

Blackstone

Blackstone Europe Fund Management S.à r.l.

Best Execution Policy

February 2026

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1. Defined Terms

Term	Definition
AIF(s)	Alternative investment fund(s) managed by BEFM
Board	The board of managers of BEFM
BEFM	Blackstone Europe Fund Management S.à r.l.
Conducting Officer	A conducting officer of BEFM within the meaning of the CSSF Circular 18/698
Conducting Officer - Compliance	The Conducting Officer in charge of the compliance function
Conducting Officer – Portfolio Management	The Conducting Officer in charge of portfolio management oversight
CSSF	<i>Commission de Surveillance du Secteur Financier</i>
Delegate	An affiliate of the Group to which portfolio management function of a Fund or SMA has been delegated in the meaning of art. 18 of the AIFM Law or art. 110 of the UCI Law and in the meaning of the CSSF Circular 18/698
Funds	AIFs and UCITS managed by BEFM
Group	Blackstone Inc. and its affiliates
Group Code of Ethics	The Group's code of ethics, as amended from time to time
Global Compliance Manual	The Group's global compliance manual, as amended from time to time
Management Committee	The committee formed by the Conducting Officers
Oversight Policy	The delegation oversight policy of BEFM, as amended from time to time
Policy	The best execution policy of BEFM
SFT	Securities financing transactions
SMA(s)	Separately managed account(s)
UCITS	Undertakings for collective investment in transferable securities managed by BEFM

2. List of Main Applicable Laws and Regulation

Term	Definition
AIFM Law	Law of 12 July 2013 on alternative investment fund managers, as amended
AIFM Regulation	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
CSSF Circular 18/698	CSSF Circular 18/698 regarding authorisation and organisation of Luxembourg investment fund managers
CSSF Regulation 10-04	CSSF Regulation No 10-04 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company
MiFID II	Directive 2014/65/UE of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
Regulation 2017/565	Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing MiFID II, as amended
RTS 28	Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution
UCI Law	Law of 17 December 2010 on undertakings for collective investment, as amended

3. Preamble

Blackstone Europe Fund Management S.à r.l. (**BEFM**) is a private limited liability company (*société à responsabilité limitée*) subject to the Law of 10 August 1915 on commercial companies, as amended (the **1915 Law**). BEFM is authorized by the *Commission de Surveillance du Secteur Financier (CSSF)* as:

- a management company under Article 101(2) (Chapter 15) of the Law of 17 December 2010 on undertakings for collective investment, as amended (**UCI Law**), registered under number S00001042; and
- an alternative investment fund manager in accordance with the Law of 12 July 2013 on alternative investment fund managers, as amended (**AIFM Law**), registered under number A00001947.

BEFM is also authorized to provide on an ancillary basis, discretionary portfolio management services, investment advice in accordance with article 101(3) of the UCI Law and article 5(4) of the AIFM Law and reception and transmission of orders in relation to financial investments in accordance with article 5(4) of the AIFM Law.

BEFM is managed by a board of managers (the **Board**) appointed by the sole shareholder of BEFM for an unlimited duration.

The Board has appointed conducting officers in charge of the conduct of the business of BEFM (the **Conducting Officers**).

The Conducting Officers form a committee (the **Management Committee**) which is responsible for the execution of decisions taken by the Board and the effective management of BEFM.

The ultimate parent company of BEFM is Blackstone Inc. (together with its affiliates, the **Group**), a Delaware corporation listed on the New York Stock Exchange.

4. Purpose

This best execution policy (Policy) describes the arrangements which BEFM has in place to ensure that when buying or selling financial instruments or other assets for which best execution is relevant, all reasonable steps to obtain the best possible results for the concerned Fund (and its investors) and all sufficient steps to obtain the best possible results for the concerned SMA (and its clients), generally taking into account factors such as the price, costs, speed of order execution, likelihood of order execution and settlement, order size, nature of financial instruments or assets or any other consideration relevant to the execution of the order.

5. Governance model overview

5.1 Principle of best execution

BEFM determines that best execution generally applies to the following financial instruments held by Funds and SMAs under BEFM's management:

- Public equities
- Bonds
- Derivatives (exchange traded and Over the Counter)
- Securities financing transactions, including securities lending and borrowing

BEFM determines that best execution is not relevant, for instance, in the context of the management of AIFs (or SMAs), for investments in private equity, real estate or partnership interests and the investment is made after extensive negotiations on the terms of the agreement.

5.2 Delegation and oversight of best execution

BEFM does not execute orders directly with a counterparty or on a trading venue on behalf of Funds/SMAs. Moreover, BEFM does not transmit orders for execution through third-party intermediaries (such as brokers).

BEFM fully delegates its portfolio management function for Funds and SMAs to the Group's affiliates (each a **Delegate**). BEFM delegates placing of order to its Delegates who in turn shall ensure that best execution is sought. The Delegates are required to seek to achieve best execution for the Funds and SMAs. Accordingly, BEFM performs its oversight on the Delegates in accordance with the Oversight Policy.

In the context of its due diligence, BEFM will ensure, where relevant, that each Delegate maintains and implements best execution arrangements that are in line with the principles listed in this Policy. In addition, BEFM verifies on a risk-based approach that the Delegates comply with their respective Best Execution Policies.

When determining the relative importance of execution factors that generally are to be considered the Delegates take into account the criteria listed below:

- objectives, investment policy and risks specific to the Funds/SMAs, as indicated in the Funds /SMAs rules or articles of association, prospectus or offering documents of the Funds/SMAs;
- the characteristics of the order;
- the characteristics of the financial instruments or other assets that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed.

Additional factors may be used to execute trades and are listed in the policies and procedures of the Delegates. In the context of best execution monitoring, the Delegates may use certain thresholds to monitor various best execution factors. In such cases, BEFM will apply the same thresholds in its monitoring.

For SMAs, in accordance with Article 64(4) of Regulation 2017/565, when orders are executed or decisions taken to deal in OTC products including bespoke products, BEFM (or its Delegates) shall check the fairness of the price proposed to the client, by gathering market data used in the

estimation of the price of such product and, where possible, by comparing with similar or comparable products.

BEFM shall ensure that its Delegates do not carry out a client order or a transaction for own account in aggregation with another order unless the conditions referred to in (i) Article 29(1) of the AIFM Regulation for AIFs, (ii) Article 31 of CSSF Regulation 10-04 for UCITS and (iii) Article 68 of Regulation 2017/565 for SMA are met.

5.3 Role of the Board and of the Management Committee

a) Board

The Board shall approve the best execution principles and policy and is responsible for ensuring that this Policy is properly followed.

b) Conducting Officers

The Conducting Officer – Portfolio Management is responsible for:

- Ensuring that each Delegate has best execution policies/procedures in place;
- Monitoring that the Delegates, where a Fund/SMA is buying or selling financial instruments or other assets for which best execution is relevant, comply with their respective best execution policies;
- Maintaining the documentation that supports BEFM's oversight performed on the Delegate regarding proper best execution;
- Ensuring that the execution of orders, by applying a risk-based approach, complies with this best execution guidelines applicable to the Delegate, as defined in Delegate's Best Execution Policy.

6. Reporting and escalation process

BEFM ensures that any breaches to Delegates' best execution policies are reported to BEFM.

In case any issues (e.g. breaches, non-compliance with policies or conflicts of interest) are identified and reported, the Conducting Officer – Portfolio Management determines appropriate action, which may include escalation to the Board.

Additional verification of Delegates' compliance with their respective best execution policies is performed on risk-based approach and results are communicated to the Management Committee and the Board.

7. Disclosure

Pursuant to Article 28(2) of AIFM Regulation, Article 29(2) of CSSF Regulation 10-04 and Article 65(5) of Regulation 2017/565, BEFM has identified, in respect of each class of instruments, the entities with which the orders may be placed on behalf of the Funds/SMAs. This list is available at the registered office of BEFM and includes all the Delegates. BEFM will ensure that each Delegate maintains a similar list at their own level.

Other appropriate information on this Policy and any material changes thereto are available to investors upon request at the registered office of BEFM.

8. Application of best execution in the context of the use of SFT

BEFM will ensure that the portfolio manager performs adequate controls in relation to SFTs by ensuring that the UCITS obtain the best possible result as regards not only to the revenues generated by SFTs but also the costs charged to the UCITS.

9. Policy owner

The Conducting Officer – Portfolio Management and the Conducting Officer – Compliance have been appointed as the owners of this Policy. This Policy is reviewed on an annual basis by the Conducting Officer – Portfolio Management and the Conducting Officer – Compliance and submitted to the Management Committee for information and to the Board for approval.