Blackstone University | Essentials

Private Credit

Private credit funds issue corporate loans and other credit instruments that do not involve a traditional bank and are not publicly traded.

Blackstone

Private Markets

Need to Know

01
Growing Demand

Privately held companies **focused on growth** and transformation have increasingly turned to private credit as a source of capital. Working with non-bank lenders, these companies are seeking to meet their capital needs more efficiently through **direct loans.**

02
Defensive Income

Private loans are typically **senior secured** with meaningful cushion below in the form of junior debt and equity. Also, they typically offer floating rate coupons. These features aim to provide investors with principal preservation and **high income potential.**[1]

03
Core Allocation

When added to a traditional balanced portfolio of stocks and bonds, private credit can offer **meaningful diversification** and improve risk-return potential.[2]

Basics of Private Credit

Private credit can offer companies a more direct and efficient way to access capital. Private credit managers raise funds directly from investors and lend to corporate borrowers in transactions that often involve a private equity firm. This direct approach—with no bank in the middle—can result in greater efficiency, confidentiality, certainty in execution, and flexibility in terms of structure for the borrower. For the investor, it can lead to stronger documentation, protection, and ultimately more attractive returns.

Particularly for investors looking beyond the 60/40 portfolio of stocks and bonds, private credit can represent an attractive core holding.[3]

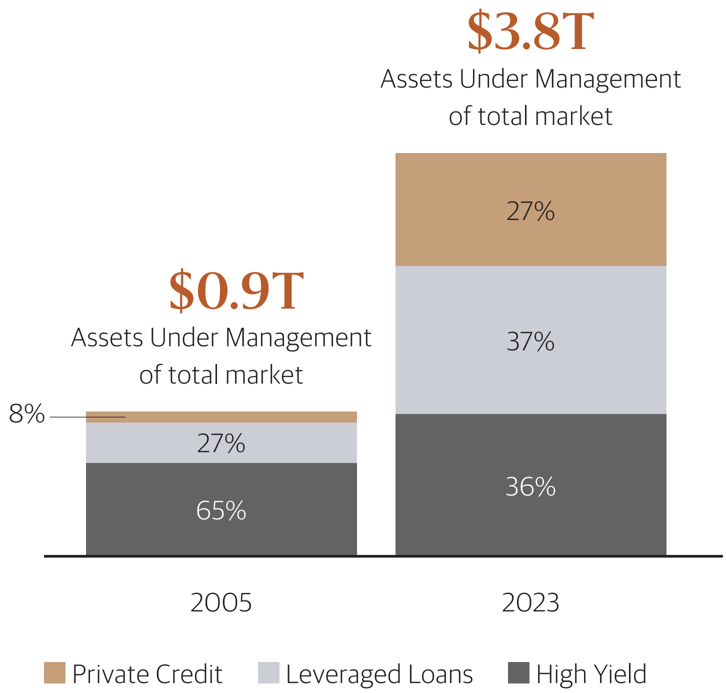
The information herein is provided for educational purposes only and should not be construed as financial or investment advice, nor should any information in this document be relied on when making an investment decision. Opinions expressed reflect the current opinions of Blackstone as of the date hereof and are based on Blackstone's opinions of the current market environment, which is subject to change. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results. Capital is at risk and investors may not get back the amount originally invested.

1. Capital is at risk and investors may not get back the amount originally invested. Risk management seeks to mitigate risk but does not reduce or eliminate risk and does not protect against losses.
2. Diversification does not ensure a profit or protect against losses.
3. Traditionally, stocks and bonds have been regarded as the core building blocks of a diversified portfolio, often allocated 60% to equities and 40% to fixed income.

Private credit has expanded rapidly for years, in part due to bank consolidation and regulatory change in the aftermath of the Global Financial Crisis. Today, private credit represents more than 25% of the US market for below-investment-grade credit, up from 5% in the mid-2000s (Exhibit 1), and plays an important role in financing large transactions.[4] This trend has been largely driven by private equity activity and companies that are seeking more flexible capital solutions.

EXHIBIT 1: The Growth of Private Credit[4]

US Below-Investment-Grade Credit Market



Industry research suggests private credit will reach $2.8T by 2028[5]

The above represents Blackstone's view of the current market environment as of the date appearing in this material only, which is subject to change. There can be no guarantee trends will continue or will not reverse.

4. Source: Bloomberg ("High Yield") and Pitchbook LCD ("Leveraged Loans") as of March 2024. Preqin ("Private Credit") as of September 2023, which is the latest data available. Private Credit market size based on AUM. Total addressable US sub-investment grade credit market defined as the aggregate of the US high yield bonds, US leveraged loans and North American private credit markets. Leveraged loans refer to broadly syndicated loans. Private Credit includes Business Development Companies ("BDCs").
5. Source: Preqin as of December 2023.

Why Investors Allocate

Historically, private credit has outperformed traditional credit segments such as high yield bonds and leveraged loans (Exhibit 2), in part reflecting the premium that borrowers pay for the efficiency, confidentiality, and flexibility of private capital. Private credit also has defensive characteristics, such as seniority in the capital structure. Much like a mortgage with repayment priority, private credit investors are paid before junior debt and equity holders (Exhibit 3). High income potential is another feature. Private credit typically consists of floating rate loans, so investors may benefit as income can increase with rising interest rates, and base rate floors can help protect against falling rates.

EXHIBIT 2: Private Credit's Strong Historical Performance[6]

Annual returns of Fixed Income Key Indices Ranked in Order of Performance (2016-2023)

2016	2017	2018	2019	2020	2021	2022	2023	Total Return Aggregate Performance
17.1% US High Yield	**10.4%** Global High Yield	**8.1%** Private Credit	**14.3%** US High Yield	**9.2%** Global Investment Grade Bonds	**12.8%** Private Credit	**6.3%** Private Credit	**14.0%** Global High Yield	**9.2%** Private Credit
14.3% Global High Yield	**8.6%** Private Credit	**0.4%** US Leveraged Loans	**12.6%** Global High Yield	**7.5%** US Investment Grade Bonds	**5.3%** US High Yield	**-0.8%** US Leveraged Loans	**13.4%** US High Yield	**6.1%** US High Yield
11.2% Private Credit	**7.5%** US High Yield	**0.0%** US Investment Grade Bonds	**9.0%** Private Credit	**7.1%** US High Yield	**5.2%** US Leveraged Loans	**-11.2%** US High Yield	**13.3%** US Leveraged Loans	**5.4%** US Leveraged Loans
10.2% US Leveraged Loans	**7.4%** Global Investment Grade Bonds	**-1.2%** Global Investment Grade Bonds	**8.7%** US Investment Grade Bonds	**7.0%** Global High Yield	**1.0%** Global High Yield	**-12.7%** Global High Yield	**12.1%** Private Credit	**4.9%** Global High Yield
2.6% US Investment Grade Bonds	**4.1%** US Leveraged Loans	**-2.1%** US High Yield	**8.6%** US Leveraged Loans	**5.5%** Private Credit	**-1.5%** US Investment Grade Bonds	**-13.0%** US Investment Grade Bonds	**5.7%** Global Investment Grade Bonds	**1.5%** US Investment Grade Bonds
2.1% Global Investment Grade Bonds	**3.5%** US Investment Grade Bonds	**-4.1%** Global High Yield	**6.8%** Global Investment Grade Bonds	**3.1%** US Leveraged Loans	**-4.7%** Global Investment Grade Bonds	**-16.2%** Global Investment Grade Bonds	**5.5%** US Investment Grade Bonds	**0.8%** Global Investment Grade Bonds

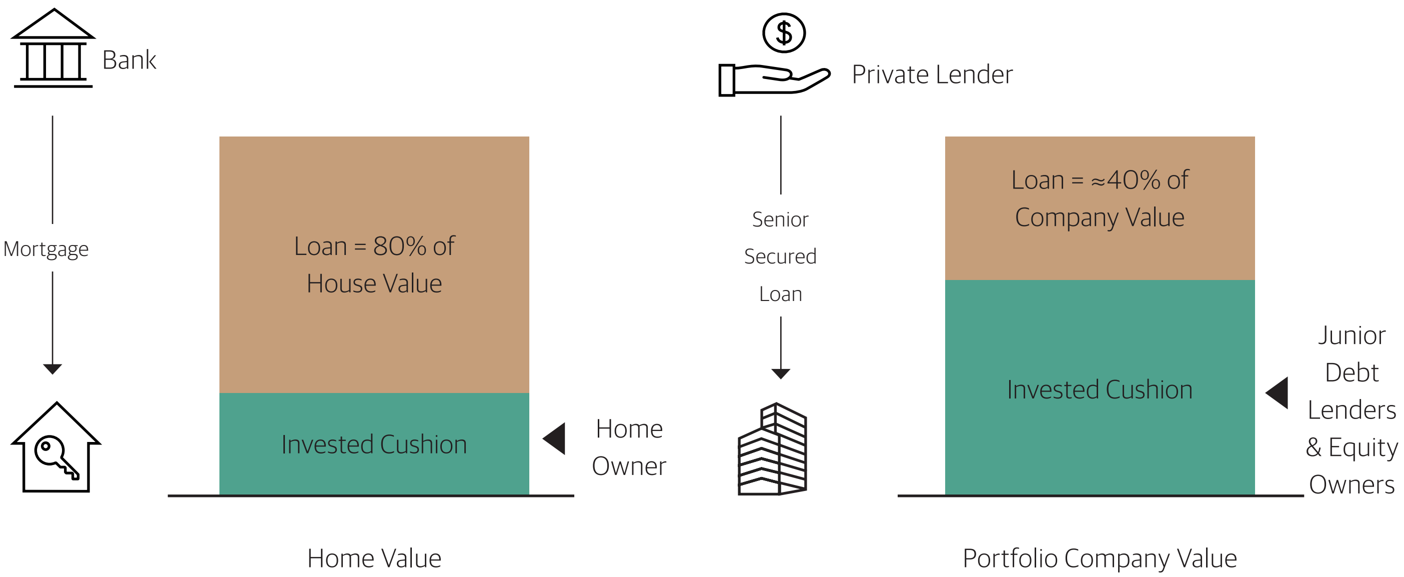
Any investment involves a high degree of risk and should only be made is an investor can afford the loss of the entire investment. The protections mentioned seek to mitigate risk but do not reduce or eliminate risk and do not protect against losses.

6. Source: Morningstar, Cliffwater. As of December 31, 2023. Represents the annual returns for the respective calendar year, ranked in order of performance. The asset classes presented are based on the following indices: Cliffwater Direct Lending Index for Private Credit, Bloomberg US Corporate High Yield for US High Yield, Bloomberg US Aggregate Bond Index for US Investment Grade Bonds, Morningstar LSTA US Leveraged Loan Index for US Leveraged Loans, Bloomberg Global Aggregate Bond Index for Global Investment Grade Bonds, Bloomberg Global High Yield Index for Global High Yield. **Past performance does not predict future returns**. There can be no assurance than any alternative asset classes will achieve their objectives or avoid significant losses. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results. The volatility and risk profile of the indices is likely materially different from that of a fund. The indices employ different investment guidelines / criteria than a fund and do not employ leverage; a fund's holdings and the liquidity of such holdings may differ significantly from securities comprising the indices. The indices aren't subject to fees / expenses, and it may not be possible to invest in the indices. The indices' performance has not been selected to represent an appropriate benchmark to compare to a fund's performance, but rather is disclosed to allow for comparison to that of well-known and widely recognized indices. A summary of the investment guidelines for the indices are available upon request. The indices are not necessarily the top performing indices in the given asset class and recipients should consider this when comparing the performance of any fund or investment to that of the indices. See "Important Disclaimer Information," including "Index Comparison." Total return is calculated over the period January 1, 2016 to December 31, 2023.

Managing Risk

As is true of other segments of the sub-investment grade credit market, private credit carries default risk -- how lenders manage it is key to delivering strong risk-adjusted returns. Since private lenders own loans and the corresponding default risk directly (versus risk being traded in public markets), private credit managers typically adopt a highly defensive investment approach. Managers such as Blackstone focus on being senior secured lenders to scaled businesses that are in sectors with strong secular tailwinds and having the right structures in place to protect their investors – a combination which in Blackstone's view is central to delivering attractive risk-adjusted returns.

EXHIBIT 3: Similarities between Home Mortgages and Senior Secured Loans



Note: For illustrative purposes only. The above reflects Blackstone's views and beliefs unless otherwise indicated as of the date appearing in this material. The protections mentioned seek to mitigate risk but do not reduce or eliminate risk and do not protect against losses. The examples shown above are illustrative and not representative of any product's returns. Returns may be lower than depicted in this illustration.

Why Borrowers Turn to Private Credit

Aside from the benefits private credit offers to borrowers (Exhibit 4), with the right lending partner, borrowers can also benefit from the lender's scale and the resources of its platform and network.[7] As is the case with Blackstone Credit, the result can be a deeper relationship than is possible with a bank, one that may create value for borrowers beyond the initial loan.

EXHIBIT 4: Blackstone's View: Key Reasons Borrowers Select Private Lending

- Efficiency of execution
- Greater certainty of terms
- Flexible structuring
- Fewer public disclosure requirements
- Maintenance of confidentiality

Any investment involves a high degree of risk and should only be made if an investor can afford the loss of the entire investment. There are no guarantees or assurances regarding the achievement of investment objectives or performance and you could lose some or all of your investment.

7. Investment performance may be volatile. An investment should only be considered by sophisticated investors who can afford to lose all or a substantial amount of the investment. Fees and expenses may offset or exceed profits. See also "Considerations Before Allocating" on page 8.

High Income Potential

In private credit, income is derived from three main components: the base rate, spread, and deal fees. The base rate is the benchmark interest rate tied to a reference rate like the secured overnight financing rate (SOFR). The spread represents the additional interest charged above the base rate and is determined based on factors such as the borrower's creditworthiness, market conditions, and the specific terms of the loan agreement. Deal fees also contribute to income. Together, these components can result in significant current income for lenders.

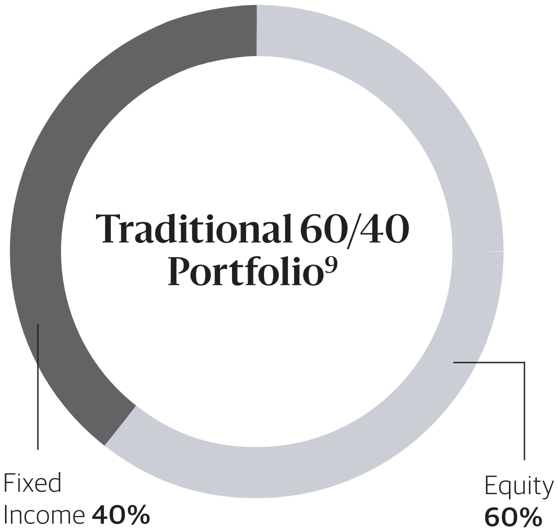
EXHIBIT 5: Illustrative Components of Income in Private Credit Loans[8]

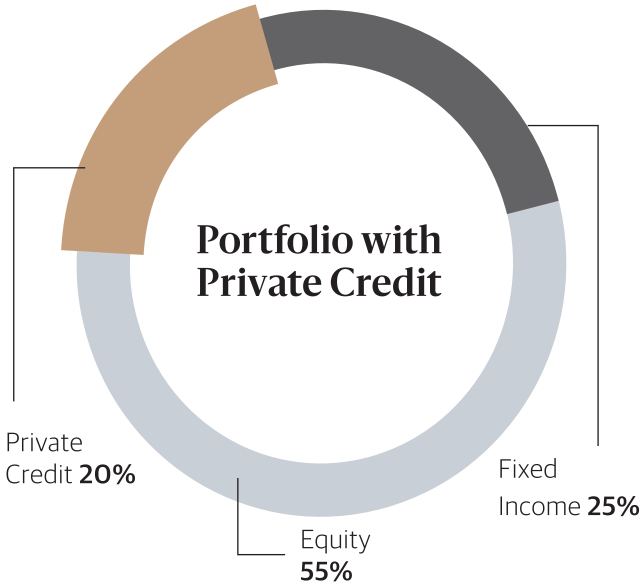
Note: The above investment is not representative of all investments of a given type or of investments generally. **Past performance does not predict future returns.** There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. The opinions expressed herein reflect the current opinions of Blackstone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this document will come to pass. The above is not intended to be indicative of future results to be achieved by the proposed fund; actual results may differ materially from the information generated through the use of illustrative components of return. While Blackstone believes that these assumptions are reasonable under the circumstances, there is no assurance that the results will be obtained, and unpredictable general economic conditions and other factors may cause actual results to vary materially. Any variations could be adverse to the actual results.

8. Deal fees include original issue discount and call premiums/prepayment fees.

Historically, private credit has helped to enhance returns, reduce volatility, and improve the income potential of traditional investment portfolios (Exhibit 6). For investors seeking defensive positioning with return potential in the face of interest rate volatility, inflation, and continued uncertainty in public markets, these characteristics may be attractive.

EXHIBIT 6: Reshaping the Risks and Returns of Traditional Portfolios with Private Credit (2009-2023)





Traditional 60/40 Portfolio

Annualized return	7.2%
Annualized volatility	11.8%
Current yield	2.8%

Portfolio with a 20% Private Credit Allocation

Annualized return	8.6%
Annualized volatility	10.7%
Current yield	4.5%

Source: Bloomberg, Morningstar, Cliffwater, as of 12/31/2023. As commonly used in the industry, the 60/40 portfolio is 60% allocated to the MSCI ACWI index and 40% is allocated to the Bloomberg Global Aggregate Bond index. Private Credit is represented by the Cliffwater Direct Lending Index. **Past performance does not predict future returns.** The information provided herein is presented for educational purposes only, is solely an indication of the historical experience of certain asset classes based on publicly available indices and benchmarks during a fixed period, and does not reflect the experience or return to any Blackstone client, fund, or portfolio, the return of any investment by a Blackstone fund or other client, or the return to any investor in any Blackstone fund. There can be no assurance that any Blackstone fund, other investment, or any asset allocation will achieve its objectives or avoid substantial losses, or that alternative investments will generate higher returns than other investments. The information presented should not be construed as financial or investment advice, or relied on when making an investment decision. Investors should consult their financial advisor to determine what private markets allocation, if any, is most appropriate for them in light of their financial profile. Actual returns achieved by a fund or product investing in any asset class presented herein may be materially lower. The indices and benchmarks reflected herein are not representative of all investments in the applicable asset classes, the performance of such indices and benchmarks in periods other than that the period from January 2009 to December 2023 shown herein may differ materially, and it should not be assumed that any trends shown will continue. Annualized returns and volatility are calculated based on the quarterly returns over the period from January 2009 to December 2023. The annualized returns shown do not necessarily consider fees and expenses, which are typically borne by the investor and may materially reduce returns. The yield on the portfolio with a private market alternative allocation was calculated using the annualized MSCI ACWI Dividend Yield, the annualized Bloomberg Global Aggregate Bond Yield, and the annualized Cliffwater Direct Lending Index quarterly income.

9. Traditionally, stocks and bonds have been regarded as the core building blocks of a diversified portfolio, often allocated 60% to equities and 40% to fixed income.

Why Borrowers Go Private

In March 2024, Blackstone Credit & Insurance led a $2 billion loan package to Park Place Technologies, a leading provider of third-party maintenance services for data center hardware, one of Blackstone's highest conviction sectors. Blackstone leveraged its industry expertise and strong relationship with the private equity sponsor to deliver a tailored capital solution. The ability of Blackstone to commit quickly at scale highlights some of the main features driving borrowers to seek private financing: speed, simplicity, and flexibility. As an existing portfolio company, Park Place is an active participant in Blackstone's Value Creation Program, where Blackstone takes on the role of more than just a provider of capital. Through this program, Park Place has benefitted from numerous introductions that created value from synergies. We believe all these components coming together illustrate why large, high-quality companies are increasingly seeking private capital for their financing needs.

PARK PLACE TECHNOLOGIES

Patient Capital

From the perspective of the manager, private investing means active value creation, versus passively holding stocks and bonds, which are very "liquid" and can be sold at any time. Private investing involves long-term commitments because value creation generally takes time. This gives rise to the concept of the "illiquidity premium," meaning the return that investors seek to offset the risk of holding a non-liquid asset. This potential return can be pursued in private asset classes through funds with long-term capital lockups as well as those with semi-liquid structures which offer the potential, but not a guarantee, to redeem capital at regular intervals.

Some of the methods used by private market managers include:

- Informational Advantage
- Operating Intervention
- Strong Governance
- Customized Terms

The above investment is not representative of all investments of a given type or of investments generally. The investment shown was made by an existing Blackstone fund and is provided for illustrative purposes only. This example may not be representative of all investments of a given type or of investments generally and it should not be assumed that any Blackstone fund, investment ot acquisition will make comparable or equally successful investments. There can be no assurance that any Blackstone Fund or investment will achieve its objective or avoid significant losses. The information provided, including dollar amounts, represents the aggregated investment of all participating Blackstone Credit & Insurance vehicles. See "Important Disclosure Information" including "Case Studies" and "Logos."

Considerations before Allocating

Manager selection can be important when allocating to private credit. Investors should be aware of considerations such as credit selection and the acumen of the managers conducting borrower due diligence.

Liquidity and time horizons can also be key considerations. The compounding power of private credit returns typically requires a medium- to long-term investment horizon.[10] Investors should carefully consider their liquidity needs within the context of their overall portfolio to determine whether and how much to commit to private credit.

Our Insights page consists of timely articles, educational publications and market views.

www.blackstone.com/insights/

The information herein is provided for educational purposes only and should not be construed as financial or investment advice, nor should any information in this document be relied on when making an investment decision. Opinions expressed reflect the current opinions of Blackstone as of the date hereof and are based on Blackstone's opinions of the current market environment, which is subject to change. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

Alternative investments are generally illiquid and there may be no liquid secondary markets or ready purchasers for these securities. They may not be required to provide periodic pricing or valuation information to investors.

10. "Medium- to long-term" defined as a horizon of multiple years, for instance 5+ years.

Index Definitions

Bloomberg Global Aggregate Bond Index	The index measures the performance of global investment grade fixed-rate debt markets, including the U.S. Aggregate, the Pan-European Aggregate, the Asian-Pacific Aggregate, Global Treasury, Eurodollar, Euro-Yen, Canadian, and Investment Grade 144A index-eligible securities.
Bloomberg Global High Yield Index	The index measures the performance of the global high-yield fixed income markets. It represents the union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, and Pan-European Emerging Market High-Yield Indices. The index is a component of the Multiverse Index, along with the Global Aggregate Index
Bloomberg Pan-Euro High Yield Index	The Bloomberg Pan-European High Yield Index measures the market of non-investment grade, fixed-rate corporate bonds denominated in the following currencies: euro, pounds sterling, Danish krone, Norwegian krone, Swedish krona, and Swiss franc.
Bloomberg US Aggregate Bond Index	The Bloomberg US Aggregate Bond Index is an index of US dollar-denominated, investment-grade US corporate government and mortgage-backed securities.
Bloomberg US Corporate High Yield Bond Index	The Bloomberg US Corporate High Yield Bond Index measures the US dollar-denominated, high yield, fixed-rate corporate bond market.
Cliffwater Direct Lending Index	The Cliffwater Direct Lending Index (CDLI) seeks to measure the unlevered, gross of fee performance of US middle market corporate loans, as represented by the asset-weighted performance of the underlying assets of Business Development Companies (BDCs), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements.
MSCI ACWI	The index measures the performance of the large and mid cap segments of all country markets. It is free float-adjusted market-capitalization weighted
Morningstar LSTA US Leveraged Loan Index	The Morningstar LSTA US Leveraged Loan Index is designed to deliver comprehensive, precise coverage of the US leveraged loan market. Underpinned by PitchBook | LCD data, the index brings transparency to the performance, activity, and key characteristics of the market.

Glossary

The following are explanations of terms you may come across in this presentation. These definitions are not exhaustive and are intended as a guide only.

Assets	Anything that has a commercial or exchange value that is owned by a business.
Assets Under Management "AUM"	Total market value of all financial assets that an individual or financial institution manages on behalf of investors.
Base Rate / Floor	The minimum level reference rate a borrower pays in a floating rate loan.
Below-Investment Grade Credit	Securities that are not rated on one of the four highest rating categories of a nationally recognized rating agency.
Bonds / Fixed Income	A type of investment security that pays out a set level of cash flows to investors, typically in the form of fixed interest or dividends until its maturity date. At maturity, investors are typically repaid the principal amount they had invested.
Business Development Companies ("BDCs")	A type of investment company that is subject to certain restrictions under the 1940 Act. As a BDC at least 70% of assets must be certain "qualifying" assets which are generally privately-offered securities issued by the US private companies.
Call Premiums / Prepayment Fees	An additional amount of money that a borrower may be required to pay to a lender when a loan or bond is called or prepaid before its scheduled maturity date.
Debt	Something owed by one company to another, typically money.
Direct Lending / Loans	Loans made by non-bank lenders directly to a corporate issuer, lenders generally hold these loans to maturity or refinancing. They're typically senior secured in the capital structure and offer floating rate coupons.
Equity	Ownership in a company that may be listed on an exchange and purchased in the form of a stock.
Floating Rate Loan	Loans made to borrowers that feature a variable interest rate that is tied to a market reference rate and adjusted periodically.
Floating Rate Coupons	Variable interest payments based on their "Floating Rate" (see definition above) nature.
High Yield Bonds	Bonds that are rated below investment grade so have a higher risk of default or other adverse credit events. They offer higher yields than investment grade bonds to compensate for the increased risk.
Investment Grade Bonds	Bonds with a high credit rating, meaning they generally have a relatively low risk of default.
Junior Debt	Bonds or other forms of debt issued with a lower priority for repayment than other, more senior debt claims in the case of default.

Glossary (Cont'd)

The following are explanations of terms you may come across in this presentation. These definitions are not exhaustive and are intended as a guide only.

Leveraged Loans	A type of loan that is originated to companies that already have considerable debt or poor credit history and tend to carry a higher risk of default, making the loan more expensive for a borrower.
Liquidity	Ability for fund investors to subscribe and redeem units in a fund. The more liquid a fund, means the greater frequency to subscribe and redeem units.
Meaningful Cushions	The lower portions of a capital structure (more junior debt / equity) that sits below a senior secured loan in the repayment process.
Origination Fees	A fee paid by the borrower to the lender at issuance.
Original Issue Discount	Represents the discount or reduction in price at which the debt instrument is sold to investors when it is initially issued.
Private Credit	The investment of capital to acquire the debt of private companies (as opposed to acquiring equity).
Reference Rate	A standard interest rate or index used to determine the interest rate for various financial instruments, such as bonds. It serves as a reference point for pricing and adjusting interest rates in financial markets.
Risk-Return	The relationship between the amount of return gained on an investment and the amount of risk undertaken. Typically, higher return is correlated with higher risk.
Senior Secured Loans	Loans made to borrowers that are secured against the company and which sit high up on the capital structure.
Secured Overnight Financing Rate ("SOFR")	Used as a benchmark interest rate for various financial products, including derivatives, loans, mortgages, and floating-rate notes.
Spread	The difference in yield between two debt securities of the same maturity but different credit quality.
Syndicated	When a loan is originated by a lead bank or banks and sold to many other investors.
Yield	Refers to the earnings generated and realized on a investment over a particular period of time.

Important Disclosure Information

This document (together with any attachments, appendices, and related materials, the "Materials") is provided on a confidential basis for informational purposes only and is not, and may not be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell, or a solicitation of an offer to buy, any security or instrument in or to participate in any trading strategy with any business of Blackstone Inc. (together with its affiliates, "Blackstone"), or any fund or separately managed account currently or to be sponsored, managed, advised or sub-advised or pursued by Blackstone (each, a "Fund"), nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. If such offer is made, it will only be made by means of an offering memorandum (collectively with additional offering documents, the "Offering Documents"), which would contain material information (including certain risks of investing in such Fund) not contained in the Materials and which would supersede and qualify in its entirety the information set forth in the Materials. Any decision to invest in a Fund should be made after reviewing the Offering Documents of such Fund, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisers to make an independent determination of the suitability and consequences of an investment in such Fund. In the event that the descriptions or terms described herein are inconsistent with or contrary to the descriptions in or terms of the Offering Documents, the Offering Documents shall control. None of Blackstone, its funds, nor any of their affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of a Fund or any other entity, transaction, or investment. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon the merits of the investments described herein and any representation to the contrary is an offense. All information is as of March 31, 2024 (the "Reporting Date"), unless otherwise indicated and may change materially in the future. Capitalized terms used herein but not otherwise defined have the meanings set forth in the Offering Documents.

The Materials contain highly confidential information regarding Blackstone. Your acceptance of the Materials constitutes your agreement that the Materials are designated as "trade secret" and "highly confidential" by Blackstone and are neither publicly available nor do they constitute a public record and that you shall (i) keep confidential all the information contained in the Materials, as well as any information derived by you from the information contained in the Materials (collectively, "Confidential Information") and not disclose any such Confidential Information to any other person (including in response to any Freedom of Information Act, public records statute, or similar request), (ii) not use any of the Confidential Information for any purpose other than to evaluate or monitor investments in a Fund, (iii) not use the Confidential Information for purposes of trading securities, including, without limitation, securities of Blackstone or its portfolio companies, and (iv) promptly return any or all of the Materials and copies hereof to Blackstone upon Blackstone's request, in each case subject to the confidentiality provisions more fully set forth in a Fund's Offering Documents and any other written agreement(s) between the recipient and Blackstone, a current or potential portfolio company, or a third-party service provider engaged by Blackstone in connection with evaluation of a potential investment opportunity.

In considering any investment performance information contained in the Materials, prospective and current investors should bear in mind that **past performance does not predict future returns** and there can be no assurance that a Fund will achieve comparable results, implement its investment strategy, achieve its objectives or avoid substantial losses or that any expected returns will be met.

Adviser Discretion. These Materials contain information relating to transactions consummated by certain funds sub-advised by Blackstone Credit over which Blackstone Credit does not have investment discretion. The applicable non-Blackstone Credit entities that act as advisers to such funds retain investment discretion over their investment programs. Thus, while Blackstone Credit proposes investment opportunities to such advisers for investment, such advisers have investment discretion to approve or reject such proposed investment opportunities.

Blackstone Proprietary Data. Certain information and data provided herein is based on Blackstone proprietary knowledge and data. Portfolio companies may provide proprietary market data to Blackstone, including about local market supply and demand conditions, current market rents and operating expenses, capital expenditures, and valuations for multiple assets. Such proprietary market data is used by Blackstone to evaluate market trends as well as to underwrite potential and existing investments. While Blackstone currently believes that such information is reliable for purposes used herein, it is subject to change, and reflects Blackstone's opinion as to whether the amount, nature and quality of the data is sufficient for the applicable conclusion, and no representations are made as to the accuracy or completeness thereof.

Case Studies. To the extent the Materials include case studies, such case studies and/or transaction summaries presented or referred to herein may not be representative of all transactions of a given type or of investments generally and are intended to be illustrative of the types of investments that have been made or may be made by a Fund in employing such Fund's investment strategies. It should not be assumed that a Fund will make equally successful or comparable investments in the future. Moreover, the actual investments to be made by a Fund or any other future fund will be made under different market conditions from those investments presented or referenced in the Materials and may differ substantially from the investments presented herein as a result of various factors. Prospective investors should also note that the selected investment examples, case studies and/or transaction summaries presented or referred to herein have involved Blackstone professionals who will be involved with the management and operations of a Fund as well as other Blackstone personnel who will not be involved in the management and operations of such Fund. Certain investment examples described herein may be owned by investment vehicles managed by Blackstone and by certain other third-party equity partners, and in connection therewith Blackstone may own less than a majority of the equity securities of such investment. Further investment details are available upon request.

Conflicts of Interest. There may be occasions when a Fund's general partner and/or the investment advisor, and their affiliates will encounter potential conflicts of interest in connection with such Fund's activities including, without limitation, the allocation of investment opportunities, relationships with Blackstone's and its affiliates' investment banking and advisory clients, and the diverse interests of such Fund's limited partner group. There can be no assurance that Blackstone Credit will identify, mitigate, or resolve all conflicts of interest in a manner that is favorable to the Fund.

Diversification; Potential Lack Thereof. Diversification is not a guarantee of either a return or protection against loss in declining markets. The number of investments which a Fund makes may be limited, which would cause the Fund's investments to be more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. There is no assurance that any of the Fund's investments will perform well or even return capital; if certain investments perform unfavorably, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. There is no assurance that this will be the case. In addition, certain geographic regions and/or industries in which the Fund is heavily invested may be more adversely affected from economic pressures when compared to other geographic regions and/or industries.

ERISA Fiduciary Disclosure. The foregoing information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice.

Forward-Looking Statements. Certain information contained in the Materials constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words, or the negatives thereof. These may include financial predictions estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, and statements regarding future performance. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. Blackstone believes these factors include but are not limited to those described under the section entitled "Risk Factors" in its Annual Report on Form 10K for the most recent fiscal year ended December 31 of that year, and any such updated factors included in its periodic filings with the Securities and Exchange Commission, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in the Materials and in the filings. Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that a Fund will be able to locate, consummate and exit investments that satisfy its objectives or realize upon their values or that a Fund will be able to fully invest its committed capital. There is no guarantee that investment opportunities will be allocated to a Fund and/or that the activities of Blackstone's other funds will not adversely affect the interests of such Fund.

Illiquidity and Variable Valuation. There is no organized secondary market for investors' interests in any Fund nor is there an organized market for which to sell a Fund's underlying investments, and none is expected to develop. Withdrawal and transfer of interests in a Fund are subject to various restrictions, and similar restrictions will apply in respect of the Fund's underlying investments. Further, the valuation of a Fund's investments will be difficult, may be based on imperfect information and is subject to inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such investments, from values placed on such investments by other investors and from prices at which such investments may ultimately be sold.

Index Comparison. The volatility and risk profile of the indices presented in this document is likely to be materially different from that of the Fund. In addition, the indices employ different investment guidelines and criteria than the Fund and do not employ leverage; as a result, the holdings in the Fund and the liquidity of such holdings may differ significantly from the securities that comprise the indices. The indices are not subject to fees or expenses and it may not be possible to invest in the indices. A summary of the investment guidelines for the indices presented are available upon request. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

Leverage; Borrowings Under a Subscription Facility. A Fund may use leverage, and a Fund may utilize borrowings from Blackstone Inc. or under its subscription-based credit facility in advance of or in lieu of receiving investors' capital contributions. The use of leverage or borrowings magnifies investment, market and certain other risks and may be significant. A Fund's performance will be affected by the availability and terms of any leverage as such leverage will enhance returns from investments to the extent such returns exceed the costs of borrowings by such Fund. The leveraged capital structure of such assets will increase their exposure to certain factors such as rising interest rates, downturns in the economy, or deterioration in the financial condition of such assets or industry. In the event an investment cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the investment, which may adversely affect the returns of such Fund. In the case of borrowings used in advance of or in lieu of receiving investors' capital contributions, such use will result in higher or lower reported returns than if investors' capital had been contributed at the inception of an investment because calculations of returns to investors are based on the payment date of investors' capital contributions. In addition, because a Fund will pay all expenses, including interest, associated with the use of leverage or borrowings, investors will indirectly bear such costs.

Logos. The logos presented herein were not selected based on performance of the applicable company or sponsor to which they pertain. Logos were selected to illustrate managers and/or portfolio companies that are indicative representations of the thesis, theme or trend discussed on the slide(s) where they appear. In Blackstone's opinion, the logos selected were generallythe most applicable examples of the given thesis, theme or trend discussed on the relevant slide(s). All rights to the trademarks and/or logos presented herein belong to their respectiveowners and Blackstone's use hereof does not imply an affiliation with, or endorsement by, the owners of these logos.

No Assurance of Investment Return. Prospective investors should be aware that an investment in a Fund is speculative and involves a high degree of risk. There can be no assurance that a Fund will achieve comparable results, implement its investment strategy, achieve its objectives or avoid substantial losses or that any expected returns will be met. A Fund's performance may be volatile. An investment should only be considered by sophisticated investors who can afford to lose all or a substantial amount of their investment. A Fund's fees and expenses may offset or exceed its profits.

Opinions. Opinions expressed reflect the current opinions of Blackstone as of the date appearing in the Materials only and are based on Blackstone's opinions of the current market environment, which is subject to change. Certain information contained in the Materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.

Recent Market Events Risk. Local, regional, or global events such as war (e.g., Russia/Ukraine), acts of terrorism, public health issues like pandemics or epidemics (e.g., COVID-19), recessions, or other economic, political and global macro factors and events could lead to a substantial economic downturn or recession in the US and global economies and have a significant impact on the Fund and its investments. The recovery from such downturns is uncertain and may last for an extended period of time or result in significant volatility, and many of the risks discussed herein associated with an investment in the Fund may be increased.

Reliance on Key Management Personnel. The success of a Fund will depend, in large part, upon the skill and expertise of certain Blackstone professionals. In the event of the death, disability or departure of any key Blackstone professionals, the business and the performance of a Fund may be adversely affected. Some Blackstone professionals may have other responsibilities, including senior management responsibilities, throughout Blackstone and, therefore, conflicts are expected to arise in the allocation of such personnel's time (including as a result of such personnel deriving financial benefit from these other activities, including fees and performance-based compensation).

Target Allocations. There can be no assurance that a Fund will achieve its objectives or avoid substantial losses. Allocation strategies and targets depend on a variety of factors, including prevailing market conditions and investment availability. There is no guarantee that such strategies and targets will be achieved and any particular investment may not meet the target criteria.

Third-Party Information. Certain information contained in the Materials has been obtained from sources outside Blackstone, which in certain cases have not been updated through the date hereof. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of Blackstone, its funds, nor any of their affiliates takes any responsibility for, and has not independently verified, any such information. In particular, you should note that, since many investments of the Funds may be unquoted, net asset value figures in relation to Funds may be based wholly or partly on estimates of the values of such funds' investments provided by the originating banks of those underlying investments or other market counterparties, which estimates may themselves have been subject to no verification or auditing process or may relate to a valuation at a date before the relevant net asset valuation for such fund, or which have otherwise been estimated by Blackstone.

Trends. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

NOTICE TO INVESTORS IN THE UK AND THE EEA

In the UK, Belgium, Denmark, Finland, The Republic Of Ireland, Italy, Lichtenstein, the Netherlands, Norway and Sweden, this communication is issued by Blackstone Europe LLP ("BELL") of 40 Berkeley Square, London, W1J 5AL (registration number OC352581), which is authorised and regulated by the Financial Conduct Authority (the "FCA") (firm reference number 520839) in the United Kingdom and which maintains appropriate licenses in other relevant jurisdictions.

In the EEA, other than in Belgium, Denmark, Finland, the Republic of Ireland, Italy, Lichtenstein, the Netherlands, Norway or Sweden, this communication is made by Blackstone Europe Fund Management S.à r.l. ("BEFM") of 2-4 Rue Eugène Ruppert, L-2453, Luxembourg (registration number B212124), which is authorized by the Luxembourg Commission de Surveillance du Secteur Financier (reference number A00001974).

This communication is exclusively for use by persons identified above and must not be distributed to retail clients. It is intended only for the person to whom it has been sent, is strictly confidential and must not be distributed onward. This communication does not constitute a solicitation to buy any security or instrument, or a solicitation of interest in any Blackstone fund, account or strategy. The content of this communication should not be construed as legal, tax or investment advice.

SWITZERLAND

In Switzerland, this material is for the exclusive use of qualified investors as defined in article 10(3) Swiss Collective Investment Schemes Act ("CISA").

ISRAEL

No action has been or will be taken in Israel that would permit a public offering of a fund, or distribution of this documenttothe public in Israel. This document has not been approved by the Israel Securities Authority. This document is being distributed only to and is directedonly at persons who are Qualified Investors within the meaning of The Securities Law, 5728-1968 (Israel).

Persons who are not Qualified Investors must not act on or rely on this document or any of its contents. Any investment or investment activity to which this document relates is available only to Qualified Investors and will be engaged in only with Qualified Investors. Qualified Investors in receipt of this document must not distribute, publish, reproduce, or disclose this document (in whole or in part) to any person who is not a QualifiedInvestor. Neither the general partner, nor the investment advisor, is registered or intends to register as an investment adviser or an investment portfoliomanager under the Israeli regulation of investment advice and investment portfolio management law, 5755-1995 (the "investment law"). Furthermore, these interests are not being offered by a licensed marketer of securities pursuant to the investment law.

MIDDLE EAST (UAE, DIFC, ADGM, Jordan, Saudi Arabia, Lebanon, Kuwait, Qatar, Bahrain and Oman)

The information contained in this document does not constitute and should not be construed as an offer of, an invitation or proposal to make an offer for, recommendation to apply for, or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. The information in this document does not constitute investment advice and should not be relied upon as the basis for any investment decision. You may only reproduce, circulate and use this document (or any part of it) with the consent of Blackstone. The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. No marketing or solicitation or inducement activities are being used to offer or market any specific products based on the information contained herein. The information contained in this document is general and may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. All information contained herein is subject to change without notice. If you do not understand the contents of this document, you should consult an authorised financial adviser.

Approved for eligible below professional investors in EEA and UK; professional, sophisticated and/or qualified investors in ADGM, Bahrain, DIFC, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and UAE; qualified investors in Israel and Switzerland and professional/qualified investors in APAC.

PWS202406304R