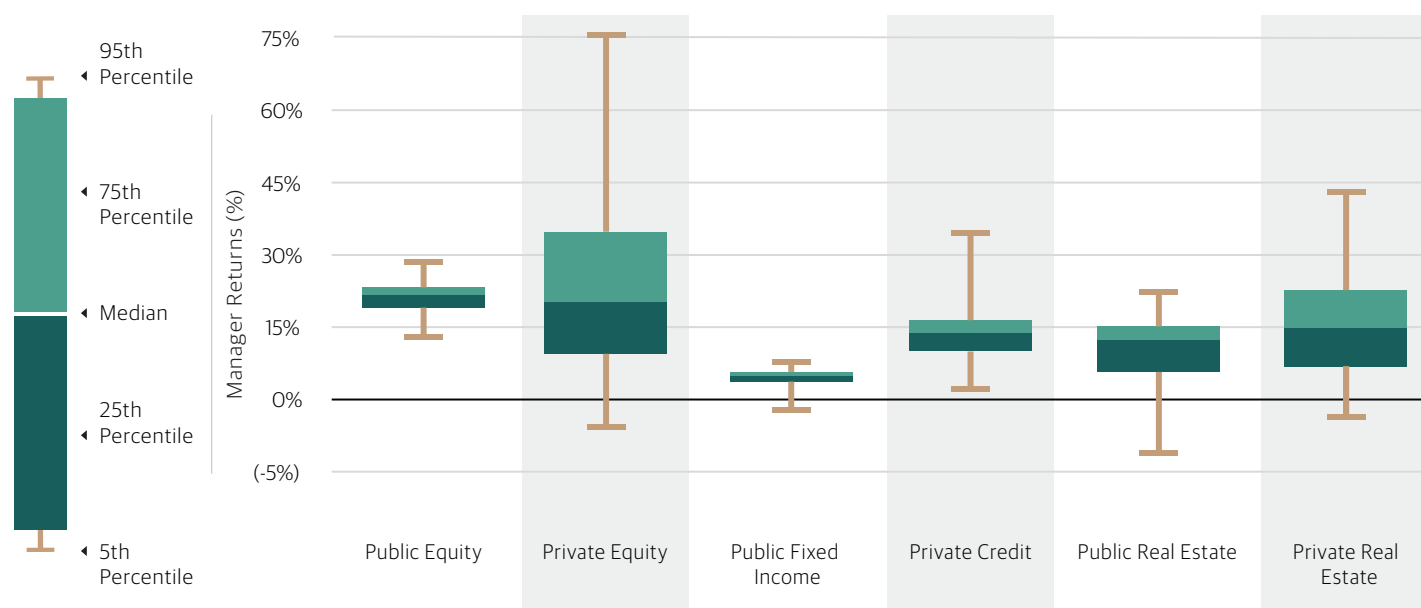


PRIVATE WEALTH SOLUTIONS

# Manager Selection Matters

Manager selection plays a central role in private market investing given the wide dispersion of returns for private asset managers compared to public managers.

## Dispersion of Fund Performance, Manager Returns Over a 5 Year Period



Source: Morningstar, returns are over a five-year period from 1/1/2017-12/31/2021 (Open-end funds): Public Equities (US Large Blend); Public Fixed Income (US Intermediate Core Bonds); Public Real Estate (US Real Estate). Prequin, returns are for 2016 vintages that have last reported between 12/31/2020-9/30/2021. (North America, Closed funds): Private Equity (Buyout), Private Credit (all Private Debt strategies); Private Real Estate (Co-invest, Core, Core+, Debt, Value Added, FoF). Investments in less liquid private market strategies are by nature risky and typically involve a high degree of leverage. The returns indicated above are long-term and represent well-known asset class indices and are not meant to be predictive of the performance of any particular fund, nor are they meant to suggest that all private funds result in positive returns or would avoid loss of principal.

## Blackstone: a Leading Global Alternative Asset Manager

We believe the following factors demonstrate how investing with Blackstone may solve for the challenges associated with manager selection.

- Scale:** Scale matters, in our view. With over 881 billion dollars in assets under management, Blackstone invests across regions, industries and asset classes and therefore benefits from the knowledge, resources, and critical mass required to take advantage of opportunities on a global scale.
- Track Record:** The firm's performance is characterized by superior risk-adjusted returns across a broad and expanding range of asset classes and through all types of economic conditions since 1985.
- Value Creation:** The sources of value creation have shifted and growing profits has become critical to generating attractive returns for investors. Blackstone differentiates itself with its dedicated Portfolio Operations team. This group of functional experts is focused on partnering with portfolio companies in order to drive operational improvements using the firm's scale and expertise.

**Past performance is not necessarily indicative of future results.**

Note: All information is as of December 31, 2021

## Key Risk Factors

Certain countries have been susceptible to epidemics which may be designated as pandemics by world health authorities, most recently COVID-19. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which funds invest), and thereby is expected to adversely affect the performance of a fund's investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to funds and the performance of their investments.

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