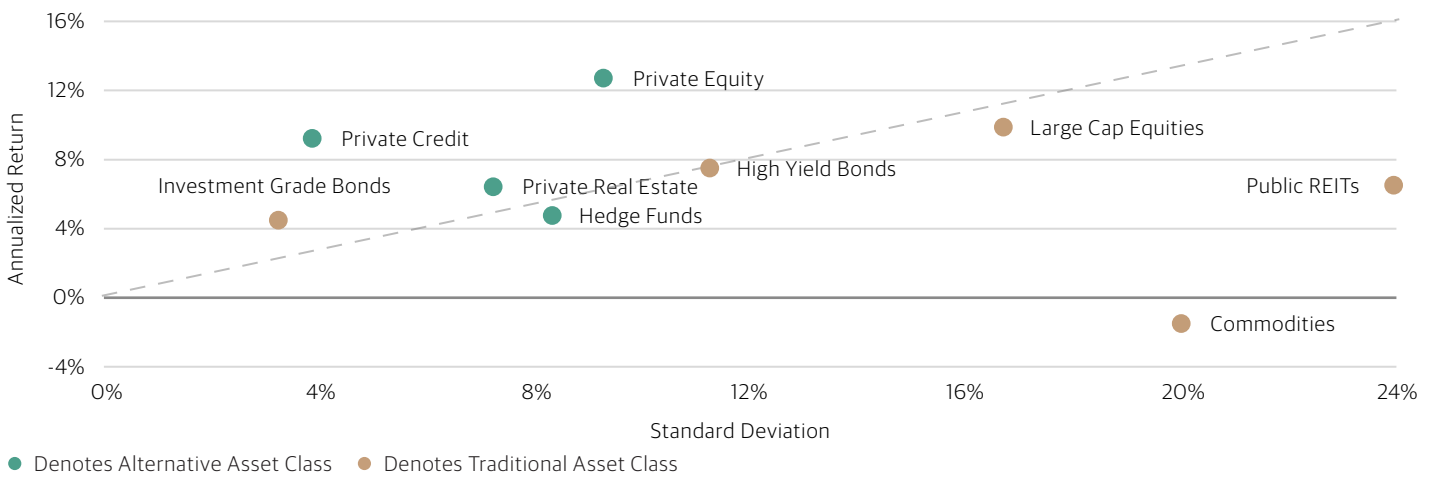


PRIVATE WEALTH SOLUTIONS

# Matching Goals to Alternative Investment Strategies

Alternative Investments may help investors pursue goals such as enhanced return potential, income, or reducing market volatility.

RISK-RETURN OF VARIOUS ASSET CLASSES (2005-4Q'2020<sup>1</sup>)



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.**

## ALTERNATIVES MAY SOLVE FOR SPECIFIC INVESTOR OBJECTIVES

<b>Enhanced Returns</b>	<ul style="list-style-type: none"> <li>■ Private Equity</li> <li>■ Private Opportunistic Real Estate</li> </ul>	<ul style="list-style-type: none"> <li>■ Growth Equity</li> <li>■ Life Sciences</li> <li>■ Distressed Credit</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>■ Private Credit</li> <li>■ Private Core Real Estate</li> </ul>	<ul style="list-style-type: none"> <li>■ Infrastructure</li> </ul>
<b>Risk Reduction</b>	<ul style="list-style-type: none"> <li>■ Multi-alternatives</li> </ul>	<ul style="list-style-type: none"> <li>■ Hedge Funds</li> </ul>

Note: **Past performance is not necessarily indicative of future results.** There can be no assurance any alternative asset classes will achieve their objectives or avoid significant losses. These indices have been selected as generally well-known and widely recognized indices and not as a benchmark for any specific fund. Equity indices include reinvestment of dividends. A summary of the investment guidelines for the indices is available upon request.

1. Source: Morningstar as of 12/31/20. The returns and volatility of the asset classes presented are based on the following indices:

**Private Equity:** Cambridge Assoc. US Private Equity

**Hedge Funds:** HFRI Fund Weighted Composite

**Commodities:** DJ Commodity Index

**Investment Grade Bonds:** Barclays Aggregate Bond Index

**Private Real Estate:** NCREIF ODCE Property Index

**High Yield:** Barclays High Yield Bond Index

**Large Cap Equities:** S&P 500

**Public REITs:** MSCI US REIT

## Important Disclaimer Information

This document (together with any attachments, appendices, and related materials, the "Materials") is provided for informational due diligence 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 Blackstone fund, account or other investment vehicle (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. 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. All information is as of December 31, 2020 (the "Reporting Date"), unless otherwise indicated and may change materially in the future.

In considering any investment performance information contained in the Materials, **prospective investors should bear in mind that past or projected performance is not necessarily indicative of future results** 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.

**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.

**Epidemics/Pandemics.** 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 the Funds invest), and thereby is expected to adversely affect the performance of the Funds' Investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their Investments.

**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 or the negatives thereof. These may include financial projections and 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 10-K for the fiscal year ended December 31, 2019, 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](http://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.

**Index Comparison.** The volatility and risk profile of the indices presented is likely to be materially different from that of a Fund. In addition, the indices employ different investment guidelines and criteria than a Fund and do not employ leverage; as a result, the holdings in a 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. The performance of the indices has not been selected to represent an appropriate benchmark to compare to a Fund's performance, but rather is disclosed to allow for comparison of a Fund's performance to that of well-known and widely recognized 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. HFRI Fund Weighted Composite index is obtained through Hedge Fund Research, Inc. The HFRI Fund Weighted Composite is being used under license from Hedge Fund Research, Inc., which does not approve of or endorse the contents of this report.

**Leverage; Borrowings Under a Subscription Facility.** A Fund may use leverage, and a Fund may utilize borrowings from the Blackstone Group 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.

**Material, Non-Public Information.** In connection with other activities of Blackstone, certain Blackstone personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities, including on a Fund's behalf. As such, a Fund may not be able to initiate a transaction or sell an investment. In addition, policies and procedures maintained by Blackstone to deter the inappropriate sharing of material non-public information may limit the ability of Blackstone personnel to share information with personnel in Blackstone's other business groups, which may ultimately reduce the positive synergies expected to be realized by a Fund as part of the broader Blackstone investment platform.

---

**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.

**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.

**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.

**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.

Blackstone Securities Partners L.P. ("BSP") is a broker-dealer whose purpose is to distribute Blackstone managed or affiliated products. BSP provides services to its Blackstone affiliates, not to investors in its funds, strategies or other products. BSP does not make any recommendation regarding, and will not monitor, any investment. As such, when BSP presents an investment strategy or product to an investor, BSP does not collect the information necessary to determine --and BSP does not engage in a determination regarding --whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with a professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that BSP may not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account. For financial advice relating to an investment in any Blackstone strategy or product, contact your own professional advisor.

In the United Kingdom and the European Economic Area: issued by The Blackstone Group International Partners LLP ("BGIP"), authorised and regulated by the Financial Conduct Authority (FRN: 520839) in the United Kingdom. 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.

This material is exclusively for use by persons who are Professional Clients or Eligible Counterparties for the purposes of the European Markets in Financial Instruments Directive (Directive 2014/65/EU) and must not be distributed to retail clients or distributed onward.

**Blackstone Securities Partners L.P., a subsidiary of The Blackstone Group Inc. ("Blackstone") through which Blackstone conducts its capital markets business and certain of its fund marketing and distribution, member FINRA**