

Blackstone Real Estate Income Fund (“BREIF II” or the “Fund”)

Blackstone

Investment Summary

Closed to New Investors

Registered Fund Focused on Liquid Commercial Real Estate Debt

As of December 2020

Fund Update

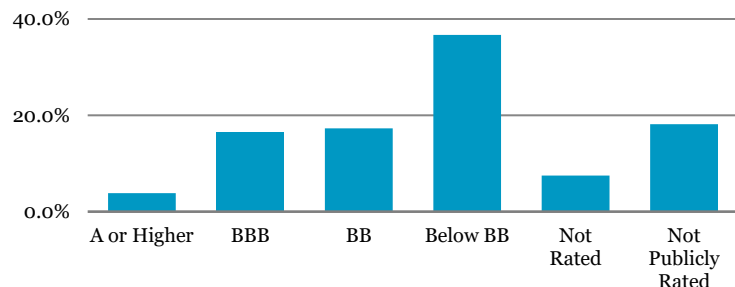
Important Update: After careful consideration and as disclosed in the Fund’s Prospectus Supplement dated July 13, 2020, Blackstone Real Estate Income Advisors L.L.C., the investment manager (the **“Investment Manager”**) of the Fund, recommended to the Board of Trustees of the Fund (the **“Board”**) that an orderly liquidation of the Fund would be in the best interest of the Fund’s shareholders (**“Shareholders”**). The Board has approved the Investment Manager’s proposal and, on October 15, 2020, the Shareholders also approved the liquidation proposal (the **“Shareholder Approval”**).

Portfolio Snapshot

Data as of December 31, 2020

Avg Price	\$78.98	Repurchase Agreement Leverage ⁽⁵⁾	0.0%
Avg Coupon	4.0%	1940 Act Leverage ⁽⁶⁾	0.0%
Avg Loan to Value	63.4%	Total Investments	189
Hedged Duration ⁽⁷⁾	0.1 years	Top 10 Holdings %	37.8%
Avg Maturity	4.3 years	Non-U.S. Holdings %	7.8%
Derivatives % ⁽⁸⁾	10.8%		

Ratings Distribution⁽¹⁰⁾



Historical Performance^(3,4)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	NA	NA	NA	0.51%	0.29%	1.30%	-0.26%	-0.48%	-0.08%	0.28%	0.53%	0.51%	2.62%
2015	1.01%	1.90%	1.26%	0.77%	0.64%	-0.48%	0.72%	-0.70%	-0.15%	0.23%	0.47%	-0.40%	5.36%
2016	-3.50%	-3.30%	2.47%	1.73%	-0.11%	0.23%	2.03%	0.62%	0.12%	1.07%	-0.03%	0.80%	1.98%
2017	1.64%	0.78%	0.50%	2.00%	0.82%	0.96%	0.58%	0.41%	0.20%	0.51%	0.27%	0.17%	9.18%
2018	1.06%	0.35%	0.52%	0.88%	1.33%	0.45%	0.82%	0.46%	1.00%	-0.22%	-0.63%	-2.29%	3.75%
2019	3.08%	1.61%	0.63%	1.25%	0.74%	1.14%	0.45%	0.23%	0.71%	0.30%	0.40%	0.43%	11.51%
2020	0.36%	-0.30%	-24.60%	-5.30%	-0.59%	4.83%	2.81%	1.56%	1.05%	0.82%	1.65%	2.95%	-17.12%

Investment Products: Are not FDIC insured, are not guaranteed, may lose value. The Fund’s prospectus contains its investment objective, risks, charges and expenses and can be obtained from your financial professional. Performance data quoted represents past performance and is no guarantee of future results. There is no assurance the Fund will achieve its investment objective or avoid substantial losses. This is not an offer to sell, or the solicitation of an offer to buy, the Fund’s securities and is not soliciting an offer to buy the Fund’s securities in any state where the offer or sale is not permitted. Any offer of the securities will be made only by means of the Fund’s Prospectus. Blackstone Securities Partners L.P. (“BSP”), a FINRA member, acted as distributor of shares of the Fund (“Shares”) on a best effort basis. BSP is an affiliate of the Manager, which is controlled by the Blackstone Real Estate Debt Strategies group (“BREDS”). Please see definitions and disclosures at the end of this document for important information regarding terms, and limitations of BREIF II. A Shareholder’s Shares, if repurchased in a tender offer, may be worth more or less than original cost. Current performance may be higher or lower than performance data quoted. Diversification does not assure a profit or protection against losses. Financial data is estimated and unaudited.

- Includes the net asset value of BREIF and Blackstone Real Estate Income Fund II.
- “ITD Return” reflects annualized performance of BREIF II and the indices from the inception of BREIF II on April 1, 2014 to the end of the time period shown. “MTD Return” reflects BREIF II’s return for the month of this Investment Summary. For more information, please see “Important Information and Disclosures”.
- Reflects performance of Blackstone Real Estate Income Fund II. The returns presented are based on pricing information provided by pricing vendors, dealer quotes and other secondary price inputs. This performance information is unaudited and is subject to change.
- Performance is net of management fees, accrued incentive fees, distribution and servicing fees and expenses. Performance does not include a deduction of the maximum sales charge (up to 3.00%), which would lower the performance shown.
- Represents leverage incurred by the Master Fund through the use of reverse repurchase agreements over the Fund’s total assets. Please refer to footnote 6 for further information.
- The Master Fund incurs leverage, primarily through the use of reverse repurchase agreements and also the use of derivative instruments, as part of its investment strategy. 1940 Act Leverage is calculated in a manner consistent with the Investment Company Act of 1940, as amended (the “1940 Act”), as follows: (x) “senior securities” under the 1940 Act over (y) the Fund’s total assets, less liabilities and indebtedness not represented by “senior securities.” “Senior securities” generally consist of (i) traditional borrowings such as loans or notes and (ii) effective forms of leverage such as reverse repurchase agreements or derivatives to the extent not offset or covered by segregated cash or liquid assets in accordance with applicable SEC guidance. As of December 31, 2020, the Master Fund had \$362 million of segregated cash and liquid assets and no repurchase agreement exposure. For more information, please see “Important Information and Disclosures – Glossary of Terms – 1940 Act Leverage”.
- For more information, please see “Important Information and Disclosures – Glossary of Terms – Hedged Duration”.
- For more information, please see “Important Information and Disclosures – Glossary of Terms – Derivatives”.
- Totals may not sum to 100% due to rounding.
- For more information, please see “Important Information and Disclosures – Glossary of Terms – Ratings Disclosure”.
- Includes Real Estate Corporate Debt (12.2%) and private debt (0.0%).
- Includes multifamily (26.6%), manufactured housing (1.0%), and single family rental (0.2%).

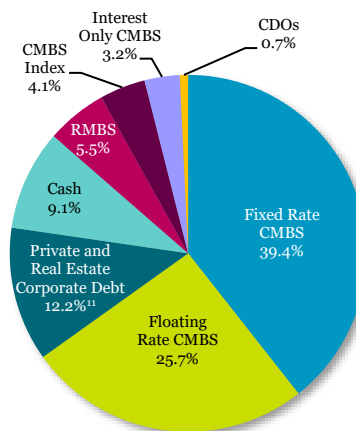
Fund Performance

BREIF Fund Complex AUM⁽¹⁾: \$545mm | As of December 31, 2020

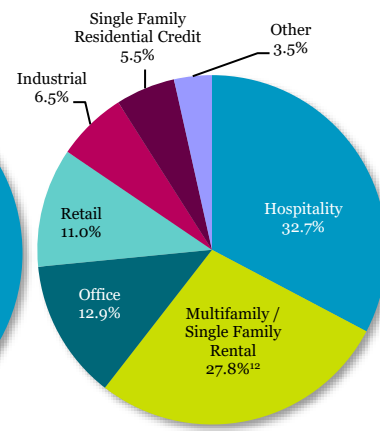
	Performance Metrics				Additional Performance Metrics	
	MTD Return ⁽²⁾	YTD Return	1 Yr Return	ITD Return ⁽²⁾	Volatility	Sharpe Ratio
BREIF II ^(3,4)	2.95%	-17.12%	-17.12%	2.15%	10.56%	0.22
Barclays US Agg Bond	0.14%	7.51%	7.51%	3.96%	3.02%	1.12
Barclays CMBS BBB	3.50%	-0.86%	-0.86%	4.81%	9.10%	0.44

Note: Past performance is historical and is not necessarily indicative of future results.

Portfolio Allocation⁽⁹⁾



Property Types⁽⁹⁾



Key Terms

Inception Date	April 1, 2014
Investment Manager	Blackstone Real Estate Income Advisors L.L.C.
Structure ⁽¹³⁾	Registered closed-end investment company
Management Fee ⁽¹⁵⁾	N/A
Incentive Fee ⁽¹⁵⁾	N/A
Service Fee	0.75% annually of net assets
Other Expenses ⁽¹⁵⁾	0.35% annualized of net assets
Leverage ⁽¹⁶⁾	Up to 33 1/3% of Total Assets
Derivatives	Up to 30% of Managed Assets
Tax Reporting	Form 1099s (generally issued within 45 days of year-end, or as soon as possible thereafter)
Strategy Reporting	<p>All documents posted to Blackstone.com</p> <p>Performance Estimates: Generally by business day 7 after month-end</p> <p>Monthly Investment Summary: Generally 20 business days after month-end</p> <p>Semi-annual Financials: Generally posted within 60 days of June 30 & Dec 31</p>

Distributions⁽¹⁷⁾

Quarterly	Generally, net investment income
Annually	Net capital gains

Investment Process

The Fund's portfolio is managed day-to-day by its portfolio managers under a consistent investment and approval process utilized for all of Blackstone's liquid commercial real estate debt investment vehicles, which leverages the broader Blackstone Real Estate platform. Blackstone Real Estate is one of the largest buyers, owners and sellers of real estate in the world with \$187 billion of investor capital under management.⁽¹⁴⁾ The Fund's investment process combines fundamental analysis with an opportunistic value-oriented philosophy to evaluate and allocate capital to seek to provide attractive risk-adjusted returns.

Portfolio Management



Mike Nash
Senior Managing Director
37 Years Experience



Jonathan Pollack
Senior Managing Director
23 Years Experience



Michael Wiebolt
Senior Managing Director
13 Years Experience

13. The Fund intends to pursue its investment objective by investing substantially all of its assets in Blackstone Real Estate Income Master Fund (the "Master Fund"), a Delaware statutory trust registered under the 1940 Act, as a closed-end management investment company with the same investment objective and substantially the same investment policies as the Fund. The Master Fund may have Shareholders in addition to the Fund from time to time that may (individually or in the aggregate) own a greater percentage of the Master Fund than is owned by the Fund. All descriptions of the investment portfolio refer to the Master Fund's investment portfolio.
14. As of December 31, 2020.
15. Prior to the Shareholder Approval, the Fund's or the Master Fund's annual contractual Management Fee under its investment management agreement with the Manager was 1.50% of the Fund's or the Master Fund's Managed Assets, as applicable. Under such investment management agreement, the Master Fund also accrues a performance-based incentive fee to the Manager on a monthly basis throughout the fiscal year in an amount equal to 15% above a High Water Mark. Additionally, prior to the Shareholder Approval, the Manager had agreed to waive its fees and/or reimburse expenses of the Fund to the extent the Fund's other expenses (with certain exceptions) exceeded 0.35% of net assets (annualized). Following the Shareholder Approval, the Investment Manager waived its Management Fee and Incentive Fee, and the expense limitation and reimbursement arrangement was terminated, effective November 1, 2020 through the remaining life of the Funds.
16. Please refer to footnote 6 on page 1 for information regarding portfolio leverage.
17. Any distributions we make are at the discretion of the Board, considering factors such as our earnings, cash flow, capital needs and general financial condition and the requirements of Delaware law. Throughout the dissolution, distributions may take the form of liquidating distributions, which may be in excess of current income and capital gains.

Important Information and Disclosures

Repurchase Offers: Following the Shareholder Approval and throughout the dissolution, the Fund no longer expects to repurchase a portion of the Shares from Shareholders, and there is no guarantee the Board will approve any such repurchase. In connection with the Fund's dissolution and liquidation, the Fund expects to make distributions from time to time to Shareholders in consideration of the redemption of some or all of the outstanding Shares.

GLOSSARY OF TERMS

1940 Act Leverage: The Master Fund uses leverage through borrowings (collectively, "Borrowings"), which may include loans from certain financial institutions, the issuance of debt securities, reverse repurchase agreements, securities lending arrangements, and derivatives, including, but not limited to, interest rate swaps, total return swaps, and credit default swaps (collectively, "effective leverage") in an aggregate amount of up to 33⅓% of the Master Fund's total assets immediately after giving effect to such leverage. Only forms of effective leverage that are considered senior securities under the 1940 Act will be considered leverage for the Master Fund's leverage limits. The Master Fund incurs leverage, primarily through the use of reverse repurchase agreements, as part of its investment strategy; such form of leverage is considered senior securities under the 1940 Act to the extent not covered by segregated cash or liquid securities in accordance with applicable SEC guidance. The Master Fund covers its cash-settled total return swap positions for purposes of determining whether such positions are considered senior securities under the 1940 Act by maintaining an amount of cash or liquid securities in a segregated account equal to the mark-to-market value of such positions instead of the notional amount of such positions. Although it has no current intention to do so, the Master Fund may use leverage through the issuance of preferred shares in an aggregate amount of up to 50% of the Master Fund's total assets immediately after such issuance. There can be no assurance that any leveraging strategy the Master Fund employs will be successful during any period in which it is employed.

Average Coupon: The weighted average interest rate of the investments in the portfolio.

Barclays CMBS BBB: The Barclays CMBS BBB Index measures the market of conduit and fusion CMBS deals with a minimum current deal size of \$300mm and a credit rating of BBB (using the middle rating of Moody's, S&P, and Fitch).

Barclays US Aggregate Bond Index: Provides a measure of the performance of the U.S. investment grade bonds market. This includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States.

CDS Index ("CDX"): A credit default swap index used to hedge credit risk or to take a position on a basket of credit entities. CDX indices contain North American and Emerging Market companies.

CMBS Index ("CMBX"): An index designed to reflect the creditworthiness of CMBS. CMBX is made up of 25 equally weighted tranches of CMBS reference obligations, each with different credit ratings.

Collateralized Debt Obligations ("CDO"): A trust typically collateralized by a pool of loans, which may include, among others, auto loans, credit card debt, mortgages or corporate debt, including loans that may be rated below investment grade or equivalent unrated loans.

Collateralized Loan Obligations ("CLO"): A trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans.

Commercial Mortgage-Backed Securities ("CMBS"): In a typical multi-issuer CMBS issuance, one or more mortgage loans of varying size, asset type (including, but not limited to, office, retail, multifamily, hospitality, industrial and single-family rental), and geography are pooled and transferred to a trust. The trust then issues a series of bonds that vary in duration, payment priority, and yield. Then rating agencies (such as Standard & Poor's, Moody's, or Fitch) assign credit ratings to the various bond classes ranging from investment grade to below investment grade.

Derivatives: The Master Fund invests in derivatives and may invest up to 30% of its Managed Assets in derivatives. The Master Fund uses derivatives for investment and hedging purposes and as a form of effective leverage. The Master Fund's principal investments in derivative instruments include investments in interest rate swaps, total return swaps, credit default swaps and credit default swap indices, but the Master Fund may also invest in futures transactions, options or options on futures as well as certain currency instruments. For purposes of calculating the Master Fund's total return swap exposure towards its 30% of Managed Assets cap on derivatives, the Master Fund values total return swaps on a mark-to-market basis instead of on a notional basis. If the Master Fund valued total return swaps on a notional basis, its derivatives would have a greater impact on such cap.

Duration: The measurement of the interest rate risk of a portfolio quoted in years. Generally speaking, when duration is positive (negative), for every 1% increase or decrease in interest rates, the portfolio's value will change approximately 1% in the opposite (same) direction for every year of duration, holding all other factors constant.

Hedged Duration: Represents the Duration of a portfolio when such portfolio is hedged with fixed income instruments, such as Treasury futures or interest rate swaps, to limit the sensitivity of the portfolio to a change in interest rates.

High Water Mark: For the purposes of calculating the incentive fee payable to the Manager, a high water mark exists if there is no positive balance in the Master Fund's loss carryforward account. The loss carryforward account is an account that will have an initial balance of zero upon commencement of the Master Fund's operations and, thereafter, will be credited as of the end of each Fiscal Period with the amount of any Net Capital Depreciation of the Master Fund for that Fiscal Period and will be debited with the amount of any Net Capital Appreciation of the Master Fund for that Fiscal Period, as applicable.

High Yield: Bonds with corporate credit ratings lower than investment-grade.

Inception Date: April 1, 2014, the date the Fund closed its initial offering and admitted shareholders into the Fund.

Interest-Only CMBS: A security holding a claim to excess interest in a CMBS securitization which is only entitled to receive interest payments until the reference pool has been reduced to zero.

Liquid: According to the Securities and Exchange Commission's (the "SEC"), standard applicable to registered investment companies, securities that can be disposed of within seven days in the ordinary course of business at approximately the value at which the Master Fund has valued the securities.

Loan to Value: Calculated by summing the balance of a loan and all debt with a senior claim on the loan's collateral, and dividing the result by the value of the loan's collateral.

Managed Assets: Net assets, plus the amount of leverage for investment purposes.

Mezzanine Loan: A mezzanine loan may take the form of a subordinated loan secured by a pledge of the ownership interests of either the entity owning the real property or an entity that owns (directly or indirectly) the interest in the entity owning the real property. This type of investment may involve a higher degree of risk than mortgage lending because the investment may become unsecured as a result of foreclosure by the senior lender.

Non-U.S. Holdings %: Market value of the non-U.S. positions of the Master Fund divided by the total market value of the assets of the fund. Excludes credit hedges, interest rate hedges, and currency hedges.

Private and Real Estate Corporate Debt: Includes commercial real estate Mezzanine Loans (both securitized and unsecuritized) and Real Estate Corporate Debt.

Ratings Disclosure: Except as noted below, ratings shown are assigned by one or more Nationally Recognized Statistical Credit Rating Organizations (“NRSRO”), such as Standard & Poor’s, Moody’s and Fitch. The ratings are an indication of an issuer’s creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from multiple agencies are available, the average rating is used, and when only one rating is available, that rating is used. Derivatives (i.e., total return swaps, CMBX and CDX) are included in this breakdown. CMBX and CDX are comprised of a pool of securities, each with the same NRSRO rating with such rating reflected in the title of the derivative (e.g., CMBX.7.BBB-), but the derivative itself is not rated by an NRSRO. Total return swaps consist of various underlying referenced securities, each of which has an NRSRO rating, but the derivative itself is not rated by an NRSRO. As a result, this breakdown attributes the NRSRO rating of the securities underlying the derivative (which is based on a weighted average in the case of total return swaps). The “Not Rated” category consists of ratable securities that have been rated “NR” by an NRSRO. The “Not Publicly Rated” category consists of investments that are either not ratable or have not been submitted to rating agencies (e.g., equities). Cash and equivalents (defined as bonds with stated maturities, or that can be redeemed at intervals, of seven days or less) are excluded from this breakdown. As a result, the chart does not reflect the Master Fund’s total net assets. The credit quality of the investments in the Master Fund’s portfolio does not apply to the stability or safety of the Master Fund. These ratings may change over time. Please note that the Master Fund itself has not been rated by an NRSRO. For the purposes of this definition, a CDX is a credit default swap index, which is used to hedge credit risk or to take a position on a basket of credit entities. CDX indices contain North American and emerging market companies. In addition, CMBX is an index designed to reflect the creditworthiness of CMBS. CMBX is made up of 25 tranches of CMBS, each with different credit ratings.

Real Estate Corporate Debt: Secured and unsecured obligations issued by REITs or other companies whose primary business is the ownership, management or development of real estate.

Real Estate Investment Trust (“REIT”): Typically a publicly traded corporation or trust that invests in residential or commercial real estate or real estate-related assets (e.g., debt).

Residential Mortgage-Backed Securities (“RMBS”): In a typical RMBS issuance, residential mortgages of varying size and geographic location are pooled and transferred to a trust. The trust then issues a series of bonds that vary in duration, payment priority, and yield. Then rating agencies (such as Standard & Poor’s, Moody’s, or Fitch) assign credit ratings to the various bond classes ranging from investment grade to below investment grade.

Sharpe Ratio: A risk-adjusted measure calculated by using standard deviation and excess return to derive the reward per unit of risk. The higher an investment’s Sharpe ratio, the more favorable the investment’s historical risk-adjusted performance is.

Single-Asset Single-Borrower (“SASB”): The collateral for a SASB security is one loan to a single borrower backed by one or multiple properties that are generally cross-collateralized and cross-defaulted.

Top 10 Holdings %: Market value of the top 10 positions of the Master Fund divided by the total market value of the assets of the fund. Excludes credit hedges, interest rate hedges, and currency hedges.

Total Assets: Total assets under U.S. Generally Accepted Accounting Principles.

Yield to Maturity (“YTM”): The total return anticipated on a bond if the bond is held until the end of its lifetime.

Volatility: A statistical measure of the uncertainty or risk in the size of changes in an investment’s value.

*This material may include statements that constitute “forward-looking statements” under the U.S. securities laws, which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Forward-looking statements include, among other things, projections, estimates, and information about possible or future results related to the Fund, market or regulatory developments. The views expressed herein are not guarantees of future performance or economic results and involve certain risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially from the views expressed herein. The views expressed herein are subject to change at any time based upon economic, market, or other conditions and the Manager undertakes no obligation to update the views expressed herein. While the Manager has gathered this information from sources believed to be reliable, the Manager cannot guarantee the accuracy of the information provided. Securities and indices discussed are not recommendations and are presented as examples of issue selection or portfolio management processes. They have been picked for comparison or illustration purposes only. The Manager reserves the right to change its investment perspective and outlook without notice as market conditions dictate or as additional information becomes available.