunities, including with respect to discounts or rebates of performance-based compensation or Management Fees and/or tailored underwriting toward such Investor's interests. To the extent any such arrangements are entered into, they can be expected to result in fewer or no co-investment opportunities being made available to the Investors. In addition, the allocation of Investments to Other Blackstone Vehicles, including as described under "**—Other Blackstone Vehicles; Allocation of Investment Opportunities**" herein, can be expected to result in fewer co-investment opportunities (or reduced allocations) being made available to 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 Client or Other Blackstone Vehicle participates 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 Client and such Other Blackstone Vehicle. The allocation of such specific items generally would be based on the Adviser's determination of, among other things, the expected returns for such items, 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 Adviser and its Affiliates.

- Additional Potential Conflicts of Interest with respect to Co-Investment; Strategic Relationships Involving Co-Investment: The Adviser and its Affiliates will, in certain circumstances, be incentivized to offer certain potential co-investors (including, by way of example, as a part of an overall strategic relationship (including Strategic Relationships and Supplemental Account) with Blackstone) opportunities to co-invest in priority or on more favorable terms than other potential co-investors due to the amount of performance-based compensation or Management Fees paid by the co-investor receiving the priority allocation or better terms (as well as any additional discounts or rebates avoided by allocating co-investments to such co-investor) or other aspects of such co-investor's relationship with Blackstone. The Management Fees, performance-based compensation and other fees received by Blackstone from and the amount of expenses charged to a Client can be expected to be less or more than such amounts paid by or charged to co-investors pursuant to the terms of such vehicles' partnership agreements and other agreements with co-investors, and such variation in the amount of fees and expenses can be expected to create an economic incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to a Client or such co-investment vehicles or co-investors, as the case may be. In addition, other terms of existing and future co-investors may differ materially, and in some instances, will be more favorable to Blackstone, than the terms of a Client, and such different terms can be expected to create an incentive for Blackstone to allocate a greater or lesser percentage of an investment opportunity to a Client or such co-investor, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to a Client or Investors through co-investment will be made available. Additionally, it can be expected that Blackstone will enter into

arrangements or Strategic Relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral, sourcing or sharing of investment opportunities. Blackstone will, in certain circumstances, pay Management Fees and performance-based compensation in connection with such arrangements. Blackstone will, in certain circumstances, also provide for or receive reimbursement of certain expenses incurred or received in connection with these arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. The amount of these rebates can be expected to relate to allocations of co-investment opportunities and increase if certain co-investment allocations are not made. While it is possible that a Client will, along with Blackstone itself, benefit from the existence of those arrangements and relationships, it is also possible that investment opportunities that would otherwise be presented to or made by a Client would instead be referred (in whole or in part) to such third party.

Liability Arising From Transactions Entered into Alongside Other Blackstone Vehicles. Participating in Investments alongside Clients and Other Blackstone Vehicles will subject a particular Client to a number of risks and conflicts (and, in certain circumstances, the Adviser will be unaware of an Other Blackstone Vehicle's participation, as a result of information walls or otherwise). 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 Client is a direct counterparty to a transaction, a Client being solely liable with respect to its own share as well as other Clients and Other Blackstone Vehicles' shares of any applicable obligations, or (ii) if a Client is not the direct counterparty, a Client having a contribution obligation to the relevant other Clients and Other Blackstone Vehicles. Alternatively, a counterparty may agree to face multiple funds, which could result in a Client being jointly and severally liable alongside other Clients and Other Blackstone Vehicles for the full amount of the applicable obligations. In cases in which a Client could be responsible for the liability of another Client or Other Blackstone Vehicle, 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 Client (or the relevant parallel fund). For these transactions, it is anticipated that a Client (or the relevant parallel fund) would then enter into back-to-back trade confirmations or other similar arrangements with the relevant parallel fund or Other Blackstone Vehicles. 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. In certain circumstances where a Client participates in an Investment alongside any Other Blackstone Vehicle, the Client may bear more than its *pro rata* share of relevant expenses related to such Investment, including, but not limited to, as the result of such Other Blackstone Vehicle's insufficient reserves or inability to call capital contributions to cover expenses. It is not expected that a Client or Other Blackstone Vehicles 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 a Client and any Other Blackstone Vehicles owning an interest in the Portfolio Entity comprising such operating business, but it is possible that a Client and applicable Other Blackstone Vehicles 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 Client and such Other Blackstone Vehicles, 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. Finally, in certain circumstances, if a Client is participating in an investment alongside an Other Blackstone Vehicle (including a co-investment vehicle), the Client could also bear more than its *pro rata* share of expenses relating to such investment if such Other Blackstone Vehicle does not have resources to bear such expenses (including, but not limited to, as a result of insufficient reserves and/or the inability to call capital contributions to cover such expenses).

Syndication; Warehousing. Blackstone, Clients, Other Blackstone Vehicles, Joint Venture Partners, Affiliates or related parties of the foregoing could, subject to the limitations in the applicable Organizational Documents, acquire an Investment as principal and subsequently sell some or all of it to a Client, Other Blackstone Vehicle or co-investors in an affiliate or related party transaction. Similarly, subject to the limitations in the applicable Organizational Documents, a Client will, in certain circumstances, acquire an Investment and subsequently syndicate, or sell some or all of it, to Blackstone, Other Blackstone Vehicles, co-investors, Joint Venture Partners, or Affiliates or related parties of the foregoing or other third parties, notwithstanding the availability of capital from the Investors and other investors thereof or applicable credit facilities. The Adviser may cause these transfers to be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer, notwithstanding that the fair market value of any such Investments may have declined below or increased above cost from the date of acquisition to the time of such transfer. The Adviser may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also,

the Adviser will, in certain circumstances, charge fees on these transfers to either or both of the parties to them. In respect of certain Clients, the Adviser or its Affiliates will from time to time be permitted to retain any portion of an Investment initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. For example, the Adviser will have a conflict of interest when the Adviser receives fees, including performance-based compensation, from an Other Blackstone Vehicle acquiring from or transferring to a Client all or a portion of an investment.

More specifically, it is expected that a Client will initially acquire all or a portion of certain Investments (including through borrowings on a subscription-based credit facility or from Blackstone itself) intended as co-investments as described herein and to syndicate all or part of such co-investments to one or more co-investors. The value of the Investment during such period could increase by a greater amount, but a Client will not receive the full benefit of such increase.

Break-up and other Similar Fees. Break-up or topping fees with respect to a Client's Investments can be paid to the Adviser, in which case Management Fees will be offset by 80% of the amount of break-up or topping fees attributable to a potential Investment by the Client, but not to any amount attributable to a potential investment by Other Blackstone Vehicles, Blackstone's side-by-side co-investment vehicles, permanent capital vehicles and/or accounts (including FGL, Everlake and AIG L&R, each as defined below) managed by affiliates of Blackstone and related entities or third parties (See also "—Other Blackstone Business Activities" herein). Alternatively, a Client could receive the break-up or topping fees directly, in which case there will be no Management Fee offset. The Adviser will generally receive a greater economic benefit by structuring the break-up or topping fee to be paid to it directly, subject to the Management Fee offset, and may do so in its sole discretion. Break-up or topping fees paid to the Adviser or a Client in connection with a transaction could be allocated, or not, to Other Blackstone Vehicles or co-investment vehicles that invest (or are expected to invest) alongside a Client, as determined by the Adviser to be appropriate in the circumstances. Generally, the Adviser would not allocate break-up or topping fees with respect to a potential Investment to the Clients, an Other Blackstone Vehicle or co-investment vehicle unless such person would also share in broken deal expenses related to the potential Investment. With respect to fees received by Blackstone relating to the Clients' Investments or from unconsummated transactions, Investors will not receive the benefit of any fees relating to the Client's Investments (including, without limitation, as described above) other than as set forth in

the Organizational Document. Any fees that result in an offset of the Management Fee only apply to the extent it is made as part of the Clients' investment in such company, and without regard to the nature of the fees, there will be no offset for Management Fees with respect to any fees paid to Blackstone after the Clients have exited the Investment. For example, a Portfolio Entity may retain or continue to retain the Blackstone Capital Markets Group (including with respect to fees for services described herein) or continue to work with Blackstone in connection with group purchasing arrangements when and after the Clients exited its Investment therein. Conflicts of interest may arise when a Portfolio Entity enters into arrangements with Blackstone on or about the time the Clients exit an Investment. Also, in the case of fees for services as a director of a Portfolio Entity, the Management Fee will not be reduced or offset to the extent any Blackstone personnel continues to serve as a director after the Clients have exited (or is in the process of exiting) the applicable Portfolio Entity and/or following the termination of such employee's employment with Blackstone. To the extent any investment banking fees, consulting (including management consulting) fees, syndication fees, capital markets syndication and significant sums in advisory fees (including underwriting fees), origination fees, servicing fees, healthcare consulting / brokerage fees, fees relating to group purchasing, financial advisory fees and similar fees for arranging acquisitions and other major financial restructurings, loan servicing and/or other types of insurance fees, data management and services fees or payments, operations fees, financing fees, fees for asset services, title insurance fees, and other similar fees and annual retainers (whether in cash or in kind) are received by Blackstone, such fees will not be required to be shared with the Clients or the Investors and will not result in any offset to the Management Fee payable by the Investors.

In connection with certain Investments in certain jurisdictions, the Clients may contribute capital contributions made by Investors for the payment of Management Fees to a holding vehicle formed in connection with such Investment to enable such holding vehicle to pay management fees to an affiliate of the investment advisor. To the extent the Clients make such contributions to any such holding vehicle, the Clients will be credited with such amounts as if they had been paid by the Clients to the investment advisor under the investment advisory agreement (and such amounts paid to an affiliate of the investment advisor by such holding vehicle will not, for greater certainty, constitute an additional fee that would offset the Management Fee, as such amounts do not result in an increase in the total amount of Management Fee paid to the investment advisor and its affiliates had the Clients paid the entirety of the Management Fee to the investment advisor).

Broken Deal Expenses. Any expenses that may be incurred by a Client for actual Investments as described herein or in the Organizational Documents may also be incurred by the Clients with

respect to broken deals (i.e., investments that are not consummated). The Adviser is not required to and in most circumstances will not seek reimbursement of broken deal expenses (i.e., expenses incurred in pursuit of an investment that is not consummated) from third parties, including counterparties to the potential transaction or potential co-investors (including standing co-investment vehicles established to participate in co-investment opportunities alongside the Clients on a regular or periodic basis and/or as part of an overall co-investment program). Moreover, expenses related to the organization of co-invest vehicles formed to invest in broken deals may be borne by the Clients, 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, meal, travel and entertainment expenses incurred, deposits or down payments which are forfeited in connection with unconsummated transactions, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, and legal, accounting, tax and other due diligence and pursuit costs and expenses, which may include expenses incurred prior to the commencement of the investment activities of a Client. Any such broken deal expenses could, in the sole discretion of the Adviser, be allocated solely to a Client and not to other Clients or Other Blackstone Vehicles or co-investors that could have made the Investment (including any situation where an Other Blackstone Vehicle was initially allocated an investment opportunity and incurred such expenses before such investment opportunity was reallocated to a Client), even when the other Client or Other Blackstone Vehicle or co-investor commonly invests alongside the Client in its Investments or Blackstone or other Clients or Other Blackstone Vehicles in their Investments. In such cases a Client's shares of expenses would increase. In the event broken deal expenses are allocated to another Client or Other Blackstone Vehicle or a co-investor, the Adviser or Client will, in certain circumstances, advance such fees and expenses without charging interest until paid by the other Client or Other Blackstone Vehicle or co-investor, as applicable. In addition, certain Portfolio Entities will provide transaction support services (including identifying potential investments) to a Client, Other Blackstone Vehicles and their respective Portfolio Entities in respect of certain investments that are not ultimately consummated. (See also “—**Portfolio Entity Service Providers and Vendors**” herein.) The Adviser will endeavor in good faith to allocate the costs of such services to a Client and such Other Blackstone Vehicles as it deems appropriate under the particular circumstances. Any methodology used to determine such allocation (including the choice thereof) involves inherent conflicts and may not result in perfect attribution and allocation of such costs, and there can be no assurance that a different manner of allocation would result in a Client and its Portfolio Entities bearing less or more of such costs. Further, any of the foregoing costs, although allocated in a particular period, could be allocated based on activities occurring

outside such period (for example, the allocation of such costs can be expected to be based on any of a number of different methodologies, including, without limitation, the aggregate value or number of, or invested capital in, transactions consummated in the applicable prior quarter), and therefore a Client could pay more than its pro rata portion of such cost based on its actual usage of such services.

Other Blackstone Business Activities. Blackstone, Clients, Other Blackstone Vehicles, their Portfolio Entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to a Client and its Portfolio Entities, such as fees for asset management (including management fees and performance-based compensation), 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; treasury and valuation 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; and other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organizational and financing, and divestment services). Other than as expressly set forth in the Organizational Documents, such fees shall not be applied to offset Management Fees and Investors of the Clients will not share therein. Such parties will also provide products and services for fees to Blackstone, Clients, Other Blackstone Vehicles and their Portfolio Entities, and their personnel and related parties, as well as third parties, as applicable. Further, such parties could provide products and services for fees to a Client, Other Blackstone Vehicles and their Portfolio Entities in circumstances where third-party service providers are concurrently providing similar services to a Client, Other Blackstone Vehicles and their Portfolio Entities. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to Clients and Other Blackstone Vehicles 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, a Client and its 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 a Client or Investors and could benefit Blackstone directly and indirectly. Also, Blackstone, Clients, Other Blackstone Vehicles 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 a Client and its Portfolio Entities. A Client and its Portfolio Entities will incur expenses in negotiating for any such fees and services, which will be treated as partnership expenses. In addition, the Adviser can be expected to receive fees associated with capital invested by co-investors relating to Investments in which a Client participates or otherwise, in connection with a joint venture in which a Client participates or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Adviser performs services. Finally, Blackstone and its personnel and related parties will, in certain circumstances, also receive compensation for origination expenses and with respect to unconsummated transactions.

A Client will, in certain circumstances, engage a third-party administrator to provide certain administrative services to such Client. A Client will, as determined by the Adviser and as permitted by the Organizational Document, bear the cost of fund administration and accounting (including, without limitation, maintenance of a Client's books and records, preparation of net asset value and other valuation support services, as applicable (e.g., valuation model and methodology review, review of third party due diligence conclusions and sample testing); preparation of periodic investor reporting and calculation of performance metrics; central administration and depositary oversight (e.g., periodic and ongoing due diligence and coordination of investment reconciliation and asset verification); audit support (e.g., audit planning and review of annual financial statements); risk management support services (e.g., calculation and review of investment and leverage exposure); regulatory risk reporting, data collection and modeling and risk management matters; and tax support services (e.g., annual tax and VAT returns and FATCA and CRS compliance)), in-house attorneys to provide transactional legal advice, tax planning and other related services (including, without limitation, entity organization, structuring, due diligence, document drafting and negotiation, closing preparation, post-closing activities (such as compliance with contractual terms and providing advice for investment-level matters with respect to fiduciary and other obligations and issues), litigation or regulatory matters, reviewing and structuring exit opportunities) provided by Blackstone personnel and related parties (including, without limitation, Blackstone Europe Fund Management S.à r.l., including all services provided by it to a parallel vehicle of a Client that would be considered costs of fund administration if provided by Blackstone to a Client (notwithstanding the customary scope of such services by third-party service providers)) to a Client and its Portfolio Entities, including the allocation of their compensation (including, without limitation, salary, bonus and benefits) and related overhead otherwise payable by Blackstone, or pay for their services at market rates. In certain circumstances, a Client or its parallel vehicle may engage a third-party administrator (e.g., as required for the a Client's parallel vehicle)

and in such circumstances there may be some overlap in the services performed by the third-party administrator and Blackstone personnel and a Client and its parallel vehicles will bear all such costs. The services of in-house attorneys generally include, without limitation, services with respect to M&A, capital markets or financing transactions, tax structuring, supervision of external counsel and service providers, attending internal and external meetings (including investment committee meetings) and communicating with relevant internal and external parties. Such allocations or charges can be based on any of the following methodologies: (i) requiring personnel to periodically record or allocate their historical time spent with respect to a Client or Blackstone approximating the proportion of certain personnel's time spent with respect to a Client, and in each case allocating their compensation and allocable overhead based on time spent, or charging their time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that Blackstone believes represents a fair recoupment of expenses and a market rate for such services or (iii) any other similar methodology determined by Blackstone to be appropriate under the circumstances. Certain Blackstone personnel will provide services to few, or only one, of the Clients and Other Blackstone Vehicles, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the Person if the market rate for services is clearly higher than allocable salary and overhead. However, the provision of such services by Blackstone personnel and related parties and any such methodology (including the choice thereof and any benchmarking, verification or other analysis related thereto) involves inherent conflicts. Any amounts paid to Blackstone and/or its affiliates for such services, as well as the expenses, charges and costs of any benchmarking, verification or other analysis related thereto, will be borne by a Client as partnership expenses, will not result in any offset to the Management Fee and will, in certain circumstances, result in incurrence of greater expenses by a Client and its Portfolio Entities than would be the case if such services were provided by third parties.

The Adviser, Clients, Other Blackstone Vehicles and their Portfolio Entities, and their Affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to Investments sold by a Client or its 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 Adviser, Clients, Other Blackstone Vehicles 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.

Clients and Investors will not receive the benefit (e.g., through an offset to the Management Fee or otherwise) of any fees or other compensation or benefit received by the Adviser, its Affiliates or their personnel and related parties (See also “—*Portfolio Entity Service Providers and Vendors*” herein.) The Adviser and its Affiliates and their personnel and related parties will receive fees attributable to Clients, Other Blackstone Vehicles (including co-investment vehicles, supplemental 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 Clients and Other Blackstone Vehicles (including co-investment vehicles, supplemental capital vehicles, accounts and/or third parties) will not result in an offset of the Management Fees payable by Investors in a Client or otherwise be shared with a Client, its Portfolio Entities or the Investors, even if (i) such other Clients or Other Blackstone Vehicles (including co-investment vehicles, supplemental capital vehicles, accounts and/or third parties) provide for lower or no Management Fees for the Investors or participants therein (such as the vehicles established in connection with Blackstone’s side-by-side co-investment rights, which generally do not pay a Management Fee or performance-based compensation) or (ii) such fees result in an offset to Management Fees or performance-based compensation payable by any such other Clients or Other Blackstone Vehicles (including co-investment vehicles, permanent/supplemental capital vehicles, accounts and/or third parties). As noted in “*Co-Investment*” above, this creates an incentive for Blackstone to offer co-investment opportunities and can be expected to result in other fees being received more frequently (or exclusively) with Investments that involve co-investment.

In addition, to the extent Blackstone receives any of the fees described above in kind, instead of in cash, in whole or in part, Blackstone would, in certain circumstances, elect to become a co-investor (or otherwise hold an interest) in such Investments alongside a Client and/or Other Blackstone Vehicles, which are expected to 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 investing vehicles, including Clients, 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 a Client and/or the Other Blackstone Vehicles, as applicable. With respect to any dispositions of securities or investments held by Blackstone resulting from receiving such fees in kind, since a Client and/or Other Blackstone Vehicles, as applicable, are not necessarily 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 a Client or Investors.

Blackstone has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on a Client's behalf, the Adviser will consider those relationships when evaluating an investment opportunity, which may result in the Adviser choosing not to make such an investment on a Client's behalf due to such relationships. Clients may also co-invest with clients of Blackstone in particular investment, and the relationship with such Clients could influence the decisions made by the Adviser with respect to such Investments. Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to Clients (e.g., investments in a competitor of a client or other person with whom Blackstone has a relationship). Clients may be required to sell or hold existing Investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone may make or have made. Furthermore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to Clients. Clients 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 Adviser with respect to a Client's Investments and otherwise result in a conflict.

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, a Client and its 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, financial advisory or other similar services to purchasers or sellers of securities (including in connection with primary offerings, secondary transactions and/or transactions involving special purpose acquisition companies), including loans or instruments issued by Portfolio Entities of Clients and Other Blackstone Vehicles. Blackstone's compensation for such services is expected to be paid by the applicable seller (including Clients (for example, in the case of secondary sales by Clients) and Portfolio Entities), one or more underwriters or financing parties

(including amounts paid by an issuer and reimbursed by one or more underwriters) and/or other transaction parties. A Blackstone broker-dealer will, from time to time, act as the managing underwriter, a member of the underwriting syndicate or broker for a Client or its Portfolio Entities, or as dealer, broker or advisor to a counterparty to a Client or a Portfolio Entity, and purchase securities from or sell securities to a Client, Other Blackstone Vehicles or Portfolio Entities of a Client or Other Blackstone Vehicles, or advise on such transactions. Blackstone will also, from time to time, on behalf of a Client or its Portfolio Entities, or other parties to a transaction involving a Client or its Portfolio Entities, effect transactions, including transactions in the secondary markets, that result in commissions or other compensation paid to Blackstone by a Client or its 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, advisory fees, lending arrangement fees, insurance (including title insurance fees), 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, Clients, Other Blackstone Vehicle or their Portfolio Entities are purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with a Client or its Investors, and the Management Fee with respect to an Investor generally will not be reduced by such amounts. The Adviser has sole discretion to approve the foregoing arrangements if the Adviser believes in good faith that such transactions are appropriate for a Client.

Sales of securities for the account of a Client and its Portfolio Entities will, from time to time, be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Vehicles. It could be impossible, as determined by the Adviser 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 a Client.

When Blackstone serves as underwriter with respect to securities of a Client or its Portfolio Entities, the Client and Portfolio Entities could be subject to a “lock-up” period following the offering under applicable regulations during which time a Client or Portfolio Entity would be unable to sell any securities subject to the “lock-up”. This may prejudice the ability of a Client and its 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 Adviser, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of Clients. The Investors 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, 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 a Client and its 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 Adviser to select or recommend PJT to perform services for a Client or its Portfolio Entities, the cost of which will generally be borne directly or indirectly by a Client and Investors. Given that PJT is no longer an affiliate of Blackstone, the Adviser and its affiliates are able to cause a Client and Portfolio Entities to transact with PJT generally without restriction under the Organizational Documents of such Client, 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 a Client and Other Blackstone Vehicles are and will be counterparties or participants in agreements, transactions and other arrangements with Clients, Other Blackstone Vehicles, and Portfolio Entities of Clients and Other Blackstone Vehicles or other Blackstone affiliates for the provision of goods and services, purchase and sale of assets and other matters. In addition, certain Portfolio Entities may be counterparties or participants in agreements, transactions and other arrangements with Other Blackstone Vehicles for the provision of goods and services, purchase and sale of assets and other matters. For example, from time to time, certain Portfolio Entities of a Client or Other Blackstone Vehicles will provide or recommend goods and services to Blackstone, the Clients, Other Blackstone Vehicles, or Portfolio Entities of the Clients and Other Blackstone Vehicles or other Blackstone affiliates (or vice versa). These agreements, transactions and other arrangements will

involve payment of fees and other amounts, none of which will result in any offset to the Management Fees, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by the Adviser. Such agreements, transactions and other arrangements will generally be entered into without the consent of any L.P. Advisory Committee, or otherwise, as applicable, and Investors of a Client (including, without limitation, in the case of minority Investments by a Client in such Portfolio Entities or the sale of assets from one Portfolio Entity to another). This is because, among other considerations, Portfolio Entities of a Client and Portfolio Entities of Other Blackstone Vehicles are not considered Affiliates of Blackstone, a Client or the Adviser under the Organizational Documents of the Clients. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to a Client as otherwise would be the case if the counterparty were not related to Blackstone.

Portfolio Entity Service Providers and Vendors. A Client, Other Blackstone Vehicles and the Portfolio Entities of each of the foregoing and Blackstone can be expected to engage Portfolio Entities of a Client and Other Blackstone Vehicles to provide some or all of the following services: (a) corporate support services (including, without limitation, accounts payable, accounting/audit (including valuation support services), account management, insurance, procurement, placement, brokerage, consulting, cash management, corporate secretarial services, data management, directorship services, domiciliation, finance/budget, human resources, information technology/systems support, internal compliance/know-your-client reviews and refreshes, judicial processes, legal, environmental due diligence support (e.g., review of property conditions), operational coordination (i.e., coordination with Joint Venture Partners, property managers), risk management, reporting (such as tax reporting, debt reporting or other reporting), tax analysis and compliance (e.g., CIT and VAT compliance), transfer pricing and internal risk control, treasury and valuation services; (b) loan services (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, Administrative Services, and cash management); (c) management services (i.e., management by a Portfolio Entity, Blackstone Affiliate or third party (e.g., a third-party manager, operating partner) of operational services); (d) operational services (i.e., general management of day to day operations, including, without limitation, construction management (such as management of general contractors on capital projects, tenant improvements, and tenant space build-outs), leasing services (such as leasing strategy, management of third-party brokers, negotiation of major leases, negotiation of leases, and mall income including parking, advertising, and promotional space), project management (such as management of development projects, project design and execution, vendor

management, and turnkey services (end-to-end execution for real estate projects)) and property management (such as property-level management, cleaning, security, revenue management, contract management, expense management, capital expenditure projects, facility management, business plan execution, engineering, capital expenditure design and implementation, and reporting, as well as mall management services such as provision of on-site staff, rent collection, service charge accounting and operation, marketing and advertising, tenant and guest relations, maintenance of common space, supervision of on-site third-party contractors such as facilities maintenance, cleaning, and security, and, in outlets and high-end centers services, provision of retail managers to oversee tenant merchandising, promotions, and inventory); and (e) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of Investments, identifying potential Investments, coordinating with Investors, assembling relevant information, conducting financial and market analyses and modelling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordinating design and development works, marketing and distribution, overseeing brokers, lawyers, accountants and other advisors, providing in-house legal and accounting services, assisting with due diligence, preparation of project feasibilities, site visits, transaction consulting and specification of technical analysis and review of (i) design and structural work, (ii) architectural, façade and external finishes, (iii) certifications, (iv) operations and maintenance manuals and (v) statutory documents). Similarly, Blackstone, Other Blackstone Vehicles, Clients and their Portfolio Entities can be expected to engage Portfolio Entities of a Client to provide some or all of these services. Some of the services performed by Portfolio Entity service providers could also be performed by the Adviser, from time to time, and vice versa. Fees paid by a Client or its Portfolio Entities to, or value created by other Portfolio Entity service providers do not offset or reduce the Management Fee payable by the Investors of a Client and are not otherwise shared with a Client.

One example of such a Portfolio Entity is Revantage (Revantage Corporate Services, Revantage Asia (f/k/a BRE Asia), and Revantage Europe (together, “Revantage”). Revantage is expected to provide corporate support services to each of the Client’s Portfolio Entities and in certain instances, the Clients’ investments directly. Revantage may provide services to the Clients, Other Blackstone Vehicles, their Portfolio Entities and investments, and Blackstone as described above. While Revantage currently provides corporate support services, the services Revantage provides could expand.

Furthermore, in certain circumstances, Blackstone can be expected to play a substantial role in overseeing the personnel of Portfolio Entity service providers that provide services to Clients, Other Blackstone Vehicles and/or their Portfolio Entities on an ongoing basis, including with respect to the selection, hiring, retention and compensation of such personnel. For example, Blackstone expects that certain Portfolio Entity service providers, as described above, with Blackstone's oversight, will establish a team of personnel to provide support services exclusively to a particular Client and its Portfolio Entities (and/or other investment funds or accounts managed or controlled by Blackstone), including with respect to underwriting and diligence.

A Client and its Portfolio Entities will compensate one or more of these service providers and vendors owned by Clients or Other Blackstone Vehicles. Some of these service providers and vendors owned by a Client or Other Blackstone Vehicles will charge Clients 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 Affiliate 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 a Client or Other Blackstone Vehicles 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 a Client and its Portfolio Entities to them, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a Portfolio Entity; costs that are of a limited duration or non-recurring (such as start-up or technology build-up costs, one-time technology and systems implementation costs, employee on-boarding and severance payments, and IPO-readiness and other infrastructure costs); 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 (including in prior periods, such as where any such costs are amortized over an extended period), and further will, in certain circumstances, be of a general and administrative nature that is not specifically related to particular services, and therefore a Client could pay more than its *pro rata* portion of fees for services. The allocation of overhead among the entities and assets to which services are provided can be expected to be based on any of a

number of different methodologies, including, without limitation, “cost” basis as described above, “time-allocation” basis, “per unit” basis, “per square footage” basis or “fixed percentage” basis, and the particular methodology used to allocate such overhead among the entities and assets to which services are provided is expected to vary depending on the types of services provided and the applicable asset class involved and could, in certain circumstances, change from one period to another. There can be no assurance that a different manner of allocation would result in a Client and its Portfolio Entities bearing less or more costs and expenses. In certain circumstances, particularly where such service providers and vendors are located in Europe or Asia, such service providers and vendors will charge a Client and its Portfolio Entities for goods and services at cost plus a percentage of cost for transfer pricing or other tax, legal, regulatory, accounting or other reasons. Further, a Client and its Portfolio Entities will compensate one or more of these service providers and vendors owned by a Client or Other Blackstone Vehicles through incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a Portfolio Entity or asset of a Client or Other Blackstone Vehicles will vary from the incentive-based compensation paid with respect to other Portfolio Entities and assets of a Client and Other Blackstone Vehicles; as a result the management team or other related parties can be expected to have greater incentives with respect to certain assets and Portfolio Entities relative to others, and the performance of certain assets and Portfolio Entities may provide incentives to retain management that also service other assets and Portfolio Entities. Blackstone is not expected to perform or obtain benchmarking analysis or third-party verification of expenses with respect to services provided on a cost reimbursement, no profit or break-even basis, or in respect of incentive-based compensation. There can be no assurances that amounts charged by Portfolio Entity service providers that are not controlled by a Client or Other Blackstone Vehicles will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. With respect to any benchmarking performed, the related benchmarking expenses will be borne by Clients, Other Blackstone Vehicles 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 of Clients and Other Blackstone Vehicles. 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 Vehicles and their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of a Client to provide services, and these

Portfolio Entities will generally charge for services in the same manner described above, but a Client and its Portfolio Entities generally will not be reimbursed for any costs (such as start-up costs or technology build-up costs) relating to such Portfolio Entities incurred prior to such engagement.

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

Portfolio Entity service providers described in this section are generally owned and controlled by a Blackstone fund, such as a Client and Other Blackstone Vehicles. 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 (or the employees, leases, contracts or office assets of one service provider to another service provider) from a Client to an Other Blackstone Vehicle, or from an Other Blackstone Vehicle to a Client. The transfer of a Portfolio Entity service provider between a Client and an Other Blackstone Vehicle (where a Client may be, directly or indirectly, 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 L.P. Advisory Committee, the Investors, or otherwise, as applicable. The Adviser may, but is not required to, obtain a third-party valuation confirming the same, and if it does, the Adviser can be expected to rely on such valuation. Portfolio Entities of a Client and Other Blackstone Vehicles are not considered “Affiliates” of Blackstone, the Adviser or a Client 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 L.P. Advisory Committee, or otherwise, as applicable, in certain circumstances.

Service Providers, Vendors and Other Counterparties Generally. Certain third-party advisors and other service providers and vendors to a Client and its Portfolio Entities (including accountants, administrators, lenders, bankers, brokers, attorneys, Consultants, title agents, property managers and investment or commercial banking firms) are owned by Blackstone, Clients or Other Blackstone Vehicles or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Other Blackstone Vehicles and their Portfolio Entities,

and Affiliates and personnel of the foregoing. Also, advisors, lenders, Investors, commercial counterparties, vendors and service providers (including any of their Affiliates or personnel) to a Client and its Portfolio Entities could have other commercial or personal relationships with Blackstone, Other Blackstone Vehicles (including co-investment vehicles, where applicable) 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 a Client or a Portfolio Entity, the cost of which will generally be borne directly or indirectly by a Client, 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 Client and its Portfolio Entities to use other Blackstone-affiliated service providers and vendors in connection with the business of a Client, 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 to or value created in these service providers and vendors do not offset or reduce the Management Fee payable by the Investors of a Client and are not otherwise shared with a Client unless required by applicable Organizational Documents. In the case of brokers, Blackstone has a best execution policy that it updates, from time to time, to comply with regulatory requirements in applicable jurisdictions.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those it enters into on behalf of a Client and its Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discounted rate, such that if a Client and its Portfolio Entities consummate a higher percentage of transactions with a particular law firm than Blackstone, Other Blackstone Vehicles and their Portfolio Entities, the Investors could indirectly

pay a higher net effective rate for the services of that law firm than Blackstone, other Clients, Other Blackstone Vehicles 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 a Client and its Portfolio Entities are different from those used by Blackstone, Other Blackstone Vehicles and their Portfolio Entities, and their Affiliates and personnel, a Client and its Portfolio Entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, Clients, the Other Blackstone Vehicles 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 fees) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors. (See also “—**Group Procurement; Discounts**” and “—**Multiple Blackstone Business Lines**” herein.)

Outsourcing. The Adviser is expected to outsource to third parties many of the services performed for a Client and/or its Portfolio Entities, including services (such as administrative, legal, accounting, investment diligence and ongoing monitoring, tax or other related services) that can be or historically have been performed in-house by the Adviser and its personnel. The fees, costs and expenses of such third-party service providers will be borne by a Client as partnership expenses, even if the Adviser would have borne such fees if such services had been performed in-house (which, for the avoidance of doubt, would be in addition to any fees borne by a Client as partnership expenses for similar services performed by the Adviser in-house in lieu of or alongside (or to supplement or monitor) such third parties, subject to the terms of the Organizational Documents).

The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by the Adviser in its discretion, taking into account such factors as it deems relevant under the circumstances. Certain third-party service providers and/or their employees (and/or teams thereof) will dedicate substantially all of their business time to a Client, Other Blackstone Vehicles and/or their respective Portfolio Entities, while others will have other clients. In certain cases, third-party service providers and/or their employees (including full-time secondees to Blackstone) may spend a significant amount of time at Blackstone offices, have dedicated office space at Blackstone, have Blackstone e-mail addresses, 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 Adviser 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 a Client as partnership expenses (with no reduction or offset to Management Fees) and retaining third parties will reduce the Adviser's internal overhead and compensation and benefit 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 the Adviser's reduced control over the functions that are outsourced. There can be no assurances that the Adviser will be able to identify, prevent or mitigate the risks of engaging third-party service providers. A Client could 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 could be incurred by (or allocated to) a Client through the use of third-party service providers that are not incurred by (or allocated to) other Clients or Other Blackstone Vehicles.

Data Management Services. Blackstone or an affiliate of Blackstone formed in the future will provide data management services to Data Holders. Such services may include assistance with obtaining, analyzing, curating, processing, packaging, distributing, 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 a Client, Other Blackstone Vehicles, Portfolio Entities, investors in Clients and in Other Blackstone Vehicles, and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Vehicles 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, Clients will indirectly bear their share of such compensation based on their pro rata ownership of such Portfolio Entities. Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by Blackstone in its sole discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which

compensation is also expected to include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)) will not be subject to the Management Fee offset provisions or otherwise shared with a Client or its investors. Additionally, Blackstone is also expected to determine to share and distribute the products from such Data Management Services within Blackstone or its affiliates (including Other Blackstone Vehicles 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 a Client 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 on behalf of such Clients. (See also “—Data” herein.)

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

A Client could acquire from or sell to Blackstone a service provider as an Investment or participate alongside Blackstone in the acquisition of a service provider. Blackstone is expected to establish a valuation methodology in relation to any such sale or acquisition by a Client of a service provider. In addition, before entering into any transaction with respect to any such service provider, it is anticipated that Blackstone will obtain any consents that may be required under the Advisers Act or other applicable laws or regulations.

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and other performance-based compensation in respect of Investments. Furthermore, Blackstone-affiliated service providers can be expected to charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), *provided* that these amounts will not exceed market rates as determined by the Adviser to be appropriate under the circumstances.

The Adviser will make determinations of market rates (*i.e.*, rates that fall within a range that the Adviser has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms), and, in certain circumstances, is expected to be in the top of the range, based on its consideration of a number of factors, which are generally expected to include the Adviser's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Adviser to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone Affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (*e.g.*, within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset-by-asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired by a Client (such as location or size), or the particular characteristics of services provided. Further, it could be difficult to identify comparable third-party service providers that provide services of a similar scope and scale as the Blackstone-affiliated service providers that are the subject of the benchmarking analysis. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by a Client, Other Blackstone Vehicles and their respective Portfolio Entities and will not offset the Management Fee. Finally, in certain circumstances the Adviser can be expected to determine that third-party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law (*e.g.*, title insurance in rate regulated states) or because Blackstone has access to adequate market data (including from third-party clients of the Blackstone-affiliated service provider that is the subject of the benchmarking analysis) to make the determination without reference to third-party benchmarking. For example, in certain circumstances a Blackstone-affiliated service provider or a

Portfolio Entity service provider could provide services to third parties, in which case if the rates charged to such third parties are consistent with the rates charged to a Client, Other Blackstone Vehicles and their respective Portfolio Entities, then a separate benchmarking analysis of such rates is not expected to be prepared. Some of the services performed by Blackstone-affiliated service providers could also be performed by the Adviser, from time to time, and vice versa. Fees paid by a Client or its Portfolio Entities to Blackstone-affiliated service providers do not offset or reduce the Management Fee payable by the Investors of a Client and are not otherwise shared by a Client, unless otherwise required by the Organizational Documents. These conflicts related to Blackstone-affiliated service providers will not necessarily be resolved in favor of a Client, and Investors may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Transactions with Clients of Blackstone Insurance Solutions. Blackstone has formed BIS, a business unit of Blackstone that is comprised of two affiliated registered investment advisers and provides investment advisory services to BIS Clients. BIS Clients will engage in a variety of activities, including participating in transactions related to a Client and/or its Portfolio Entities (e.g., as originators, co-originators, counterparties or otherwise). Under certain circumstances (e.g., where a BIS Client participates in a transaction directly (and not through a vehicle controlled by Blackstone) and independently consents to participating in a transaction), a BIS Client will not be an “Affiliate” under the Organizational Documents of a Client, in which case any limitations or obligations pursuant to such Organizational Documents with respect to transactions with Affiliates will not apply.

Transactions with Portfolio Entities. Blackstone and Portfolio Entities of Clients and Other Blackstone Vehicles operate in multiple industries, including the real estate related information technology industry, and provide products and services to or otherwise contract with a Client and its Portfolio Entities, among others. In connection with any such Investment, Blackstone, Clients and Other Blackstone Vehicles and their respective Portfolio Entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to a Client and its Portfolio Entities in an effort, in part, to increase the customer base of such companies or businesses or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, or participation in revenue share and/or Investments, accruing to the party making the introduction. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a Portfolio Entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management

services, operational services, ongoing account services (e.g., interacting and coordinating with banks generally and with regard to any related “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 joint venture or business could use data obtained from such Portfolio Entities (See also “—*Data*” and “—*Data Management Services*” herein.) A Client and the Investors typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, other Clients, Other Blackstone Vehicles and their Portfolio Entities as a result of the introduction of a Client and its Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that a Client or its 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 a Client or one of its Portfolio Entities is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, additional equity ownership) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) may be similarly shared with the participating Other Blackstone Vehicles or their respective Portfolio Entities.

Blackstone has also entered into certain investment management arrangements whereby it provides investment management services for compensation to insurance companies including (i) FGL Holdings, which was formerly known as Fidelity & Guaranty Life Insurance Company and was acquired by Fidelity National Financial Inc., and certain of its affiliates (“FGL”), (ii) Everlake Life Insurance Company and certain of its affiliates (“Everlake”) and (iii) the insurance companies comprising American International Group Inc.’s life and retirement business (“AIG L&R”). As of the date hereof, Blackstone owns a 9.9% equity interest in the parent company of Everlake and Other Blackstone Vehicles own the remaining equity interests in the parent company of Everlake, and Blackstone owns a 9.9% equity interest in the parent company of AIG L&R. The foregoing insurance company investment management arrangements will involve investments by such insurance company clients across a variety of asset classes (including investments that may otherwise be appropriate for a Client). As a result, in addition to the compensation Blackstone receives for providing investment management services to insurance companies in which Blackstone or an Other Blackstone Vehicle owns an interest, in certain instances Blackstone receives additional compensation in its capacity as an indirect owner of such insurance companies

and/or Other Blackstone Vehicles. In the future Blackstone will likely enter into similar arrangements with other Portfolio Entities of the Clients, Other Blackstone Vehicles or other insurance companies. Such arrangements may reduce the allocations of investments to a Client, and Blackstone may be incentivized to allocate investments away from a Client to such insurance company client under 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 a Client.

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, a Client, Other Blackstone Vehicles 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.

Restrictive Covenants; Restrictions on Client Activities. Blackstone, Clients, Other Blackstone Vehicles, joint venture partners and/or their respective portfolio entities and affiliates can be expected to enter into covenants that restrict or otherwise limit the ability of Blackstone, Clients, Other Blackstone Vehicles, Joint Venture Partners and/or their respective portfolio entities and affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Vehicles could have granted exclusivity to a Joint Venture Partner that limits Clients and Other Blackstone Vehicles from owning assets within a certain distance of any of the joint venture's assets. Blackstone, a Client, an Other Blackstone Vehicle, a Joint Venture Partner and/or their respective portfolio entities and affiliates could have entered into a non-compete or other undertaking in connection with a purchase, sale or other transaction, including, without limitation, that Blackstone, Clients, Other Blackstone Vehicles, Joint Venture Partners and/or their respective portfolio entities and affiliates will not make investments or otherwise engage in any business or activity if such investment, business or activity could adversely affect or materially delay obtaining regulatory or other approvals in connection with any such purchase, sale or other transaction. These types of restrictions may negatively impact the ability of a Client to implement its investment program. See also “—***Multiple Blackstone Business Lines.***” herein.

Related Party Leasing. A Client and its Portfolio Entities will, in certain circumstances, lease property to or from Blackstone, other Clients, Other Blackstone Vehicles 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 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 a Client and its Portfolio Entities will lease to or from any such related parties on terms as favorable to a Client and its Portfolio Entities as would apply if the counterparties were unrelated.

Cross-Guarantees and Cross-Collateralization. In certain circumstances a Client and its Portfolio Entities can be expected to enter into cross-collateralization arrangements with other Clients, Other Blackstone Vehicles and their Portfolio Entities, particularly in circumstances in which more attractive financing terms are available through a cross-collateralized arrangement. Also, it is expected that cross-collateralization will generally occur at Portfolio Entities rather than a Client for obligations that are not recourse to a Client except in limited circumstances such as “bad boy” events. Any cross-collateralization arrangements with other Clients or Other Blackstone Vehicles could result in a Client losing its interests in otherwise performing Investments or other assets due to poorly performing or non-performing Investments or other assets of other Clients or Other Blackstone Vehicles in the collateral pool or such persons otherwise defaulting on their obligations under the terms of such arrangements. The Investors may also be required to fund capital contributions to cover a Client’s obligations under such a default.

Similarly, a lender could require that it face only one Portfolio Entity of Clients and Other Blackstone Vehicles, even though multiple Portfolio Entities of Clients and Other Blackstone Vehicles 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 Clients and Other Blackstone Vehicles 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 Clients and Other Blackstone Vehicles benefiting from a financing can be expected to enter into a back-to-back or other similar reimbursement agreements to ensure no Portfolio Entity bears more than its *pro rata*

portion of the debt and related obligations. It is not expected that the Portfolio Entities would be compensated (or provide compensation to other Portfolio Entities) for being primarily liable, or jointly liable, for other Portfolio Entities *pro rata* share of any financing.

Joint Venture Partners. A Client has and will, from time to time, enter into one or more JV Arrangements with Joint Venture Partners. Investments made with Joint Venture Partners will often involve performance-based compensation and other fees payable to such Joint Venture Partners, as determined by the Adviser in its sole discretion. The Joint Venture Partners could provide services similar to those provided by the Adviser to a Client. Yet, no compensation or fees paid to the Joint Venture Partners would reduce or offset Management Fees or performance-based compensation payable to the Adviser. Additional conflicts would arise if a Joint Venture Partner is related to Blackstone in any way, such as an Investor in, lender to, a shareholder of, or a service provider to Blackstone, Clients, Other Blackstone Vehicles, or their respective Portfolio Entities, or any Affiliate, personnel, officer or agent of any of the foregoing.

Valuation Matters. The fair value of all Investments (or of any asset received in exchange for any Investments or interests in a Client, as applicable) will ultimately be determined by the Adviser in accordance with the Organizational Documents and a Client's 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 and the ultimate sales price could be material. The valuation methodologies used to value any Investment will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Blackstone's control. Generally, there will be no retroactive adjustment in the valuation of any Investment, the offering price at which interests in a Client were purchased by Investors or repurchased by a Client, as applicable, or the fees and/or performance-based compensation paid to the Adviser to the extent any valuation proves to not accurately reflect the realizable value of an asset in a Client.

The valuation of Investments will affect the amount and timing of the Adviser's performance-based compensation and, under certain circumstances, the amount of Management Fees and Servicing Fees (if any) payable to the Adviser. The valuation of Investments of Other Blackstone Vehicles will, in certain circumstances, affect the decision of potential Investors to subscribe for interests in a Client. Similarly, the valuation of Investments of a Client will, in certain

circumstances, affect the ability of Blackstone to form and attract capital to Other Blackstone Vehicles. As a result, the valuation of Investments of a Client and Other Blackstone Vehicles, which generally remains in the sole discretion of Blackstone, involve conflicts.

Group Procurement; Discounts. A Client and its Portfolio Entities will enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and other insurance policies (which can be expected to include brokerage or placement thereof) and will otherwise enter into operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among a Client, Other Blackstone Vehicles and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone and its Affiliates and personnel, or other Clients and Other Blackstone Vehicles and their Portfolio Entities, including as a result of transactions entered into by a Client and its Portfolio Entities, and such commissions or payment will not be subject to the Management Fee offset provisions. Blackstone can be expected to also receive consulting, usage or other fees from the parties to these group procurement arrangements. To the extent that a Portfolio Entity of an Other Blackstone Vehicle is providing such a service, such Portfolio Entity and such Other Blackstone Vehicle will benefit. Further, the benefits received by the particular Portfolio Entity providing the service will, in certain circumstances, be greater than those received by a Client and its Portfolio Entities receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, and Investors rely on the Adviser to handle them in its sole discretion.

Diverse Investor Group. Investors in a Client have conflicting investment, tax and other interests with respect to their investments in a Client and with respect to the interests of Investors in other Clients and Other Blackstone Vehicles that participate in the same investments as a Client. The conflicting interests of Investors relate to, among other things, the nature, structuring, financing, tax profile and timing of disposition of Investments. The Adviser 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 than for other Investors. In addition, a Client can be expected to make Investments that will, in certain circumstances, have a negative impact on related investments made by the Investors in separate transactions. In selecting and structuring Investments appropriate for a Client, the Adviser will consider the investment and tax objectives of a Client and its Investors as a whole (and those of Investors in other Clients and Other Blackstone Vehicles that participate in the same Investments as a Client), not the investment, tax or other objectives of any Investor individually. As a result of disparate tax considerations

applicable to certain investors of the Clients and Other Blackstone Vehicles, but not other investors therein, not all such investors will participate in Investments through the same investment structures and vehicles, and the securities indirectly held by such investors (or consideration ultimately distributed to such investors) may differ as a result of the foregoing, and there can be no assurance that the foregoing considerations will not impact (positively or negatively) the returns achieved by any investor, as compared to other investors. Additionally, in respect of certain Clients, the Adviser will, in certain circumstances, elect to exclude certain Investors from particular Investments for legal, regulatory or other considerations (including established investment policies of an Investor) applicable to any such Investment, in which case non-excluded Investors will be allocated a greater proportionate interest in such Investment. In addition, reduction in unused capital commitments for capital contributions in respect of Management Fees are based on the actual amounts paid by the Investors. Therefore, to the extent an Investor is entitled to a discounted or reduced Management Fee arrangement (including as set forth in the Organizational Document, investment advisory agreement or one or more side letters or other agreements (including any agreement governing a Strategic Relationship)) such Investor's capital contributions in respect of Management Fees will be disproportionate as compared to any Investor without such arrangement, and as a result such Investor's unused capital commitment will be proportionately higher than other Investors, which among other things, will cause such Investor to have a greater proportionate interest in Investments made (and expenses incurred) than would be the case absent such Management Fee arrangement. Further, certain Investors can be expected to also be Investors in other Clients and Other Blackstone Vehicles, including supplemental capital vehicles and co-investors that invest alongside a Client in one or more Investments, which could create conflicts for the Adviser in the treatment of different Investors.

Investors can be expected to also include Affiliates of Blackstone, such as other Clients (including Other Blackstone Vehicles (including strategic partners investment) via a primary investment or secondary acquisition), Other Blackstone Vehicles, Affiliates of Portfolio Entities of Clients or Other Blackstone Vehicles, charities or foundations associated with Blackstone personnel and current or former Blackstone personnel, Blackstone's senior advisors and operating partners, and any such Affiliates, funds or persons can be expected to also invest in a Client or through the vehicles established in connection with Blackstone's side-by-side co-investment rights. Some of the foregoing Blackstone related parties are sponsors of feeder vehicles that could invest in a Client as Investors. The Blackstone related sponsors of feeder vehicles generally charge their Investors additional fees, including performance-based fees, which could provide Blackstone current income and increase the value of its ownership position in them. Blackstone will therefore have incentives

to refer potential Investors to these feeder vehicles. All of these Blackstone related Investors will have equivalent rights to vote and withhold consents as nonrelated Investors, unless otherwise provided by the terms of the Organizational Documents. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related Investors.

It is also possible that a Client or a Client's 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 or its Affiliates (which may occur in connection with such Investor or its affiliates making a capital commitment to a Client or Other Blackstone Vehicles), 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 a Client's Investment therein, which will reduce a Client's returns and will not necessarily be subordinated to the return of the Investors' Capital Contributions. Such Investors described in the previous sentences can be expected to therefore have different information about Blackstone and a Client than Investors not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealing with any such Investors, and the Adviser and its Affiliates may be motivated to enter into agreements, transactions or arrangements with Investors or their affiliates in order to secure capital commitments from Investors to a Client or Other Blackstone Vehicles and may otherwise be motivated by factors other than the interests of the Client. (See also "**—Other Blackstone Business Activities**" herein.) Similarly, not all Investors monitor their investments in vehicles such as a Client in the same manner. For example, certain Investors can be expected to periodically request from the Adviser information regarding a Client and its Portfolio Entities and Investments that is not otherwise included in the reporting and other information delivered to all Investors—for instance, pre-quarterly reporting valuation. In such circumstances, the Adviser may provide such information to such Investor and not to other Investors. As a result, certain Investors can be expected to receive more information from the Adviser about a Client and its Portfolio Entities or can be expected to receive information about a Client and its Portfolio Entities at an earlier time than other Investors, and the Adviser will have no duty to ensure all Investors receive the same information regarding a Client and its Portfolio Entities. In addition, investment banks or other financial institutions, as well as Blackstone personnel, can be expected to also be Investors. These institutions and personnel are a potential source of information and ideas that could benefit a Client, and can be expected to receive information about a Client and its Portfolio Entities in their capacity as a service provider or vendor to a Client and its Portfolio Entities.

Secondary Transfers of LP Transactions. In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Client pursuant to such Client's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, taking into account the following factors, among others:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Clients and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Client, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Client (including any commitment into a future fund);
- Requirements in such Client's Organizational Documents; and

Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Affiliated Investors. Certain Investors in a Client, including Blackstone Employee Investors (including any other existing or future Other Blackstone Vehicles), will receive preferential terms in connection with their investment in or alongside a Client. Specific examples of such preferential terms received by certain affiliated Investors include, among others, waiver of Management Fees and/or performance-based compensation. For the avoidance of doubt, in the case of an affiliated Investor that is an Other Blackstone Vehicle with its own underlying investors, such underlying investors are generally subject to performance-based compensation and/or management fees in connection with their investment in such Other Blackstone Vehicle. Notwithstanding the foregoing, such Investors will either directly pay for their *pro rata* share of certain partnership expenses, or the *pro rata* amount of such expenses will be allocated to the Adviser or its Affiliates. Such *pro rata* allocation of partnership expenses will, in certain circumstances, be calculated based on Commitments, invested capital, available capital or other

metrics as determined by the Adviser in good faith. 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, by virtue of their affiliation with the Adviser, affiliated Investors will have more information about a Client and Investments than other Investors and will have access to information (including, but not limited to, valuation reports) in advance of communication to other Investors. As a result, such affiliated Investors will be able to take actions on the basis of such information which, in the absence of such information, other Investors do not take. See also “—*Diverse Investor Group*” herein. Additionally, in case of an Investor that is an Other Blackstone Vehicle with its own underlying investors, such underlying investors may have received preferential or different terms in connection with their investment in such Other Blackstone Vehicle as compared to the other Investors. While such affiliated Investors and/or Clients will seek to adopt policies and procedures to address such conflicts of interest, there can be no assurance that the conflicts of interest described above will be resolved in favor of the Client or other Investors.

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

Subscription Credit Facility. As described herein, a Client has entered into and utilized a subscription credit facility, which involves potential conflicts of interest. Subject to the limitations in the Organizational Documents, the use of a subscription credit facility by a Client is within the Adviser’s discretion. Subject to the limitations set forth in the Organizational Documents and the availability and the terms of any subscription-based credit facility for a Client, the Adviser has adopted, and may update, from time to time, a policy related to the use of such credit facilities. Generally and without limiting the foregoing, a Client can be expected to seek to utilize a subscription credit facility for the purpose of, among other things, financing any Investment-related activities of a Client (such as for assets that a Client does not intend to hold for a long term period or for an acquisition), covering partnership expenses, organizational expenses,

Management Fees and any other costs of a Client, making distributions to Partners, providing permanent financing or refinancing or providing interim financing to consummate the purchase of Investments. The amount of credit available to a Client under a subscription credit facility is determined by the credit quality of the Investors (and Investors in Other Blackstone Vehicles joined to the same facility) as determined by the lender. Moreover, the credit quality of an Investor (or Investor in an Other Blackstone Vehicle joined to the same facility) may be negatively impacted (or disregarded completely by a lender) as a result of contractual agreements (including side letters) between such Investor (or Investor in an Other Blackstone Vehicle joined to the same facility) and Blackstone. For this reason, Investors (and Investors in Other Blackstone Vehicles joined to the same facility) with a higher credit quality, as determined by the lender, generate more credit for a Client (and such Other Blackstone Vehicles) than Investors (and Investors in Other Blackstone Vehicles joined to the same facility) with a lower credit quality, which results in an indirect benefit conferred by the higher credit quality Investors (and investors) to the others.

Calculations of net and gross IRRs, if applicable, in respect of Investment and performance data as reported to Investors from time to time, are based on the payment date of capital contributions from Investors. This treatment also applies in instances where a fund utilizes borrowings under a fund's subscription credit facility in lieu of, or in advance of receiving capital contributions from Investors to repay any such borrowings. As a result, use of a subscription credit facility (or other long-term leverage) will impact calculations of returns and will result in a higher or lower reported IRR than if the amounts borrowed had instead been funded through capital contributions made by the Investors to a Client. If the use increases the IRR, as it normally does, Blackstone will have various incentives to use the subscription credit facility, including marketing efforts of Clients and Other Blackstone Vehicles. For example, in the event the interest rate on borrowings is lower than the hurdle rate, use of leverage arrangements can be expected to accelerate or increase distributions of performance-based compensation to the Adviser, providing an economic incentive to fund Investments through long-term borrowings in lieu of capital contributions. In addition, the Adviser can be expected to receive a greater amount of Management Fees if, following the investment period, borrowings under the facility utilized in lieu of a combination of limited partners' capital and non-recourse financing for Investments remain outstanding.

A Client expects to utilize a subscription credit facility and enter into other similar arrangements and extensions of credit for the benefit of co-investors, Joint Venture Partners and Other Blackstone Vehicles, including Blackstone side-by-side arrangements, which invest alongside a Client in one or more Investments. For example, a Client can be expected to draw from a borrowing

to fund a Joint Venture Partner's or co-investor's *pro rata* share of an Investment or expense related to an Investment. In such circumstances, the Adviser generally intends to disclose such arrangements as part of the periodic reporting or other appropriate communications relating to a Client and to cause any such co-investors, Joint Venture Partners and other Clients and Other Blackstone Vehicles to bear (or reimburse a Client for) their *pro rata* share of any interest expenses (but not necessarily origination and other costs) allocable to such extensions of credit. The Adviser will, in certain circumstances, receive direct and indirect benefits from such uses as well, including as a result of the facilitation of co-investment by other Clients and Other Blackstone Vehicles. A Client will pay interest expenses and other expenses incurred in relation to the line of credit.

Insurance. A Client will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure the Client, Portfolio Entities, the Adviser, Blackstone and their respective directors, officers, employees, agents, members of the L.P. Advisory Committee, or otherwise, as applicable, and other indemnified parties (and in certain circumstances, such person's agents and representatives), against liability in connection with the activities of the Client. 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 Clients and Other Blackstone Vehicles, the Adviser and/or Blackstone (including their respective directors, officers, employees, agents and representatives, and representatives and members of the L.P. Advisory Committee, or otherwise, as applicable, and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella", group or other insurance policies among one or more Clients and Other Blackstone Vehicles, the Adviser 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. For example, some property insurance could be allocated on a property-by-property basis in accordance with the relative values of the respective properties that are insured by such policies.

Additionally, Clients and Other Blackstone Vehicles (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 may similarly be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone can be expected to reasonably determine). (See also "*Service Providers, Vendors and Other Counterparties Generally*" herein.)

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

Captive Insurance; Gryphon. Certain Clients and Other Blackstone Vehicles (and their Portfolio Entities) will also, in certain circumstances, self-insure through Gryphon Mutual Insurance Company (“Gryphon”), a captive insurance company (the “Captive”). Gryphon is owned entirely by its participants (including such Clients and such Other Blackstone Vehicles). An affiliate of the Adviser manages the Captive, oversees its operations and service providers, provides a guarantee for a letter of credit to help capitalize it and receives a fee based on a percentage of the premiums (subject to the benchmarking process described above), and a third-party insurance services firm will provide brokerage, administration and insurer management services. The fees and expenses of the Captive, including fees paid to its manager, will be borne by such Client and Other Blackstone Vehicles pro rata based on estimates of insurance premiums that would have been payable for each party’s respective properties, as benchmarked by third parties, and will be paid by each participant annually. While Clients do not expect to provide any funding in addition to such annual contribution, it is possible that each member of the Captive, including such Client, is required to make additional capital contributions in certain circumstances. This arrangement is expected to provide such Client with greater control over its property insurance program and reduce overall costs of insurance through lower premiums and reduction or elimination of insurance brokerage costs. Such Client may, however, be negatively affected to the extent there are disproportionate losses incurred on properties held by Other Blackstone Vehicles participating in the Captive, including through increased future premiums or the lost ability to recoup capital contributions, and there can be no assurance that the arrangement will not result in under- or over-allocation of costs to such Client relative to Other Blackstone Vehicles or that different allocations or arrangements than those provided above would not result in such Client and its Portfolio Entities bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies. (See also “—***Blackstone Affiliate Service Providers***” herein.) Gryphon currently engages, and is expected to continue to engage, one or more portfolio entities of Clients and Other Blackstone Vehicles (including Revantage) to provide services in respect of Gryphon’s activities, including corporate support services. Any such services and fees are in addition to the services provided and fees received by Blackstone. See also “—***Portfolio Entity Service Providers and Vendors***” herein.

Charitable and Political Contributions. The Adviser may, from time to time, require, cause or invite a Client and/or a Portfolio Entity to make contributions to charitable initiatives, or other non-profit organizations that the Adviser believes could, directly or indirectly, enhance the value of a Client's 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, a Client or its 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, service providers, vendors, Joint Venture Partners, and/or other persons or organizations associated with Blackstone, Clients, Other Blackstone Vehicles or the Portfolio Entities. These relationships could influence the Adviser's decision whether to require, cause or invite Clients or Portfolio Entities to make charitable contributions. Further, from time to time, such charitable contributions by Clients or the Portfolio Entities could supplement or replace charitable contributions that Blackstone would have otherwise made. Also, in certain instances, the Adviser may, from time to time, select a service provider or other counterparty to a Client or its Investments based, in part, on the charitable initiatives of such person where the Adviser believes such charitable initiatives could, directly or indirectly, enhance the value of a Client's Investments or otherwise be beneficial to the Portfolio Entities.

A Portfolio Entity and/or, less commonly, a client on behalf of 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. Portfolio Entities are not considered affiliates of the Adviser (and in some cases are not controlled by the Adviser), and therefore such activities are not subject to relevant policies of the Adviser and such activities may be undertaken by a Portfolio Entity without the knowledge or direction of the Adviser. 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 applicable Client, Other Blackstone Vehicles or its Investors. While the costs of such activities will typically be borne by the Portfolio Entity (and indirectly the Client) undertaking such activities, such activities could also directly or indirectly benefit other Portfolio Entities, Other Blackstone Vehicles or Blackstone.

Any such charitable contributions or political contributions made by Clients or the Portfolio Vehicles, if material, could affect such Client's performance in respect of the relevant Investment and will not offset management fees payable by such Client. There can be no assurance that any such activities will actually be beneficial to or enhance the value of a Client or the Portfolio Entities, or that the Adviser will be able to resolve any associated conflict of interest in favor of the Clients.

Other Conflicts. In addition, other present and future activities of Blackstone, Clients, Other Blackstone Vehicles and their Portfolio Entities, Affiliates and related parties will, from time to time, give rise to additional conflicts of interest relating to a Client and its investment activities. The Adviser generally attempts to resolve conflicts in a fair and equitable manner, but conflicts will not necessarily be resolved in favor of a Client's interests. In addition, pursuant to the Organizational Documents, an L.P. Advisory Committee, as applicable, will be established and authorized to give consent on behalf of a Client with respect to certain matters. If the L.P. Advisory Committee, or otherwise, as applicable, consents to a particular matter and the Adviser acts in a manner consistent with, or pursuant to the standards and procedures approved by, the L.P. Advisory Committee or the Investor Representative of a Client, if any, or otherwise as provided in the Organizational Documents, then the Adviser and its Affiliates will not have any liability to a Client or the Investors for such actions taken in good faith by them. However, the L.P. Advisory Committee, or otherwise, as applicable, will not represent the interests of all the Investors, each member of the L.P. Advisory Committee, or otherwise, as applicable, may act in the interests of the Investor with which it is associated, and the members of the L.P. Advisory Committee, or otherwise, as applicable, may themselves be subject to various conflicts of interest. In general, the Investors will not be entitled to control the selection of members of the L.P. Advisory Committee, or otherwise, as applicable, or to review the actions or deliberations of the L.P. Advisory Committee, or otherwise, as applicable. Furthermore, some or all of the members of the L.P. Advisory Committee, or otherwise, as applicable, may also be on the advisory committee of Other Blackstone Vehicles with which there is a potential conflict or may represent Investors that have an interest in both a Client and such Other Blackstone Vehicle. Such L.P. Advisory Committee members, or otherwise, as applicable, will not be precluded from participating in discussions with respect to, or from voting on, such transactions that involve actual or potential conflicts of interest. Furthermore, in situations where a Client makes an Investment alongside an Other Blackstone Vehicle, it is possible that while a Client may require approval of the L.P. Advisory Committee, or otherwise, as applicable, to participate in such Investment, such Other Blackstone Vehicle may not require approval from its respective advisory body (and vice versa).

Additional Potential Conflicts of Interest. The officers, directors, members, managers and personnel of the Adviser 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 Adviser. 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 a Client holds or acquires 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 a Client or pursue similar investment opportunities as a Client. In addition, as a consequence of Blackstone’s status as a public company, the officers, directors, members, managers and personnel of the Adviser can be expected to take into account certain considerations and other factors in connection with the management of the business and affairs of a Client and its Portfolio Entities 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 a Client. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to a Client and Other Blackstone Vehicles, the Adviser could decline to undertake investment activity or transact with a counterparty on behalf of a Client for reputational reasons, and this decision could result in a Client foregoing a profit or suffering a loss. See also “—*Outside Activities of Principals and Other Personnel and their Related Parties*” above.

Other Financial Industry Affiliations

The Adviser is an Affiliate 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 into repurchase agreement transactions for themselves or as agent for their customers
Blackstone Securities Partners L.P.	Provides a variety of limited investment banking services
Everlake Distributors, L.L.C.*	Provides underwriting and distribution of variable life insurance or annuities to other broker-dealers and registered investment advisers
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. (Relying Adviser)	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone 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 Asset Based Finance 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 various private investment funds specializing in the life sciences industry
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C. (Relying Adviser)	Provides investment advisory services to various private equity funds
Blackstone 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 private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds

Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private real estate and real estate-related debt and other interests of real estate assets and real estate-related holdings
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds and separately managed accounts
Blackstone CLO Management LLC (Management Series) (Relying Adviser)	Provides investment advisory services to U.S. CLOs
Blackstone Ireland Limited (Relying Adviser)	Provides investment advisory services to debt-focused private investment funds, separately managed accounts and acts as an investment fund manager
Blackstone Ireland Fund Management Limited (Relying Adviser)	Provides investment advisory services (management/distribution) to debt-focused private investment funds and alternative 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 and its operating subsidiary
BXMT Advisors L.L.C.	Provides investment advisory services to a publicly traded REIT and its related entities
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry

CT High Grade Mezzanine Manager, LLC (Relying Adviser)	Provides investment advisory services to assets owned by a third-party insurance company
CT High Grade Partners II Manager, LLC (Relying Adviser)	Provides investment advisory services to a private real estate debt fund
CT Investment Management Co., LLC	Provides investment advisory services to publicly traded CDOs
First Eagle Alternative Credit EU, LLC*	Provides investment advisory services to various private investment funds specializing in the European direct lending industry
First Eagle Alternative Credit EU MOA Ltd.*	Sponsor of limited partnerships for First Eagle’s European Alternative Credit business
First Eagle Alternative Credit Funding, LLC*	Sponsor of limited partnerships for First Eagle’s Alternative Credit business
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*	Provides investment advisory services to a business development company
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 (Relying Adviser)	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* (Relying Adviser)	Serves as the manager of a private direct lending fund
NIBC Bank N.V.***	Advisory/banking affiliate of NIBC, a PE and BTO portfolio company
NIBC Credit Management, Inc.***	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 Capital Israel Ltd.	Israel investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds with branch offices in other locations
Blackstone Real Estate Australia Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment management services to trustees and in respect of trusts indirectly controlled by the registrant
Blackstone (Shanghai) Equity Investment Management Co. Ltd.	Chinese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone (Shanghai) Equity Investments Management Co. Ltd. – Beijing Branch Office	Chinese investment advisory firm, which serves as a 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
Blackstone (China) Equity Investment Management Company Limited	Chinese investment advisory firm
Blackstone Treasury Asia Pte Ltd	Singapore firm which administers cash management and treasury-related activities for the registrant, and centrally managing and investing the registrant's operating cash
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 holding licenses of dealing in securities and advising on securities, which serves as a sub-advisor to affiliates of the registrant

Blackstone Advisors Korea Limited	Korean investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to affiliates of the registrant, and acts as an investment fund manager with branch offices in other locations
The Blackstone Group Germany GmbH	German investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and acts as an investment fund manager
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
Blackstone Administrative Services Canada ULC	Canadian exempt investment adviser, which serves as a sub-advisor to the registrant and/or its affiliates
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
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
ELIC Reinsurance Company*	A captive insurance company and wholly-owned subsidiary of Everlake Life Insurance Company
Everlake Assurance Company*	A life insurance company domiciled in the State of Illinois
Everlake Life Insurance Company*	A life insurance company domiciled in the State of Illinois specializing in life insurance and annuities
Everlake Reinsurance Limited*	An exempted reinsurance company organized under the laws of the Cayman Islands
Gryphon Mutual Insurance Company*****	A captive property insurance company
Ki Financial Limited**	A digitally-driven Lloyd's of London syndicate insurance company
Lexington National Land Services	A wholly owned title and escrow agent
Partners Life Limited**	Life and medical insurance company in New Zealand
Prima Assicurazioni S.p.A.**	An Italian tech-enabled insurance company
Westland Insurance Group Ltd. *****	A property and casualty insurance broker

*Portfolio entity of affiliated private equity fund

**Portfolio entity of affiliated Blackstone Tactical Opportunities funds

***Portfolio entity of affiliated private equity and Blackstone Tactical Opportunities funds

****Portfolio entity owned by its participants, including Clients and Other Real Estate Vehicles, and managed by an affiliate of Blackstone

*****Portfolio company of Blackstone Credit funds

Note: The Adviser manages a number of private Clients which are listed in ADV Part 1, Schedule D, Section 7.B (1).

Various management personnel are registered with the Blackstone broker-dealer, BSP, which serves as placement agent to Clients but is not compensated for such services. Blackstone does not believe these registrations, in and of themselves, create conflicts for our Investors.

In addition, the Blackstone Real Estate Group has formed a special entity to serve as a counterparty to contracts with third parties, including but not limited to service providers to the Real Estate Vehicles.

Finally, other present and future activities of Blackstone will, from time to time, give rise to additional conflicts of interest. In the event that any such conflict of interest arises, Blackstone will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of a Client's interests.

A more detailed description of applicable conflicts of interest is set forth in the Offering Documents of each Client, which Investors are encouraged to consult.

Item 11 – Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

The Adviser is governed by the Code of Ethics. The Code of Ethics governs a number of potential conflicts of interest which exist when providing advisory services to the Investors in the Clients it manages. The Code of Ethics is reasonably designed to ensure that the Adviser meets its fiduciary obligation to the Adviser's Clients (or prospective clients) and to instill a culture of compliance within the Adviser. An additional benefit of the Code of Ethics is to detect and prevent violations of securities laws.

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

The Code of Ethics 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 of Ethics.

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 Vehicles; Allocation of Investment Opportunities*" describing conflicts related to allocation of investment opportunities among Clients sponsored by Blackstone and co-investors. The Adviser has adopted policies and procedures reasonably designed to address such potential conflicts of interest.

The Adviser 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 advisers have a Code of Ethics, and are intended to assist Blackstone with identifying and mitigating actual or potential conflicts of interest with a Client or Other Blackstone Vehicles 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 of Ethics, 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 of Ethics is available for review upon request.

You may request a copy of Blackstone's Code of Ethics by contacting the Adviser's Chief Compliance Officer, Madeleine Russo, at (212) 583-5000.

The Adviser does not participate in principal trading generally; however, the Adviser would be permitted to if the Adviser obtained appropriate Investor approvals.

Item 12 – Brokerage Practices

In the event the Adviser executes a brokerage transaction for the Clients, the Adviser 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.

The Real Estate Group has established a Brokerage Review and Best Execution Committee that meets on a quarterly basis to review a schedule of the executing brokers and dealers utilized by the Adviser during the preceding quarter and the commissions paid to, and services received from, such brokers and dealers, to evaluate reasonableness in light of services received and consistency with the Adviser's policies and procedures.

Item 13 – Review of Accounts

Review of Accounts

Currently, the only accounts under the supervision of the Adviser are the accounts of the Clients. The Clients' accounts and Investment positions are monitored by the Adviser's personnel on a regular and current basis. The Adviser might periodically review on an expedited basis the assets of a Client following a unique occurrence in the financial industry or market generally.

The Blackstone Real Estate Group Investment Committee generally meets weekly to carefully review and challenge Investments and dispositions around the world. Discussions are led by the Global Co-Heads of Real Estate. In addition to its Chairman, who is also the President and Chief Operating Officer of Blackstone, the Blackstone Real Estate Group Investment Committee also includes the Chairman and CEO of Blackstone, the CFO of Blackstone, and all Senior Managing Directors in the Blackstone Real Estate Group. Blackstone manages its Investments through proactive day-to-day asset management, as well as regular global asset reviews and quarterly valuation meetings. Certain significant Investments of the Clients are reviewed and approved by the Blackstone Real Estate Group Investment Committee. Smaller Investments are reviewed by a prescribed subset of the Blackstone Real Estate Group Investment Committee. The Blackstone Real Estate Group Investment Committee utilizes a consensus-based approach to decision-making among the members.

Reports to Clients

Investors in the Clients generally will receive written periodic reports which will include capital balance and applicable Client performance statistics. Investors in the Clients will also receive written annual audited financial statements for the Client in which they are invested. The Adviser makes use of a website, BXAccess, available at www.bxaccess.com, for the distribution of reports and other information to Investors in the Clients.

The Adviser generally will provide information that certain Investors in the Clients may request, including additional information relating to the Clients and/or Portfolio Entities, to the extent such information is readily available or may be obtained without unreasonable effort or expense. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Clients 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 Adviser may be restricted from disclosing to Investors material non-public information regarding any assets in which a Client invests, particularly those investments in which an Other Blackstone Vehicle or Portfolio Entity that is publicly registered co-invests with a Client. (See also “—*Affiliated Investors*” herein.)

Item 14 – Client Referrals and Other Compensation

The Clients are no longer in an active marketing period. No placement agents are being paid at this time.

Item 15 – Custody

The Custody Rule defines custody as holding client securities or funds or having any authority to obtain possession of them. The Clients generally have an Affiliate of the Adviser acting as General Partner and, as such, the Adviser is deemed to have custody of the Clients' funds. The Adviser generally complies with the Custody Rule by, among other things, providing all Investors in a Client with audited financial statements.

Item 16 – Investment Discretion

The Adviser maintains the authority to manage or advise the Clients on a discretionary basis, subject to the overall supervision of the applicable General Partner (or board of directors (as applicable)), in accordance with the investment guidelines, objectives, limitations and other provisions and terms set forth in the Organizational Documents and the Advisory Agreements, as applicable.

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

Proxy Policy

The Proxy Rule requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because the Adviser will generally be deemed to have authority to vote Proxies relating to the companies in which its clients invest, the Adviser has adopted the Proxy Voting Policy in compliance with the Proxy Rule. To the extent that the Adviser exercises or is deemed to be exercising voting authority over its clients' securities, the Proxy Voting Policy is reasonably designed and implemented in a manner reasonably expected to ensure that voting with respect to Proxies is exercised in a manner that serves the best interest of its clients, as determined by the Adviser in its sole discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, the Adviser may not always vote Proxies in accordance with the Proxy Voting Policy. In addition, many possible proxy matters are not covered in the Proxy Voting Policy. Generally, the Adviser will vote Proxies (i) in favor of management's recommendation for the election of the board of directors and (ii) to approve the financial statements as presented by management.

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 Adviser or its Affiliates, on the other hand. If a material conflict is identified by the Chief Compliance Officer, Head of Asset Management and/or one or both of the Global Co-Heads, the Blackstone Real Estate Group will determine whether voting in accordance with the Adviser's proxy voting guidelines is in the best interests of its Clients. The Adviser, in its sole discretion, may elect not to vote a proxy if unduly burdensome.

Investors may request a copy of the Proxy Voting Policy and the voting records relating to Proxies as provided by the Proxy Rule by contacting the Adviser's Chief Compliance Officer, Madeleine Russo, at (212) 583-5000.

Item 18 – Financial Information

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Investors.

Item 19 – Requirements for State Registered Advisers

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