PRIVATE REAL ESTATE

Diversifying Investor Portfolios

Private real estate is the third-largest asset class in the US[1] and can be an important allocation because of its potential diversification benefits,[2] which can be especially important during times of market volatility and dislocation. Today, global demographic, consumer and information trends can provide tailwinds for commercial real estate across the sectors that benefit from these secular shifts. As real estate values continue to recover after bottoming at the end of 2023, we believe Blackstone's scale, experience, and global reach position its real estate platform to invest thematically and with conviction in the areas it believes are best aligned to these tailwinds, amid current global macro uncertainty.

We believe today private real estate can offer:

01
Values at Inflection Point

02
Diversification and Downside Mitigation

03
Inflation Protection with Tax-Efficient Cash Yield

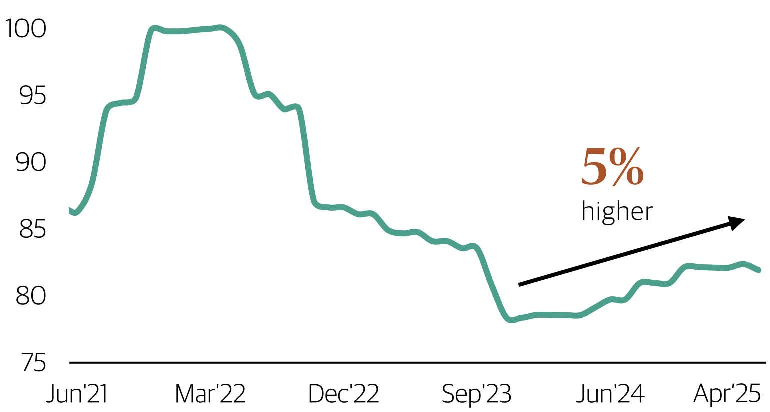
In today's volatile market, investors can consider an allocation to private real estate in their own portfolios.

Real Estate Values at an Inflection Point

Private real estate performance is primarily driven by underlying real estate fundamentals and cash flow growth, not public market forces like sentiment or geopolitical uncertainty. We believe that private real estate offers attractive relative valu e today because values have already reset, while public markets have rallied over the last few years.*

Real Estate Recovery Is Just Getting Started

Green Street Commercial Property Price Index, April 2022 = 100



Attractive Relative Value

Cumulative Returns

S&P 500
+71%
since Oct'22 trough*

Corporate Bonds
+31%
since Sep'22 trough*

* S&P 500 reflects total gross return, as of May 13, 2025. Oct'22 Trough refers to October 12, 2022. Corporate bonds reflect the total return of the ICE BofA U.S. High Yield Index, as of May 13, 2025. Sep'22 Trough refers to September 29, 2022. Real estate values reflect Green Street Advisors, as of April 30, 2025. Reflects the Commercial Property Price Index for All Property, which captures the prices at which U.S. commercial real estate transactions are currently being negotiated and contracted. 5% reflects increase from November 30, 2023 trough. During the period from September 30, 2022 to May 13, 2025, S&P 500 total returns were 70.7% and corporate bonds total returns were 30.9%. Comparisons shown are for informational purposes only, do not represent specific investments and are not a portfolio allocation recommendation. See "Important Disclosure Information-Index Definitions".

Low Correlation to Other Asset Classes

Investors looking to mitigate risk in their portfolios can do so by investing in non-correlated assets: over the last 20 years, private real estate has had a 0.0 correlation to equities and a -0.2 correlation to fixed income.[3]

Asset Class	Private Real Estate	Public REITs	Equities	Investment Grade Bonds
Public REITs	**0.1**	1.0		
Equities	**0.0**	0.8	1.0	
Investment Grade Bonds	**-0.2**	0.3	0.1	1.0
Municipal Bonds	**-0.2**	0.4	0.3	0.8

Diversification in Action: Of the eight calendar years since 1980 when the S&P 500 has posted negative returns, private real estate has delivered positive returns in seven of those years.[4]

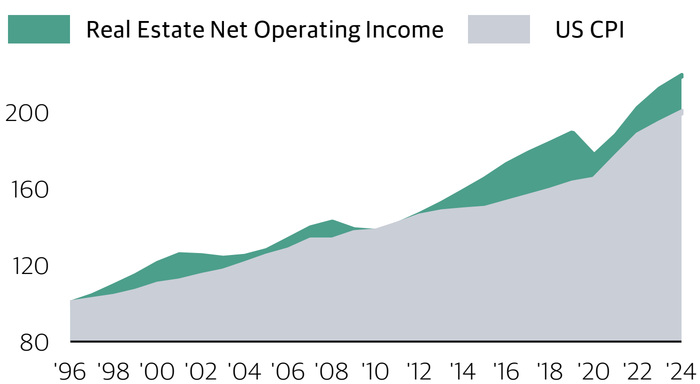
Calendar Years When S&P 500 Annual Total Returns Were Negative Since 1980

	1981	1990	2000	2001	2002	2018	2022	2008
S&P 500	✗	✗	✗	✗	✗	✗	✗	✗
Private Real Estate	✓	✓	✓	✓	✓	✓	✓	✗

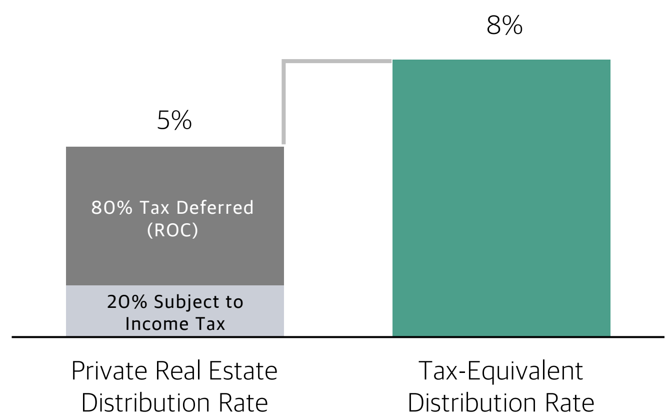
Private real estate outperformance: 7 of 8 years

Distinctive Source of Income

Inflation Protection: Growth in NOI from real estate has generally outpaced inflation over the last 20 years[5]



Tax Efficiency: Real estate depreciation results in tax efficient distributions classified as return of capital[6]



Note: There can be no assurance 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. Please see Endnotes on page 3 and "Important Disclosure Information" including "Index Comparison" and "Index Definitions."

Considerations Before Allocating

Ultimately, private market investing means entrusting capital to a manager who takes active ownership of less liquid assets and creates value over time in an arena that is far more expansive than the public markets. With private real estate, a broad set of return drivers, evolving access to the market and a diverse opportunity set all underscore the importance of purposeful asset selection and partnering with the right private markets manager. Key differentiating attributes include scale, staying power and a long track record.

Endnotes

(1) Federal Reserve, as of June 30, 2024. Represents the US commercial real estate market.

(2) Diversification does not ensure a profit or protect against losses.

(3) Morningstar Direct, 20-year period ending December 31, 2024. Correlation measures how one investment performs in relation to another, with a coefficient of +1 being a perfect, positive correlation and a coefficient of -1 being a perfect, negative correlation. When two asset classes have a correlation of +1, they will both move up or down by the same amount in the same direction. Conversely, a correlation of -1 indicates that when one asset class moves up or down, the other moves in the opposite direction by the same amount. In general, asset classes with a correlation of less than 0.70 or greater than -0.70 are considered to have relatively low correlation. Private real estate is represented by the NFI-ODCE.

(4) As of December 31, 2024. Represents Blackstone's view of the current market environment as of the date appearing in this material only. Past performance does not predict future returns. The strategy does not trade on a national securities exchange, and therefore, is generally illiquid. The volatility and risk profile of the indices presented are likely to be materially different from that of the strategy, including that the strategy's fees and expenses may be higher and shares in the strategy are significantly less liquid than publicly traded REITs. There can be no assurance that any Blackstone fund or investment will be able to implement its investment strategy, achieve its objectives or avoid substantial losses. Diversification does not assure a profit or protect against loss in a declining market. Reflects annual gross total returns and represents the eight calendar-year periods since 1980 when the S&P 500 generated a negative return. Private real estate reflects the NFI-ODCE index, which reflects total returns of various private real estate funds and should not be considered reflective of the performance of any one fund or strategy. Indices are meant to illustrate general market performance. Comparisons shown are for informational purposes only, do not represent specific investments and are not a portfolio allocation recommendation. Over the last 20 years, (2005-2024), the S&P 500 and NFI-ODCE index have had a 0.0 correlation. See "Important Disclosure Information –Index Definitions" and "-Trends".

(5) Represents Blackstone's view of the current market environment as of the date appearing in this material only. There can be no assurance that any Blackstone fund or investment will be able to implement its investment strategy, achieve its investment objectives or avoid substantial losses. There is no assurance that any Blackstone fund or strategy will effectively hedge inflation. Past performance does not predict future returns. Net operating income ("NOI") reflects Green Street Advisors data, as of December 31, 2023. 2023 NOI growth represents year-end estimate as of April 02, 2024. US CPI reflects Bureau of Labor Statistics data, as of December 31, 2023. NOI growth represents the average NOI growth by year across the equal-weighted average of the asset-weighted average of the multifamily, industrial, mall, office and shopping center sectors. Multifamily refers to apartment; shopping center refers to strip retail. The Consumer Price Index (CPI) measures changes in the prices paid by urban consumers for a representative basket of goods and services. NOI may not be correlated to or continue to keep pace with inflation.

(6) As of December 31, 2024. The illustrative tax example assumes an investment through a REIT and is for information purposes only and should not be relied upon as a guarantee or prediction of tax effects. This material also does not constitute tax advice to, and should not be relied upon by, potential investors, who should consult their own tax advisors regarding the matters discussed herein and the tax consequences of an investment. A return of capital is intended to mean a current income distribution which is not a taxable dividend (as defined in IRC Section 316) and which reduces the adjusted basis of the investor's stock (i.e., a Section 301(c) (2) distribution). No inference should be made about the source of the current income distribution (including the taxable and non-taxable components). Investors should be aware that a REIT's ROC percentage may vary significantly in a given year and, as a result, the impact of the tax law and any related advantages may vary significantly from year to year. Return of capital distributions reduces the stockholder's tax basis in the year the distribution is received, and generally defer taxes on that portion until the stockholder's stock is sold via redemption. The ordinary income and capital gains rates could change in the future.

Important Disclosure Information

This document (together with any related materials or links, the "Materials") does not constitute an offer to sell, or a solicitation of an offer to buy, any security or instrument, or a solicitation of interest in any Blackstone vehicle, account or strategy. If any such offer is made, it will only be by means of an offering memorandum or prospectus, which would contain material information including certain risks of investing including, but not limited to, loss of all or a significant portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity and volatility of returns. Nothing herein constitutes investment advice or recommendations and should not be relied upon as a basis for making an investment decision.

This material is not to be reproduced or distributed to any other persons and is intended solely for the use of the persons to whom it has been delivered.

This material is provided for informational and educational purposes only and is not an advertisement for purposes of the US Investment Advisers Act of 1940.

Prospective 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.

Alternative investments often are speculative, typically have higher fees than traditional investments, often include a high degree of risk and are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase volatility and risk of loss.

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.

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 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 or the negatives thereof. These may include statements about plans, objectives and expectations with respect to future operations. 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 most recent fiscal year, ended December 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.

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 is available upon request. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

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 (or that the returns will be commensurate with the risks of investing in the type of transactions described herein). The portfolio companies in which a Fund may invest (directly or indirectly) are speculative investments and will be subject to significant business and financial risks. 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. Further, opinions expressed herein may differ from the opinions expressed by a Dealer and/or other businesses / affiliates of a Dealer. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of a Dealer or its affiliates.

Important Disclosure Information (Cont'd)

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.

Third-Party Information. Certain information contained in this material 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.

Index Definitions

Bloomberg US Aggregate Bond Index: The Bloomberg Aggregate Bond Index is an index of US dollar-denominated, investment-grade US corporate, government, and mortgage-backed securities.

Green Street Commercial Property Price Index: The index is a time series of unleveraged US commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector

ICE BofA US High Yield Index: A market-capitalization-weighted index that measures the performance of US-dollar denominated, below-investment-grade corporate debt publicly issued in the US domestic market.

MSCI US REIT Index: The MSCI US REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. The index is based on MSCI USA Investable Market Index (IMI) its parent index which captures large, mid and small caps securities. It represents about 99% of the US REIT universe. The index is calculated with dividends reinvested on a daily basis.

Bloomberg US Municipal Bond Index: The index measures the performance of the Bloomberg US Municipal bond, which covers the USD-denominated Long-Term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds.

S&P 500 Index: The index measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. It is market capitalization-weighted.