

2018 Blackstone Investor Day

September 21, 2018

Blackstone

Important Disclosures

General. Unless otherwise indicated:

- All information and data in these materials, including “YTD”, “Current”, “LTM”, “2Q”, “Today” and similarly labeled content is as of June 30, 2018 for performance, AUM, rankings, and other various measures and statistics.
- Assets under management (“AUM”) in this presentation refers to total assets under management, which differs from fee-earning assets under management. In certain instances, AUM figures may not sum to total because of rounding.
- The source for all information, including charts and graphs, in these materials is Blackstone. Information obtained from sources outside Blackstone may be replicated from the original, summarized, represented graphically, or combined with Blackstone estimates and assumptions, and in each case is noted accordingly.

No Representation or Warranty. Regardless of source, information is believed to be reliable for purposes used herein, but neither Blackstone, any Blackstone fund or any of Blackstone’s affiliates makes any representation or warranty as to the accuracy or completeness thereof and Blackstone does not take any responsibility for information obtained from sources outside of Blackstone. Certain information contained in the presentation 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.

Not an offer. These materials are provided for shareholders of The Blackstone Group L.P. and are for informational purposes only, and do 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 particular Blackstone fund, account or strategy.

Performance Information. Past performance is not necessarily indicative of future results and there can be no assurance that any Blackstone fund, account or strategy will, if raised, achieve comparable results, or that any investments made by Blackstone in the future will be profitable, or that Blackstone will find investment opportunities similar to any presented herein. Actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values indicated herein. Please refer to the Important Disclosure Information at the back of these materials for additional information regarding the calculation of performance metrics including IRR, MOIC as well as unrealized and realized losses.

Forward-Looking Statements. This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect Blackstone’s current views with respect to, among other things, Blackstone’s operations, financial performance and unit repurchase and distribution activities. You can identify these forward-looking statements by the use of words such as “outlook,” “indicator,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these 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, 2017, as such factors may be updated from time to time 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 this release 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.

Non-GAAP Financial Measures. This presentation contains information regarding Blackstone’s financial results prepared on a basis of accounting generally accepted in the United States of America (“GAAP”) as well as certain financial measures calculated and presented on the basis of methodologies other than in accordance with GAAP (“non-GAAP”). Definitions for each of these non-GAAP measures and reconciliations to their most directly comparable GAAP measure can be found in the Appendix to the materials.

Note: For Additional Important Disclosure Information, please refer to the Appendix as needed.

Agenda: “Performance and Innovation”

Important Disclosures			2
BX: The Leading Alternative Manager			
Introduction	Weston Tucker	Head of Investor Relations	
Welcome Remarks	Steve Schwarzman	Chairman, CEO and Co-Founder	4
Blackstone Overview	Jon Gray	President and Chief Operating Officer	12
Financial Overview and Outlook	Michael Chae	Chief Financial Officer	44
Today’s Leading Platforms			
Real Estate	Kathleen McCarthy	Global Co-Head, Real Estate	82
Corporate Private Equity	Joe Baratta	Global Head, Private Equity	97
Credit	Dwight Scott	President, GSO	109
Hedge Fund Solutions	John McCormick	President and CEO, BAAM	121
Emerging Leaders			
Strategic Partners	Vern Perry	Global Co-Head, Strategic Partners	137
Real Estate Core+	Ken Caplan	Global Co-Head, Real Estate	146
Tactical Opportunities	David Blitzer	Global Head, Tactical Opportunities	153
Private Wealth Solutions	Joan Solotar	Global Head, Private Wealth Solutions	163
Future Leaders			
New Initiatives	Tony James	Executive Vice Chairman	169
Additional Important Disclosure Information			191
Non-GAAP Reconciliations			203
Speaker Biographies			209

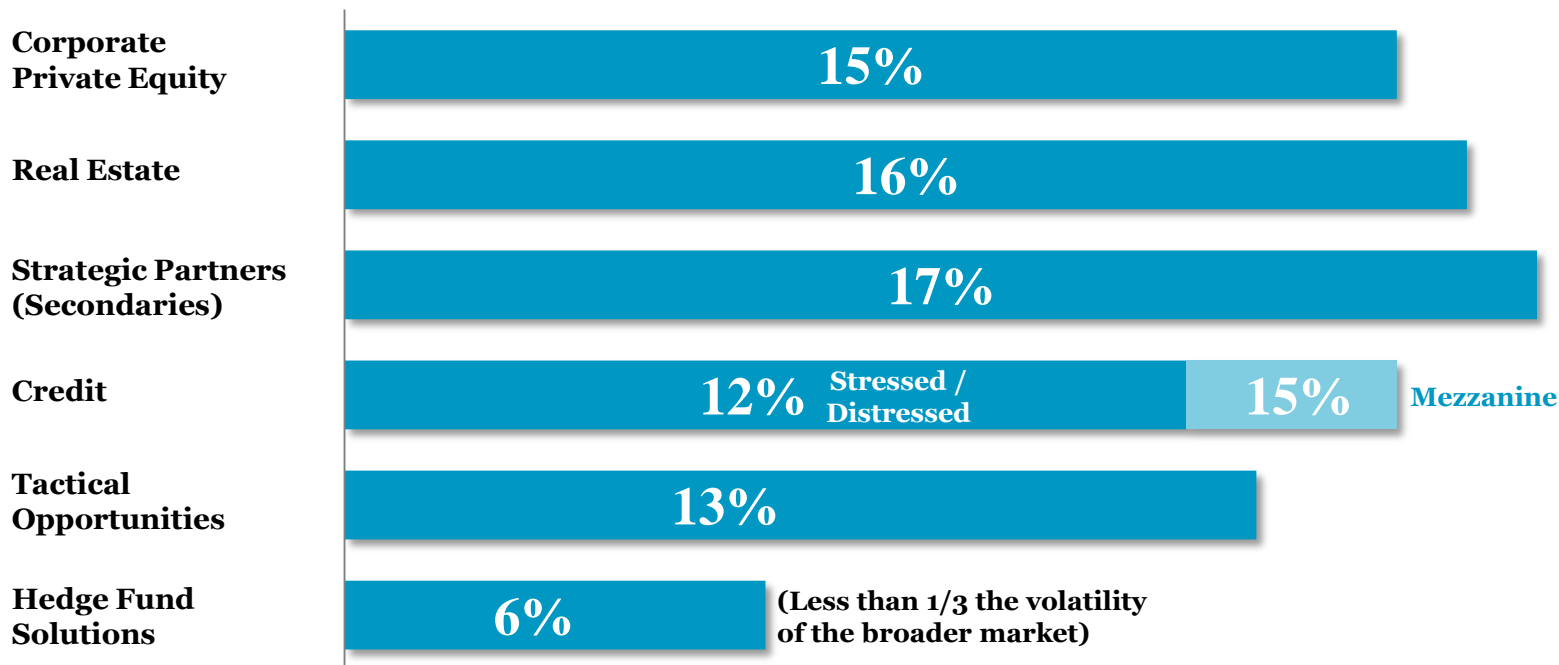
Welcome Remarks

Steve Schwarzman
Chairman, CEO and Co-Founder

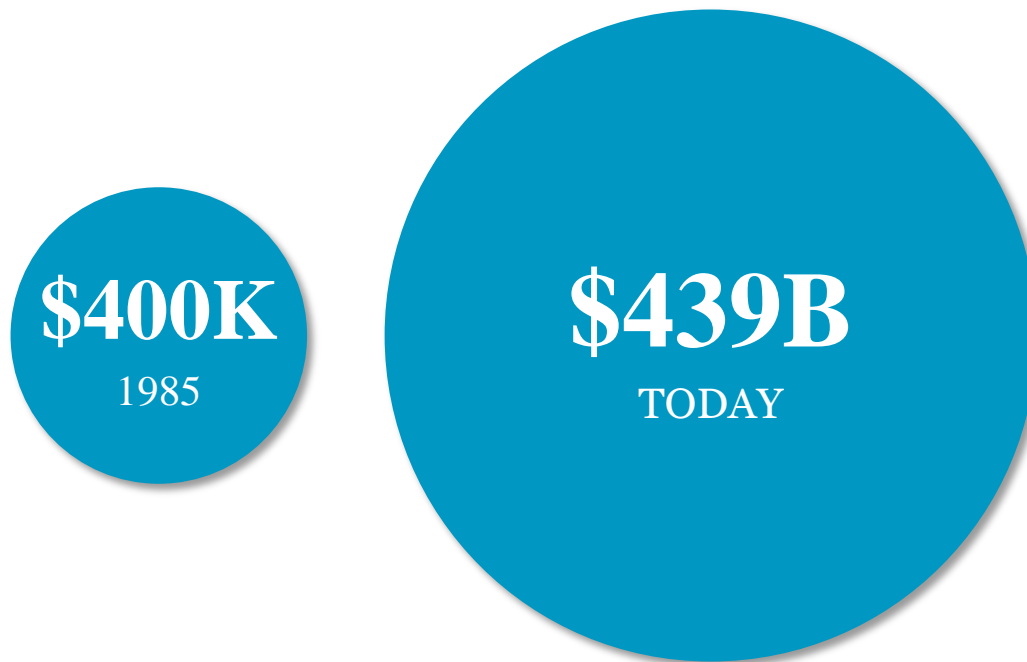
Blackstone

Compelling investment performance for over three decades

Net Returns from Inception

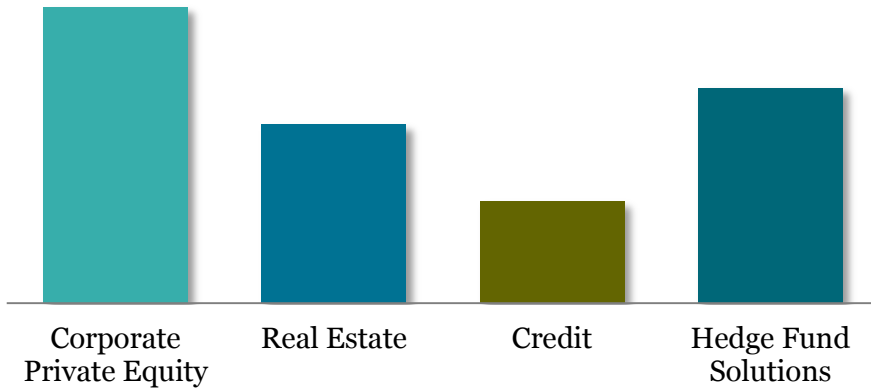


Growth powered by performance

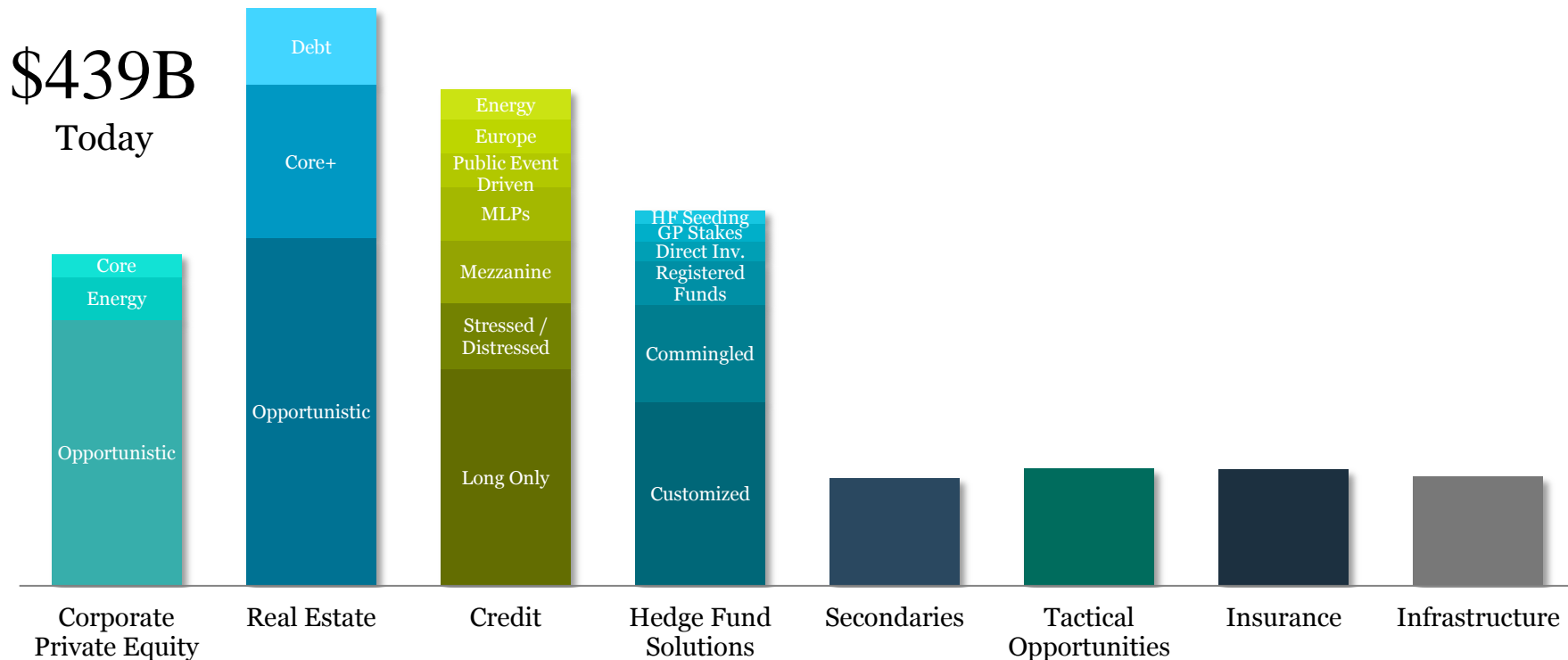


Growth powered by performance

\$88B
At IPO



Growth powered by performance and innovation



Credit AUM excludes Blackstone Insurance Solutions. Infrastructure shown with current AUM of \$5B and up to another \$17.5B committed by anchor investor not yet included in AUM.

Turning our scale into an information advantage

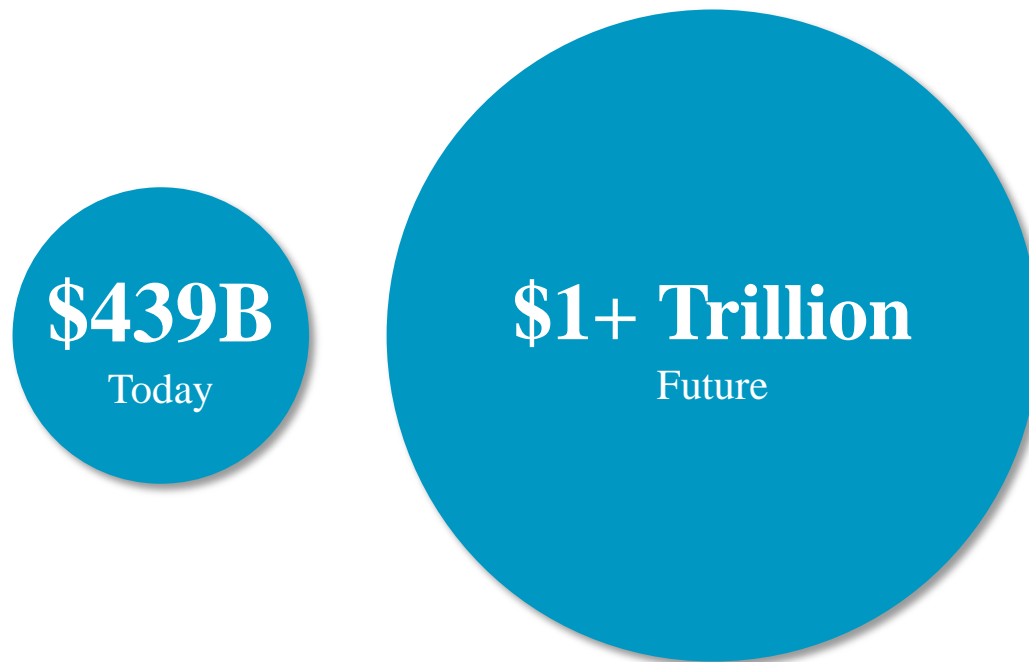


180
portfolio companies

520,000
portfolio employees

23
BX offices

Growth powered by performance and innovation



“Our people and reputation are Blackstone’s most important assets. Our mission is to be the very best in the world at what we do.”

Blackstone Overview

Jon Gray
President and Chief Operating Officer

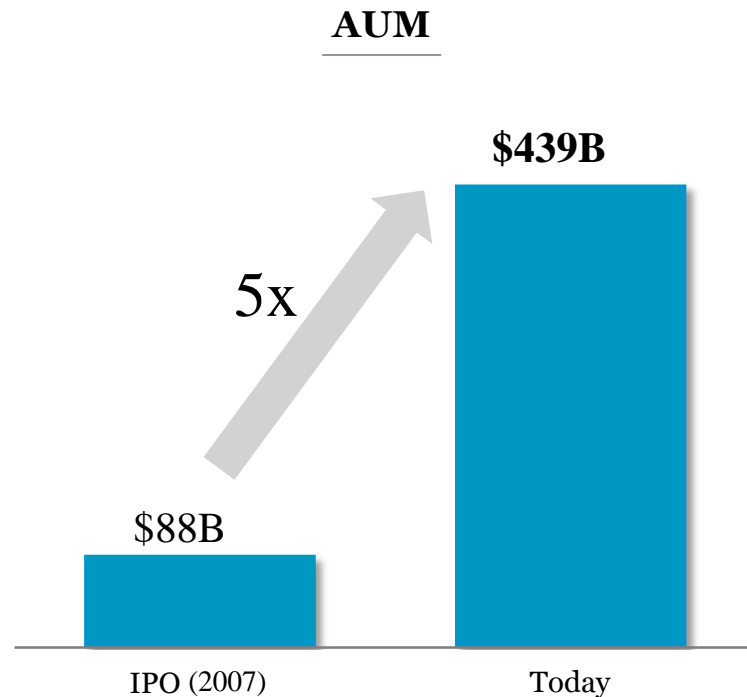
Blackstone

What defines a truly great business?

- ✓ Fast growing
- ✓ Limited need for capital
- ✓ Magnet for talent
- ✓ Produces high margins
- ✓ Anchored by recurring revenue base
- ✓ Generates significant free cash flow
- ✓ Loyal customers
- ✓ Global franchise
- ✓ Real moat around business
- ✓ Invaluable brand equity

Robust growth engine

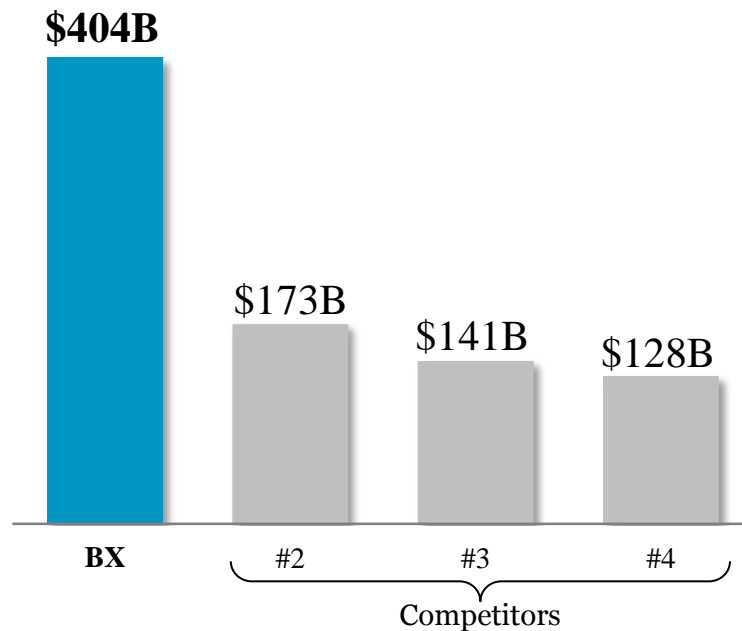
- ✓ \$350B of growth despite \$260B returned to LPs through realizations



Robust growth engine

- ✓ \$350B of growth despite \$260B returned to LPs through realizations
- ✓ Gross inflows nearly equal to next three largest competitors **combined**

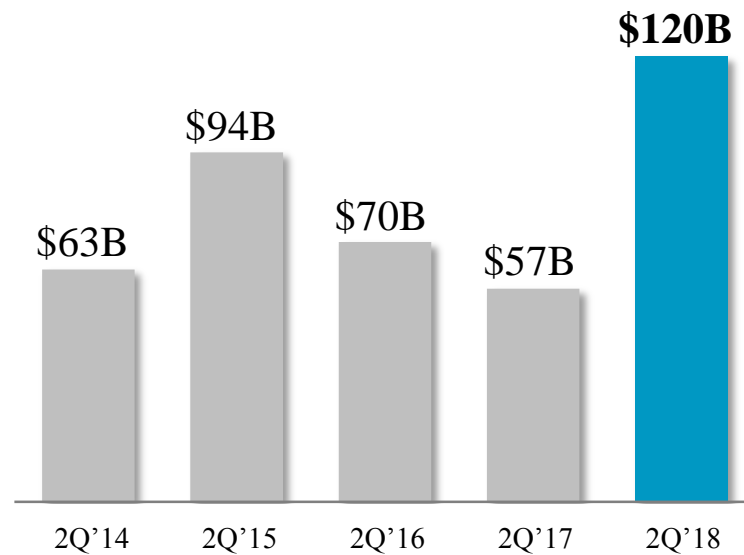
Gross Inflows Last 5 Years



Robust growth engine

- ✓ \$350B of growth despite \$260B returned to LPs through realizations
- ✓ Gross inflows nearly equal to next three largest competitors **combined**
- ✓ Gross inflows accelerating

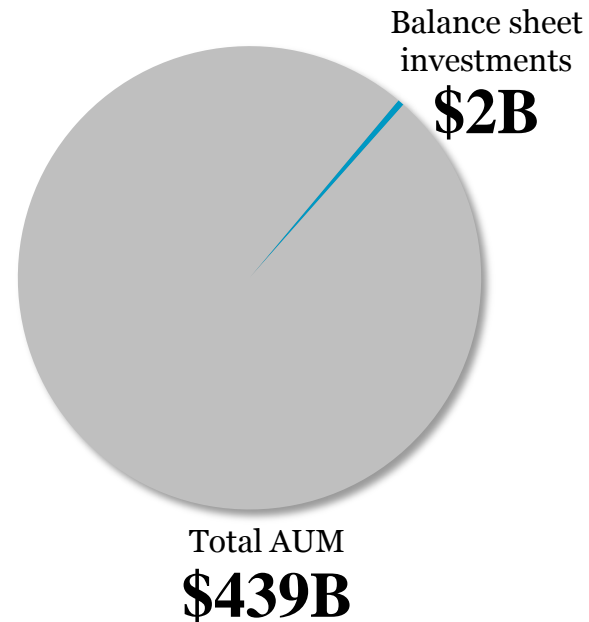
Blackstone LTM Gross Inflows



Utilizes virtually no capital

- ✓ Balance sheet investments represent just **0.5%** of AUM

Blackstone AUM



Utilizes virtually no capital

✓ No net debt

\$1.7B
cash (net of debt)

Utilizes virtually no capital

✓ No net debt

\$1.7B
cash (net of debt)

✓ Highest credit rating of any alternative manager

A+ / A+
rated

Utilizes virtually no capital

✓ No net debt

\$1.7B
cash (net of debt)

✓ Highest credit rating of any alternative manager

A+ / A+
rated

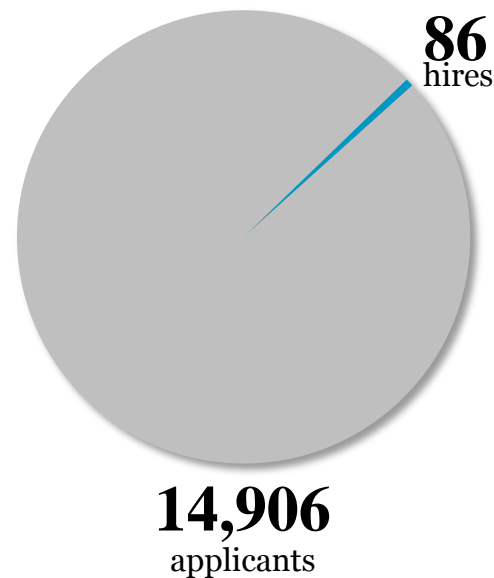
✓ Minimal dilution

0.7%
annual share count increase since IPO

Attracts and retains incredible talent

- ✓ Acceptance rate of only **0.6%** for latest analyst class

2018 Analyst Class Applications vs. Hires



Attracts and retains incredible talent

- ✓ Acceptance rate of only **0.6%** for latest analyst class
- ✓ Deep, experienced leadership team and consistent culture

18 years

average tenure of Management Committee

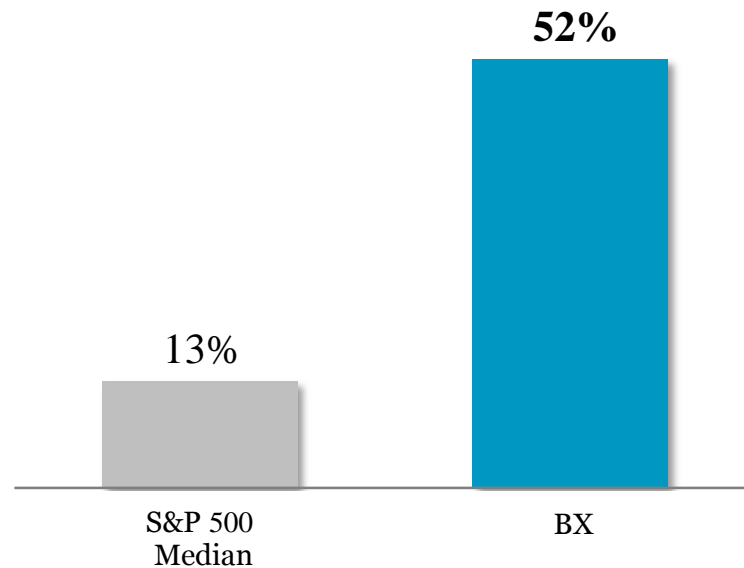
10 years

average tenure of Senior Managing Directors

Produces impressive margins

- ✓ Among highest margins globally

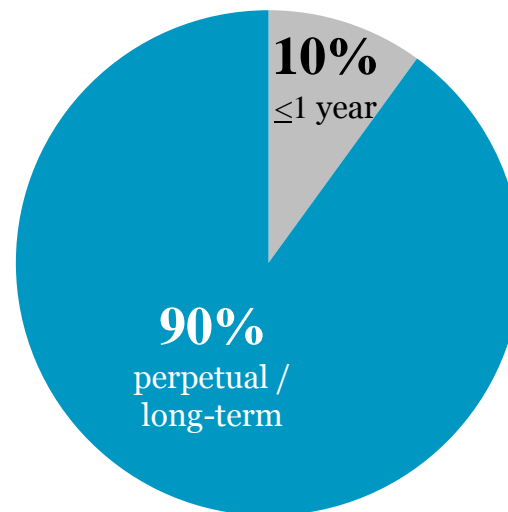
LTM Pre-Tax Margin



Built on stable, long duration third-party capital

- ✓ Vast majority of revenues tied to perpetual or long-term vehicles (~12 years remaining)

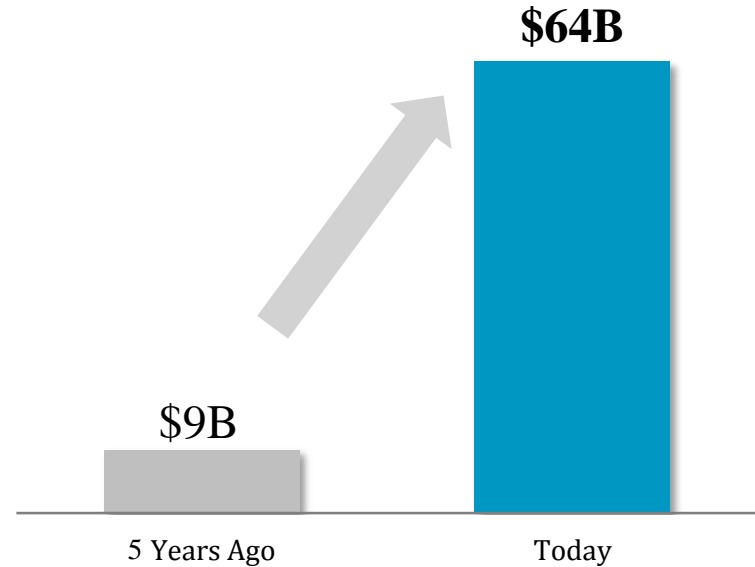
LTM Revenues



Built on stable, long duration third-party capital

- ✓ Vast majority of revenues tied to perpetual or long-term vehicles (~12 years remaining)
- ✓ \$64B of perpetual capital AUM and growing rapidly

Perpetual Capital AUM



Built on stable, long duration third-party capital

- ✓ Vast majority of revenues tied to perpetual or long-term vehicles (~12 years remaining)
- ✓ \$64B of perpetual capital AUM and growing rapidly
- ✓ 13 vehicles today

BX Perpetual Capital Vehicles

Infrastructure	RE Core+ U.S.
RE Core+ Europe	RE Core+ Asia
BREIT	BXMT
BAAM GP Stakes	GSO Long-Short
GSO CLOs (BGCF)	GSO CLOs (BGLF)
FGL (Insurance)	GSO BDC
Harrington (Insurance)	

Generates enormous free cash flow

- ✓ Pays out significant dividends

\$6.84

distributed per share over last 3 years

Generates enormous free cash flow

✓ Pays out significant dividends

\$6.84

distributed per share over last 3 years

✓ Resulting in the highest dividend yield of the largest 150 U.S. companies

6.0%

LTM yield

Generates enormous free cash flow

✓ Pays out significant dividends

\$6.84

distributed per share over last 3 years

✓ Resulting in the highest dividend yield of the largest 150 U.S. companies

6.0%

LTM yield

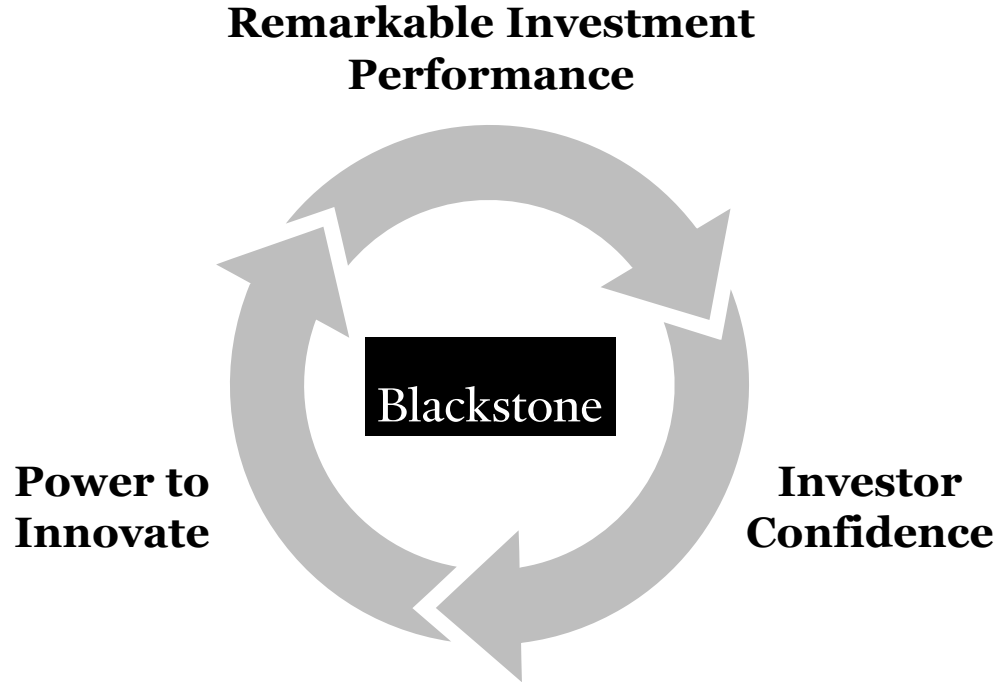
✓ Recently added share buybacks

\$1B

authorization

What is the foundation for this success?

The Blackstone virtuous circle



Remarkable investment performance...

Blackstone Strategy vs. Relevant Index	Inception	Net Returns from Inception	LTM Appreciation / Gross Returns
Opportunistic Real Estate <i>NCREIF-ODCE Core</i>	1991	16% 7%	16% 8%
Corporate Private Equity <i>S&P 500 TR</i>	1987	15% 9%	26% 14%
GSO Mezzanine <i>CS High Yield</i>	2007	15% 8%	21% 3%
Hedge Fund Solutions <i>HFRI FoF Diversified</i>	2000	6% 3%	7% 5%

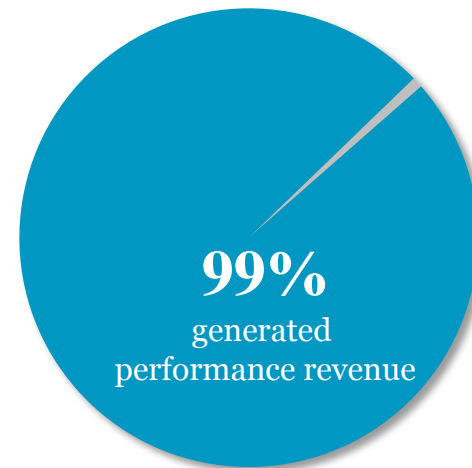
See important disclosures at the front of this presentation. Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses.

Net Returns from Inception shown for Hedge Fund Solutions reflect BAAM's Principal Solutions Business ("BPS") from January 2000 to present. LTM Appreciation is shown for Opportunistic Real Estate and Corporate Private Equity. LTM Gross Returns are shown for GSO Mezzanine and Hedge Fund Solutions whose LTM net returns are 14% and 6%, respectively. BREP data includes BREP global funds. The NCREIF ODCE core index is often used by investors to benchmark real estate fund performance with a risk adjustment depending on the specific real estate strategy. BREP's strategy involves more risk and should generate a higher return than the NCREIF ODCE core strategy.

...resulting in highly dependable performance revenues

- ✓ Virtually every Blackstone fund has generated performance revenues

Performance Revenue Eligible Drawdown Funds



What has driven this investment performance?

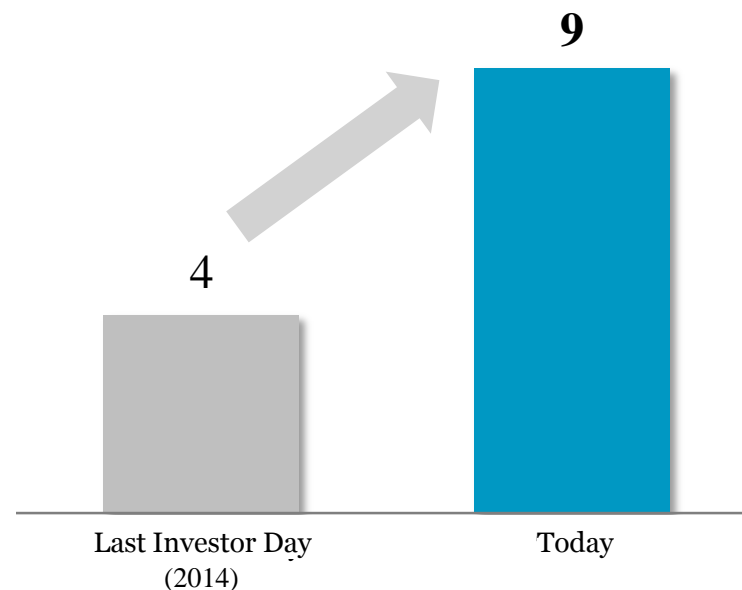
- ✓ **People:** Top talent with deep domain expertise
- ✓ **Process:** Rigorous investment committees
- ✓ **Scale:** One of the largest in the world in every business
- ✓ **Integration:** One global firm with shared insights and data
- ✓ **Value Creation:** Not buying the market; we help build businesses
- ✓ **Entrepreneurial Spirit:** Never standing still

Our LPs recognize the uniqueness of Blackstone

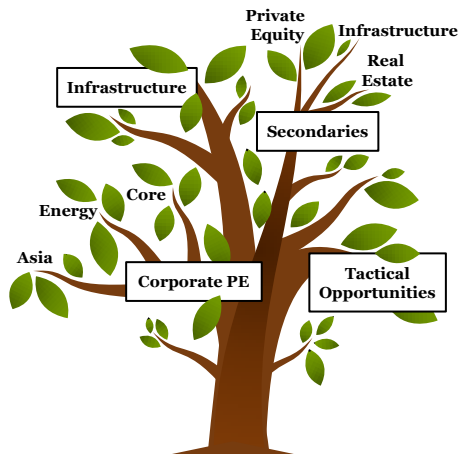
Performance enables us to innovate for our clients...

- ✓ Expanding and deepening LP relationships

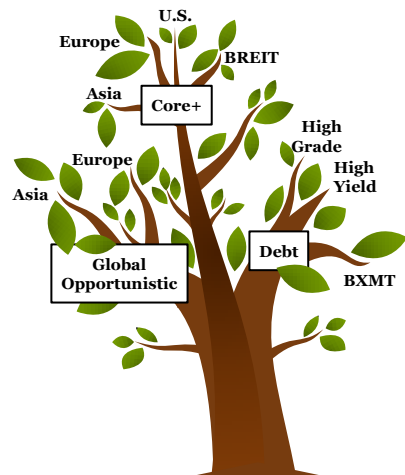
Average Number of Blackstone Strategies for Top 25 LPs



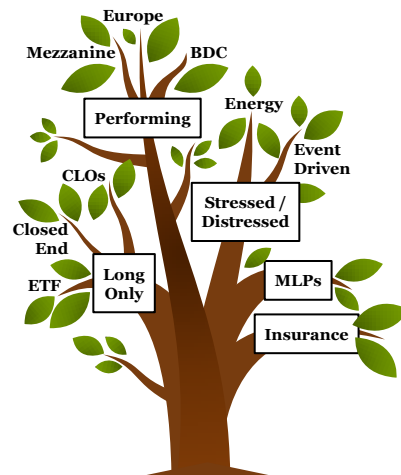
...and create new products and strategies



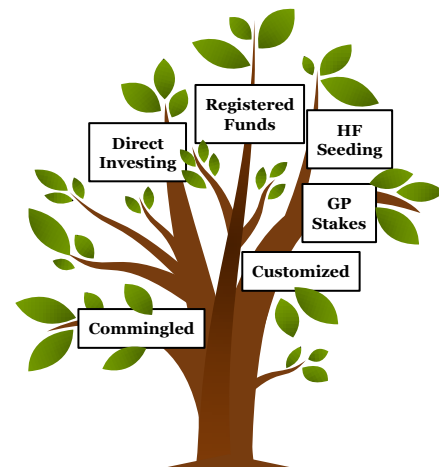
Private Equity



Real Estate



Credit



Hedge Fund Solutions

AUM **\$120B**

\$119B

\$123B

\$77B

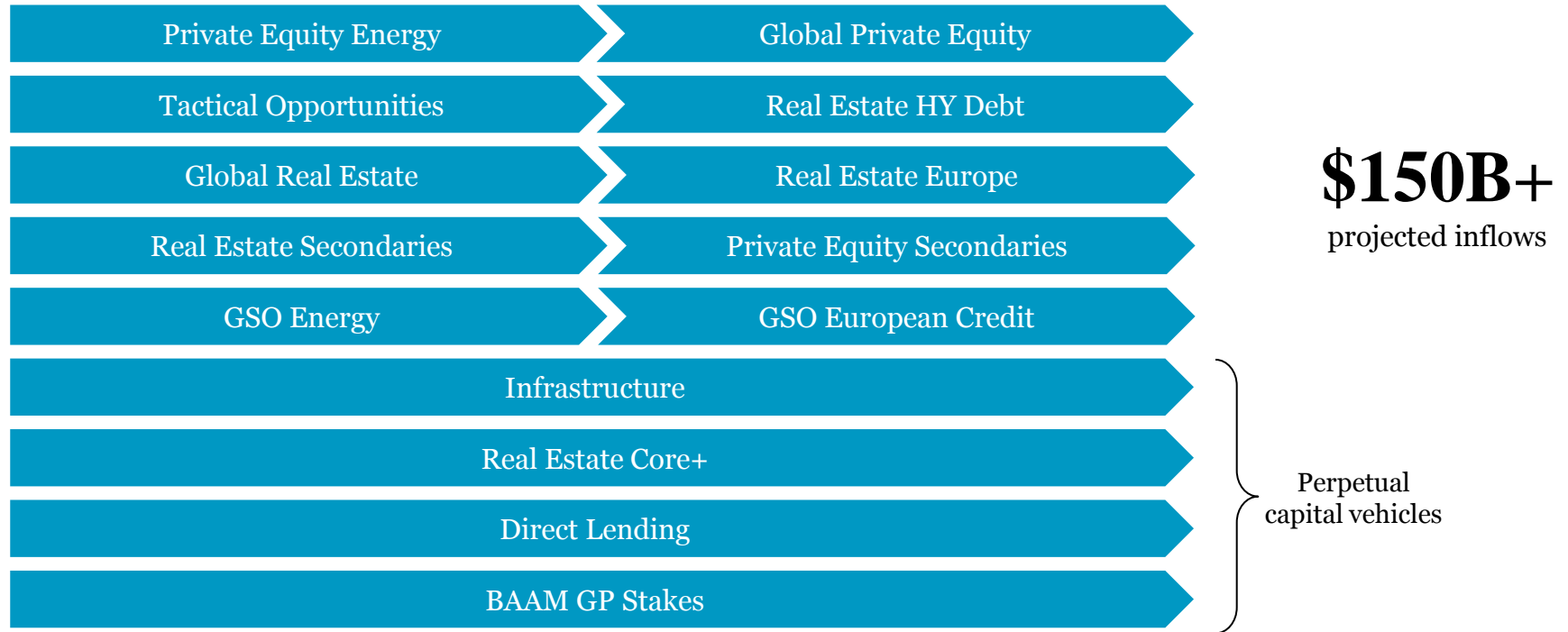
Where do we go from here?

We've delivered since our last Investor Day

	Investor Day 2014	Investor Day Today	
AUM	\$272B	\$439B	+62%
LTM Deployment	\$18B	\$49B	+169%
LTM FRE / Share	\$0.86	\$1.14	+33%
LTM DE / Share	\$1.60	\$2.49	+56%
BX Stock Price	~\$34	~\$37	+9%

Most active fundraising pipeline in our history

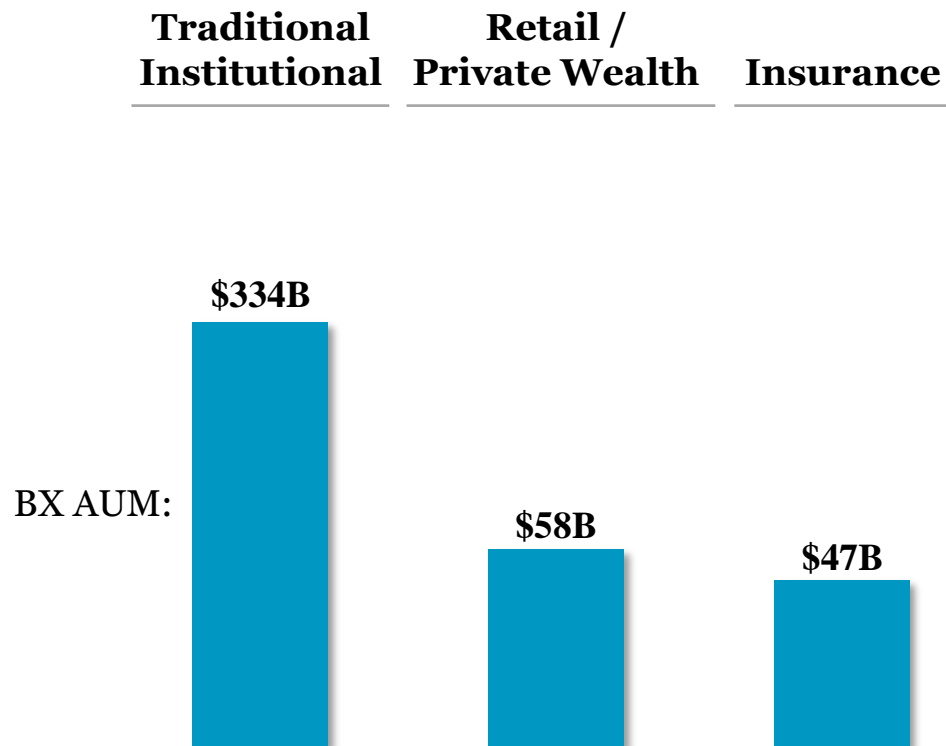
Blackstone 2H'18–2019 Fundraising Pipeline



Reflects expected flagship fundraises. Timeline is for illustrative purposes only. Actual timing and inflows may vary and are subject to market conditions.

Significant opportunity in three major channels

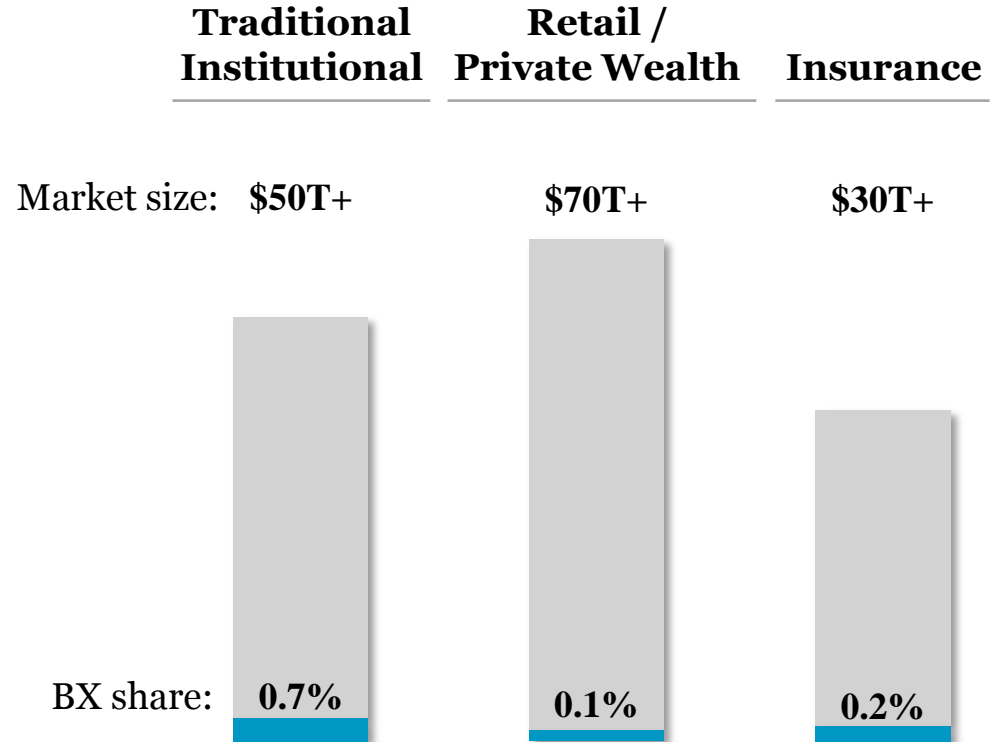
- ✓ We operate in scale in each major distribution channel...



Significant opportunity in three major channels

✓ We operate in scale in each major distribution channel...

✓ ...but are well positioned to further expand penetration



Today we will illustrate BX's path to near-term and long-term earnings growth

Infrastructure

Life Sciences

Insurance

401(k)

+ **Future Leaders** +

Strategic Partners

Real Estate Core+

Tactical
Opportunities

Retail /
Private Wealth

+ **Emerging Leaders** +

Real Estate

Corporate Private
Equity

Credit

Hedge Fund
Solutions

Established Businesses, Leading Platforms

What key messages do we want to leave you with?

- ✓ **High visibility into:**
 - **Accelerating earnings growth**
 - **Significantly improving earnings quality**
- ✓ **New initiatives can drive AUM to \$1 trillion over time**
- ✓ **BX has never been stronger – performance and innovation continue**

Financial Overview and Outlook

Michael Chae
Chief Financial Officer

Blackstone

Today's key messages

- ✓ The power of Blackstone's model drives extraordinary financial performance
- ✓ We expect acceleration of growth, concentrated in the highest quality earnings
 - High visibility into powerful near-term step up in FRE
 - Clear path to **50%+ FRE growth** in ~2 years and **~\$2/share** in next several years
 - Growing store of value driving performance revenue momentum
- ✓ The potential for outsized shareholder returns is significant

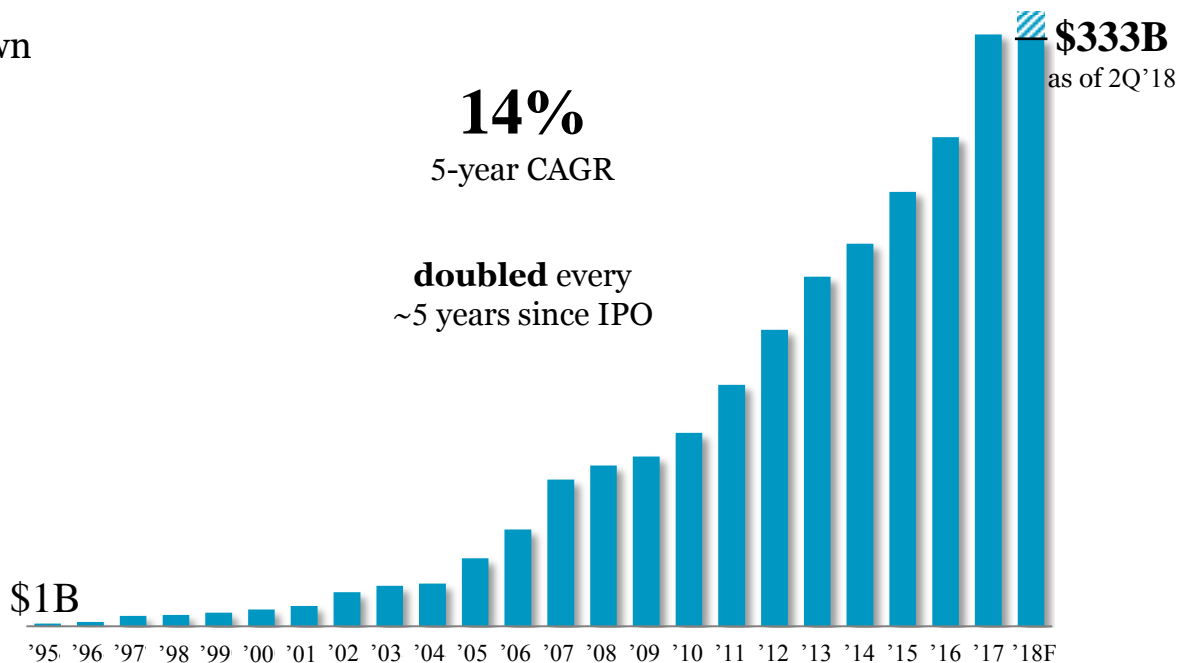
Today's key messages

- ✓ The power of Blackstone's model drives extraordinary financial performance
- ✓ We expect acceleration of growth, concentrated in the highest quality earnings
 - High visibility into powerful near-term step up in FRE
 - Clear path to **50%+ FRE growth** in ~2 years and **~\$2/share** in next several years
 - Growing store of value driving performance revenue momentum
- ✓ The potential for outsized shareholder returns is significant

A powerful model; robust fundamentals; superior execution

- ✓ **Growth.** Fee-Earning AUM has grown every year in our history

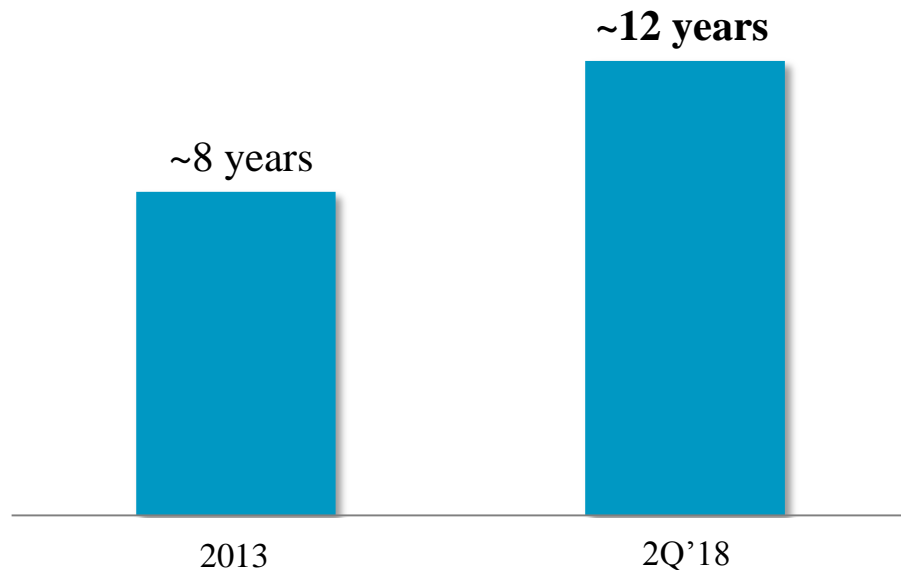
Fee-Earning AUM



A powerful model; robust fundamentals; superior execution

- ✓ **Growth.** Fee-Earning AUM has grown every year in our history
- ✓ **Locked-in capital.** Long and increasing contractual commitments

Average Remaining Life



A powerful model; robust fundamentals; superior execution

- ✓ **Growth.** Fee-Earning AUM has grown every year in our history
- ✓ **Locked-in capital.** Long and increasing contractual commitments
- ✓ **Pricing stability.** Despite greater fund diversity

Base Management Fee Rate

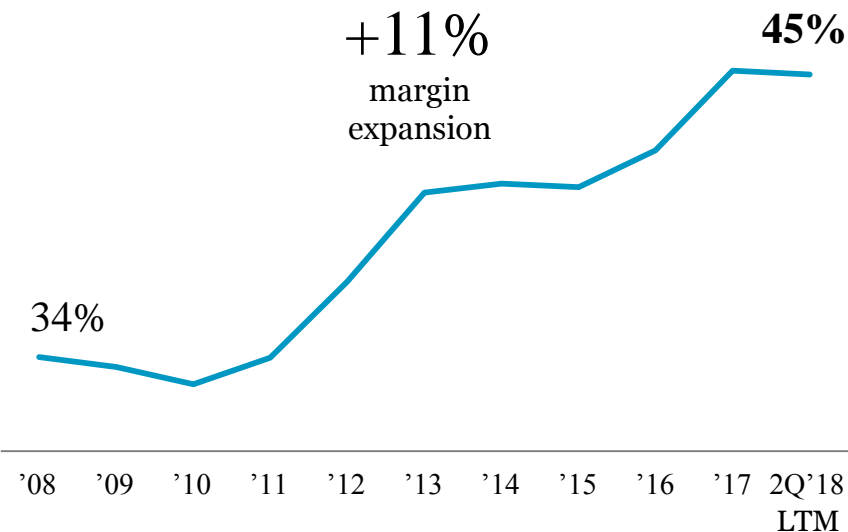
0.93% **0.92%**

'13 '14 '15 '16 '17 2Q'18
LTM

A powerful model; robust fundamentals; superior execution

- ✓ **Growth.** Fee-Earning AUM has grown every year in our history
- ✓ **Locked-in capital.** Long and increasing contractual commitments
- ✓ **Pricing stability.** Despite greater fund diversity
- ✓ **Robust margin structure.** High and expanding margins with demonstrated operating leverage

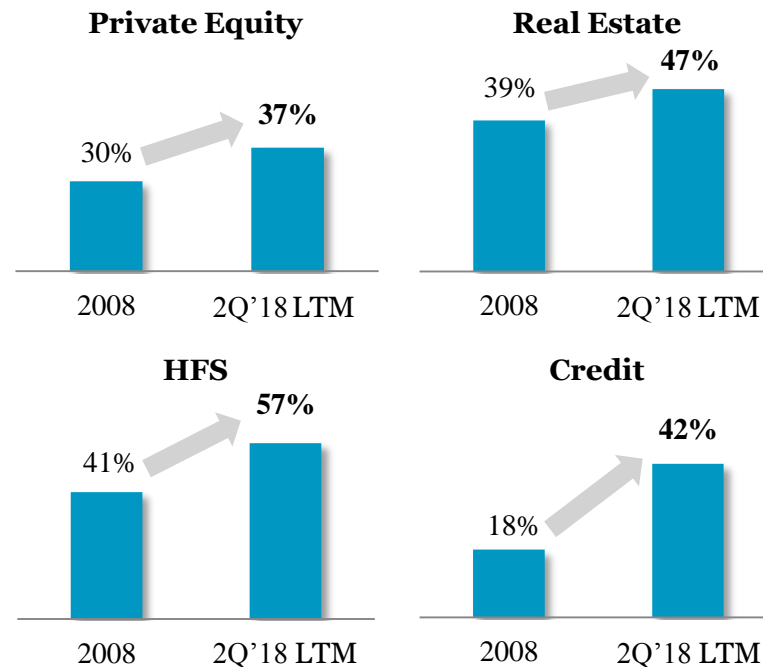
FRE Margin



A powerful model; robust fundamentals; superior execution

- ✓ **Growth.** Fee-Earning AUM has grown every year in our history
- ✓ **Locked-in capital.** Long and increasing contractual commitments
- ✓ **Pricing stability.** Despite greater fund diversity
- ✓ **Robust margin structure.** High and expanding margins with demonstrated operating leverage

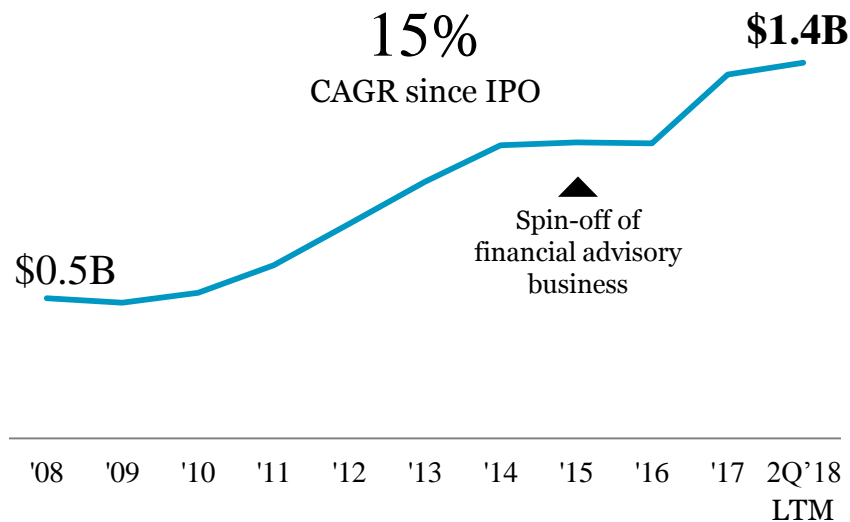
FRE Margin by Segment



Sustained long-term growth in Fee Related Earnings and Distributable Earnings

- ✓ Over a decade of **mid-teens growth** in one of the highest quality earnings streams in financial services

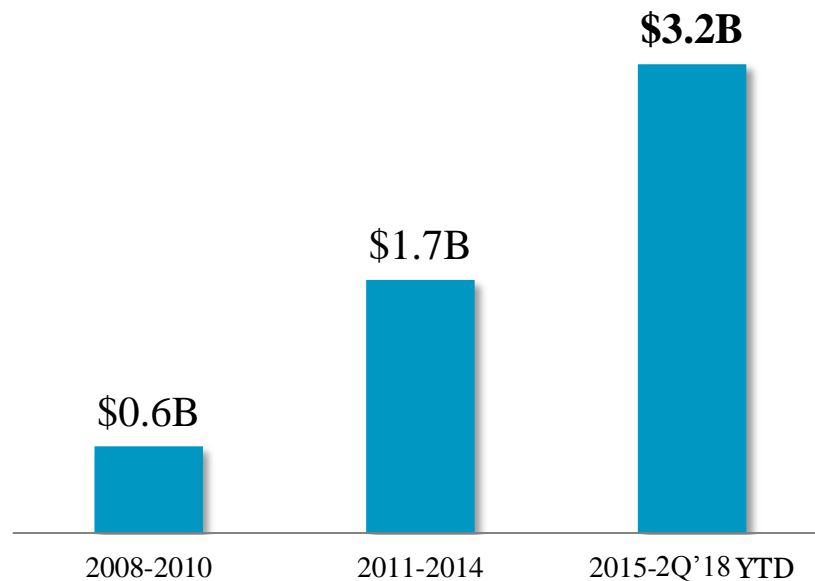
Fee Related Earnings



Sustained long-term growth in Fee Related Earnings and Distributable Earnings

- ✓ Over a decade of **mid-teens growth** in one of the highest quality earnings streams in financial services
- ✓ Earnings power increase of **over 5x**

Average Annual Distributable Earnings



Balance sheet position affords us substantial financial and strategic flexibility...

\$5.2B

total cash and corporate treasury

14.5 years

average debt maturity

1 of 2

highest credit ratings
among asset managers

3.3%

after-tax cost of debt
(long-term fixed rate)

...enabling an array of strategies to drive shareholder value

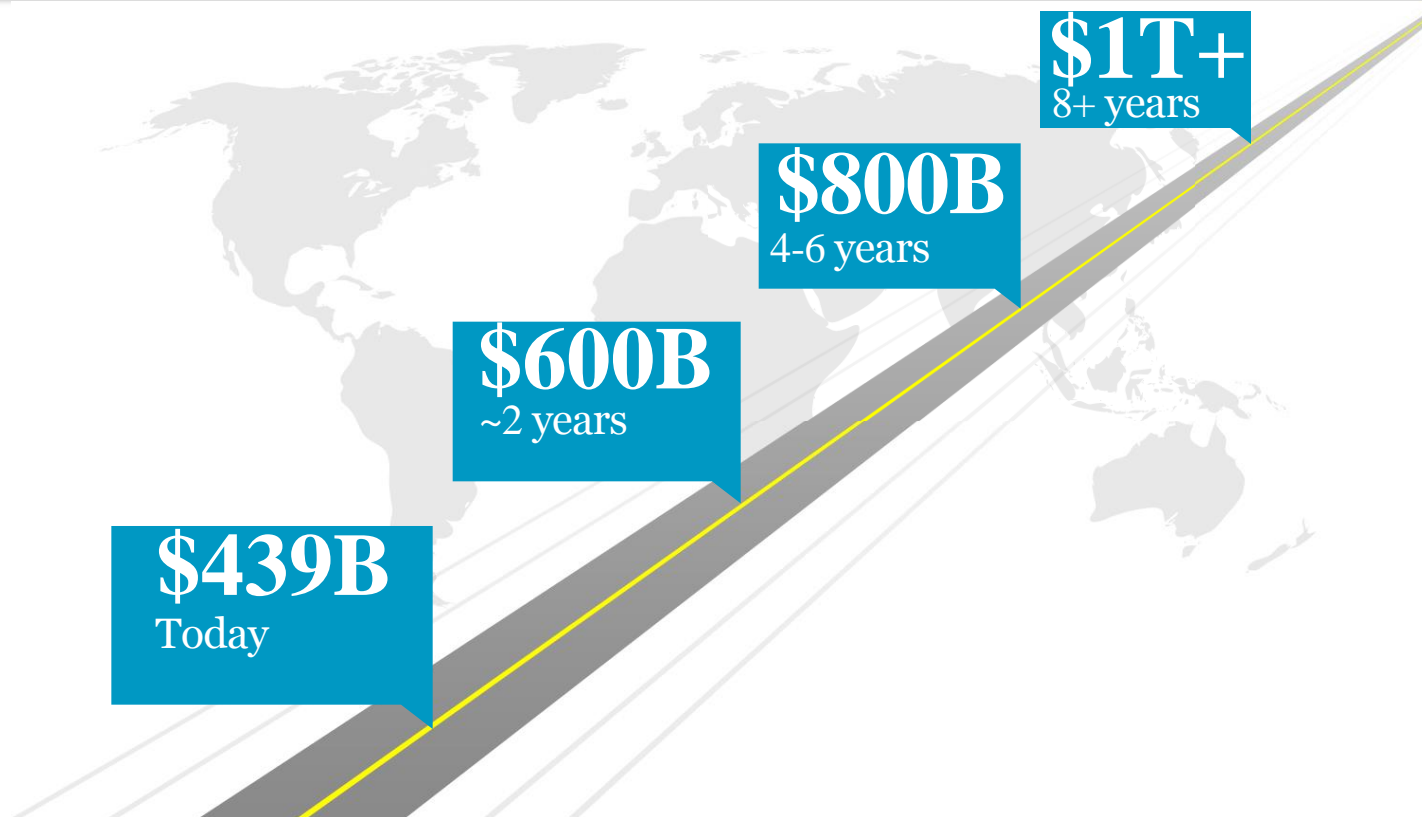
- ✓ **Seeding new strategies.** Outsized return on capital from creation of new businesses
- ✓ **M&A.** Successful track record of 9 completed transactions
- ✓ **Share repurchases.** \$1B authorization
- ✓ **Special dividends.** \$360M special distribution for 2018
- ✓ **Capital markets.** Minimal balance sheet tie-up with high ROE

Today's key messages

- ✓ The power of Blackstone's model drives extraordinary financial performance
- ✓ We expect acceleration of growth, concentrated in the highest quality earnings
 - High visibility into powerful near-term step up in FRE
 - Clear path to **50%+ FRE growth** in ~2 years and **~\$2/share** in next several years
 - Growing store of value driving performance revenue momentum
- ✓ The potential for outsized shareholder returns is significant

Acceleration of Growth and Quality of Earnings

We see a path to cross rising AUM milestones with commensurate elevation in earnings power



High visibility into powerful near-term step up in FRE

- ✓ Most active fundraising pipeline in our history, combined with new channel penetration...

Near-Term Fundraising

Private Equity	Global Opportunistic Energy
Real Estate	Global Opportunistic Europe Opportunistic Core+ High Yield Debt
Credit	Energy Europe Direct Lending
HF Solutions	GP Stakes
Secondaries	Private Equity Real Estate
Infrastructure	Global
Tac Opps	Global

High visibility into powerful near-term step up in FRE

- ✓ Most active fundraising pipeline in our history, combined with new channel penetration...
 - ~20% FRE uplift from raising of 5 flagship funds

Near-Term Fundraising

Private Equity	Global Opportunistic Energy
Real Estate	Global Opportunistic Europe Opportunistic Core+ High Yield Debt
Credit	Energy Europe Direct Lending
HF Solutions	GP Stakes
Secondaries	Private Equity Real Estate
Infrastructure	Global
Tac Opps	Global

High visibility into powerful near-term step up in FRE

- ✓ Most active fundraising pipeline in our history, combined with new channel penetration...
 - ~20% FRE uplift from raising of 5 flagship funds
- ✓ ...including significant increase in perpetual capital

Near-Term Fundraising

Private Equity	Global Opportunistic Energy
Real Estate	Global Opportunistic Europe Opportunistic Core+ High Yield Debt
Credit	Energy Europe Direct Lending
HF Solutions	GP Stakes
Secondaries	Private Equity Real Estate
Infrastructure	Global
Tac Opps	Global

High visibility into powerful near-term step up in FRE

The Power of Perpetual Capital

Indefinite term /
no required redemptions

Performance revenues paid on a
recurring basis and stated timetable...

...without dispositions of
underlying assets

- ✓ Stable, recurring and predictable earnings over time...
- ✓ ...that align with, and will be included in, our definition of FRE

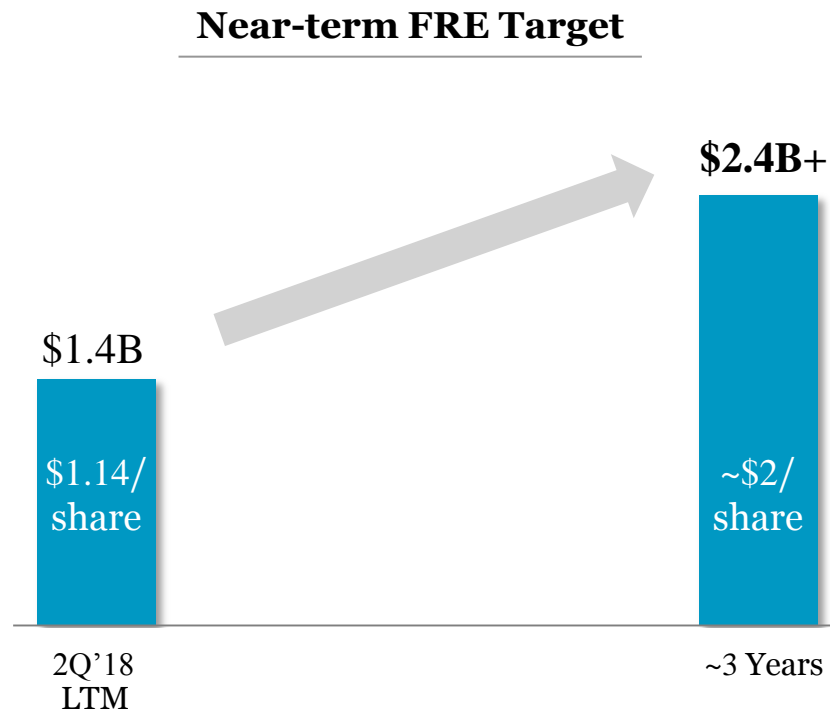
New FRE **\$1.14/sh**

Prior FRE **\$1.07/sh**

2Q'18 LTM

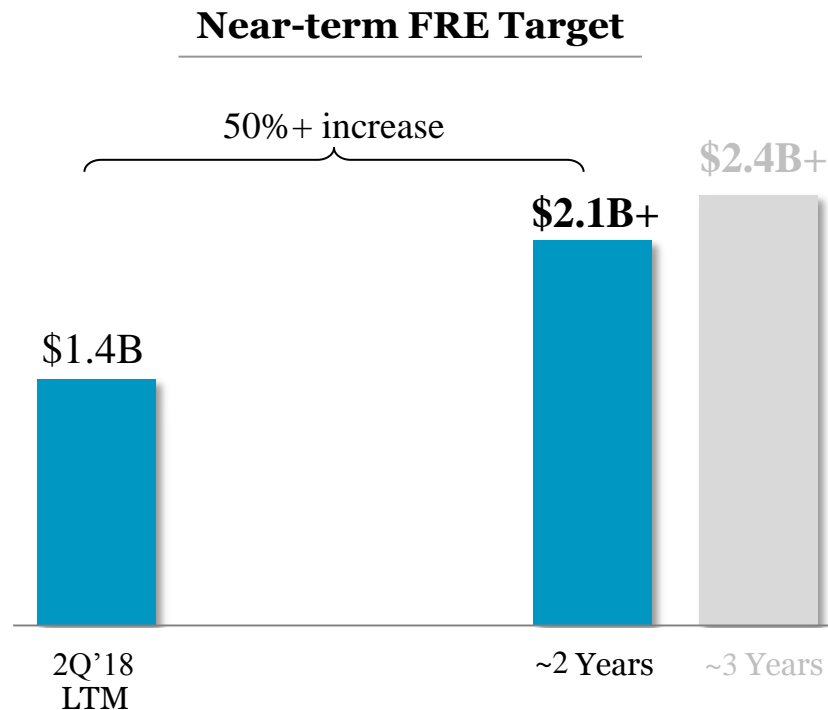
High visibility into powerful near-term step up in FRE

- ✓ Targeting 75%+ FRE growth to ~\$2/share in next several years...



High visibility into powerful near-term step up in FRE

- ✓ Targeting 75%+ FRE growth to ~\$2/share in next several years...
- ✓ ...with clear path to 50%+ increase in next ~2 years...



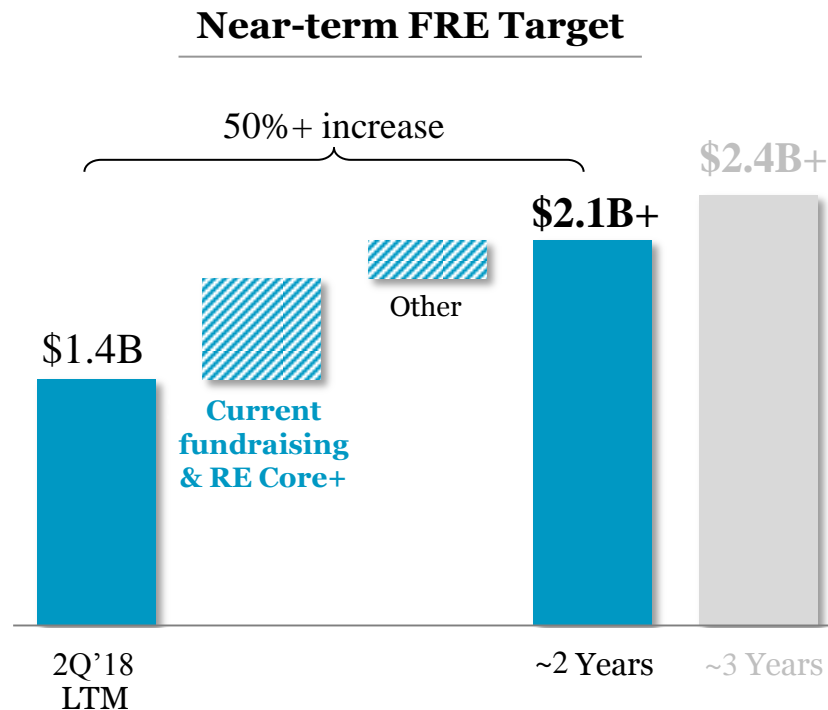
High visibility into powerful near-term step up in FRE

✓ Targeting 75%+ FRE growth to ~\$2/share in next several years...

✓ ...with clear path to 50%+ increase in next ~2 years...

✓ ...and with **~80% of increase** from:

- 5 flagship funds currently being raised
- RE Core+ management fees and scheduled crystallization of existing investments



Long-term performance revenue momentum

Growing store of value



Consistency of fund performance

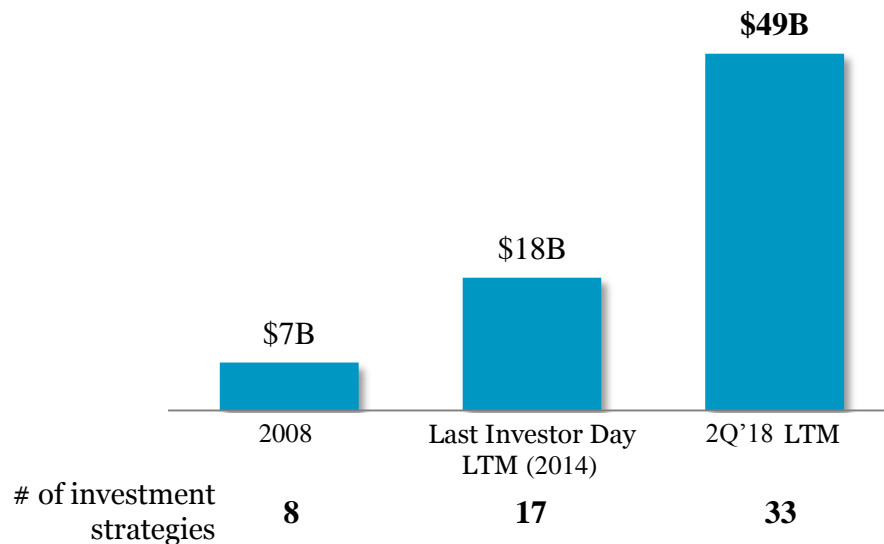


Long-term performance revenue momentum

Growing store of value

- ✓ Sharp increase in deployment, driven by dramatic expansion of investment strategies

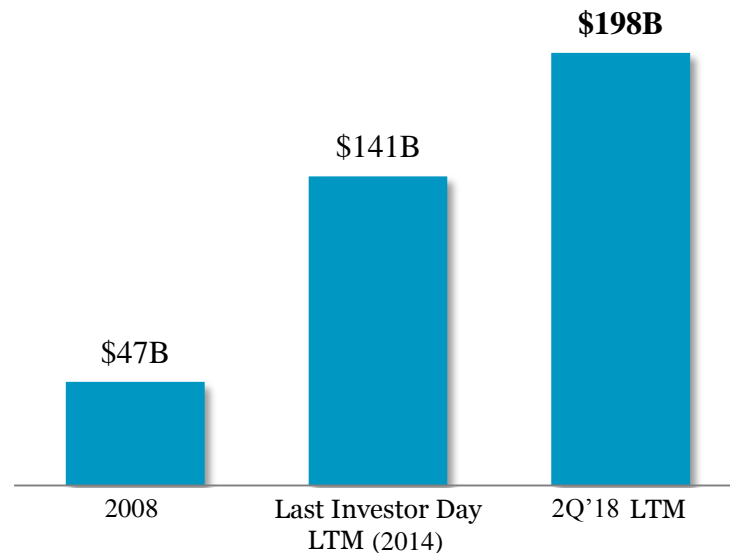
Capital Invested



Growing store of value

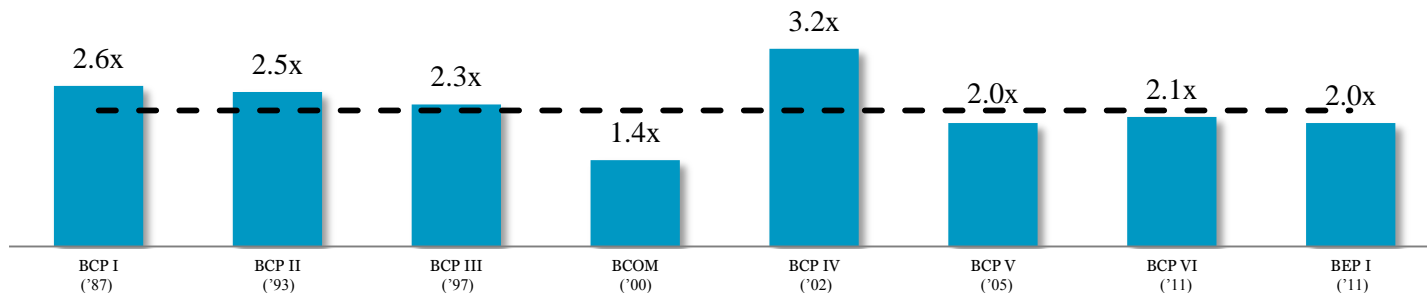
Invested Performance Revenue Eligible AUM

- ✓ Sharp increase in deployment, driven by dramatic expansion of investment strategies
- ✓ Has led to 4x increase in performance revenue eligible value in the ground



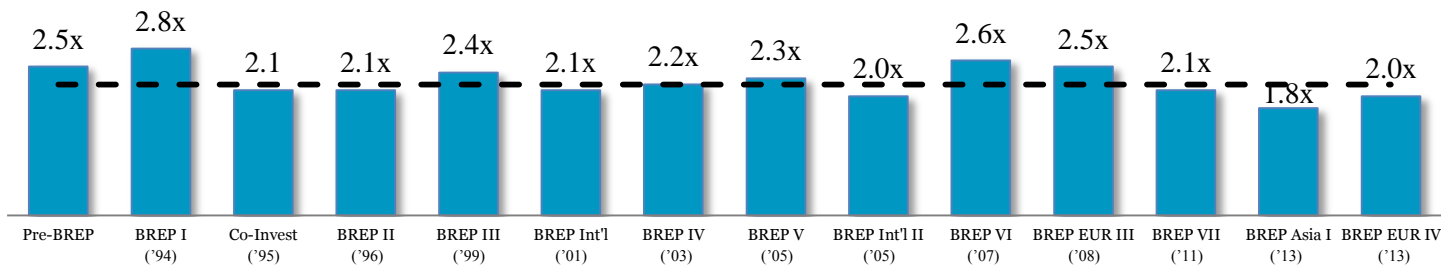
+ Consistency of fund performance over three decades and through cycles

Private Equity (Realized MOIC)



2.2X
realized
gross MOIC

Real Estate (Realized MOIC)



2.2X
realized
gross MOIC

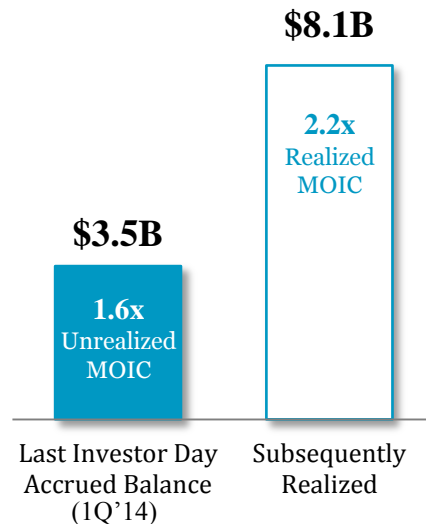
Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses. Only funds whose investment periods have ended are shown.

Total net MOIC (which includes realized and unrealized value) for each Private Equity fund is: 1.9x, 2.1x, 1.9x, 1.2x, 2.5x, 1.7x, 1.6x, and 1.6x, respectively, and 1.8x on a combined basis; and for each Real Estate fund is: 2.1x, 2.4x, 1.9x, 1.8x, 2.0x, 1.8x, 1.5x, 2.0x, 1.8x, 2.1x, 1.8x, 1.7x, 1.4x and 1.6x, respectively, and 1.7x on a combined basis. "Realized" funds means >90% realized. See important disclosures at the front of this presentation.

+ Consistency of fund performance over three decades and through cycles

- ✓ **Consistency:** recent realizations have delivered in scale the same **2.2x MOIC**, consistent with historical performance

Net Performance Revenue

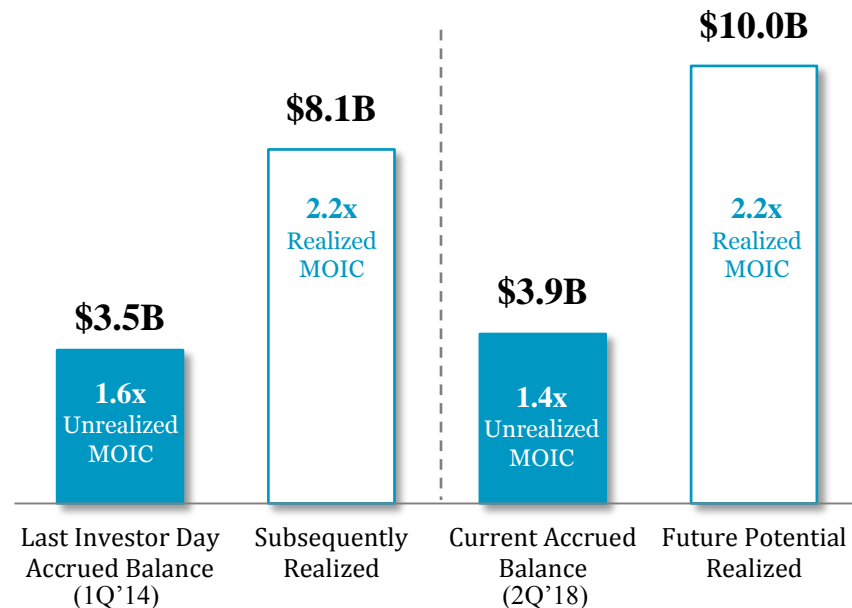


Acceleration of Growth and Quality of Earnings

= Long-term performance revenue momentum

- ✓ **Consistency:** recent realizations have delivered in scale the same **2.2x MOIC**, consistent with historical performance
- ✓ Performance consistent with history would deliver **\$10B** of realized net performance revenues from existing unrealized portfolio alone

Net Performance Revenue



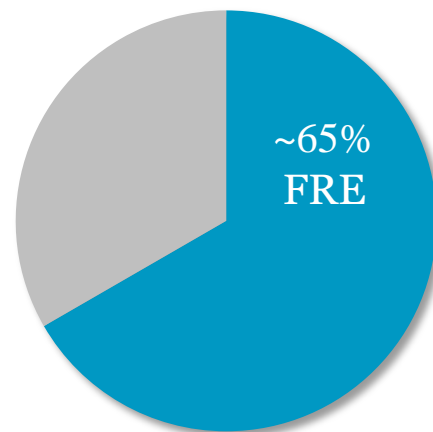
Acceleration of growth, concentrated in the highest quality earnings

Today



**\$2.49 LTM
DE/share**

Longer Term



**~\$6
DE/share**

Acceleration of growth, concentrated in the highest quality earnings

- ✓ Higher earnings
- ✓ Higher quality
- ✓ Greater resiliency
- ✓ Greater predictability

Today



**\$2.49 LTM
DE/share**

Longer Term



**~\$6
DE/share**

Today's key messages

- ✓ The power of Blackstone's model drives extraordinary financial performance
- ✓ We expect acceleration of growth, concentrated in the highest quality earnings
 - High visibility into powerful near-term step up in FRE
 - Clear path to **50%+ FRE growth** in ~2 years and **~\$2/share** in next several years
 - Growing store of value driving performance revenue momentum
- ✓ The potential for outsized shareholder returns is significant

We are focused on driving shareholder value

✓ **Returning capital.** One of the most favorable dividend policies in the world

85%
distribution policy

\$16.49 / share
value distributed since IPO

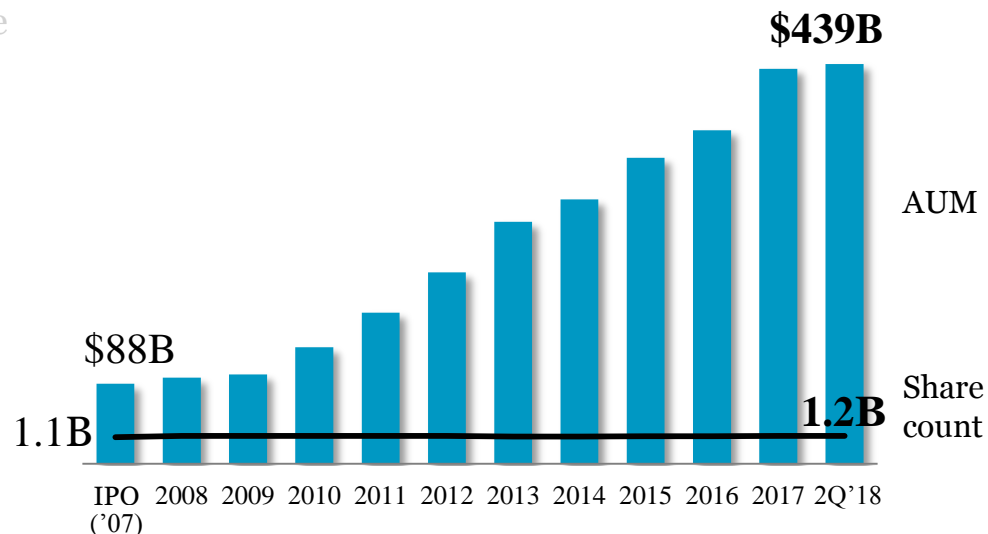
6.0% yield
#1 of largest 150 U.S. companies

We are focused on driving shareholder value

✓ **Returning capital.** One of the most favorable dividend policies in the world

✓ **Returning capital.** \$1B share repurchase authorization

Total AUM and Share Count



We are focused on driving shareholder value

- ✓ Actively considering corporate structure
- ✓ Impressed by market response so far to peer actions
- ✓ Key factors we are evaluating
 - Sustained stock price response
 - Expansion of mutual fund ownership
 - Index inclusion

Rising earnings power and quality should command higher valuation

Target FRE

\$2.1B+ ~2 years

\$1.8B+ after-tax

23x-26x multiple

\$41-\$47B

\$35-\$39
per share

- ✓ Forward FRE multiple at a discount to median of high-quality financials (28x)
 - BX FRE has grown faster than this group's earnings long-term (15% vs. 10%) with growth accelerating
- ✓ Multiple implies a ~3.5% cash yield, which would rank in the top quartile for the S&P 500, on an earnings stream that is:
 - High growth, and derives from AUM that is substantially locked-in / under contract for ~12 years
- ✓ FRE alone would support current share price

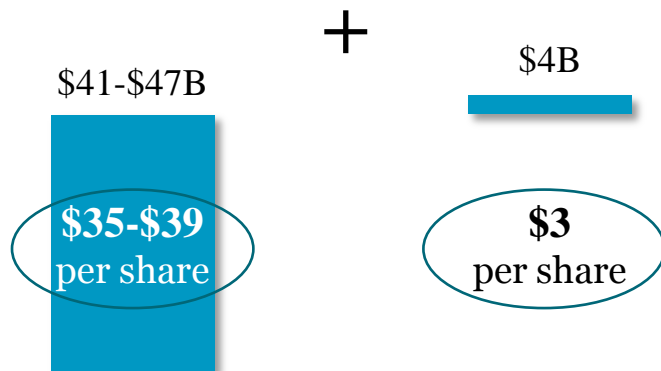
Rising earnings power and quality should command higher valuation

Target FRE

Balance Sheet

\$4B
net balance sheet

✓ Balance sheet valued at least at par



Rising earnings power and quality should command higher valuation

Target FRE

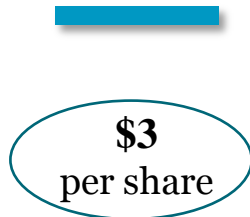
\$41-\$47B



+

Balance Sheet

\$4B



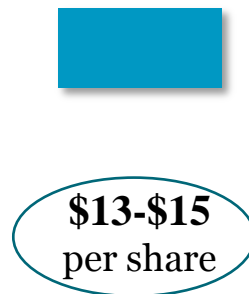
+

Performance Related

\$15-\$18B

DCF

\$15-\$18B



- ✓ DCF assumes discount to historical investment performance
- ✓ Future new growth initiatives / M&A not incorporated
- ✓ Consistency of performance over 30 years and through cycles supportive of mid-teens discount rate

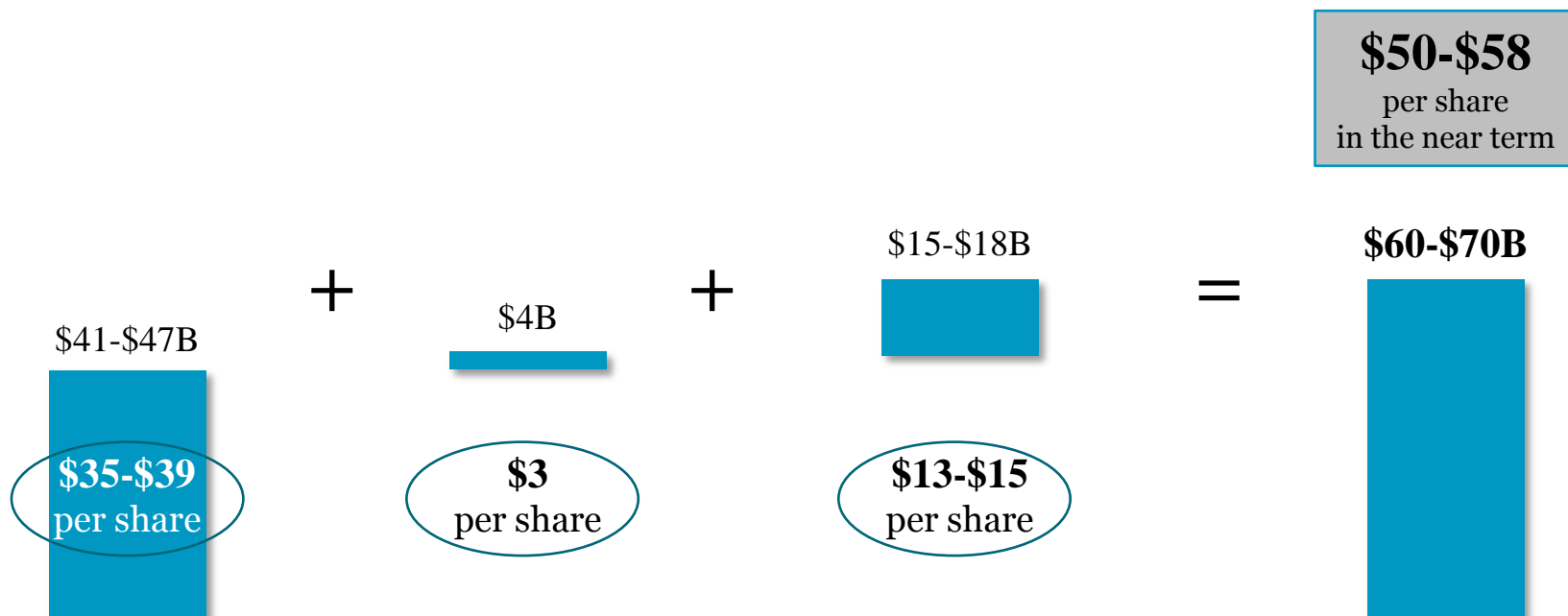
Rising earnings power and quality should command higher valuation

Target FRE

Balance Sheet

Performance Related

What's It All Worth?



Today's key messages

- ✓ The power of Blackstone's model drives extraordinary financial performance
- ✓ We expect acceleration of growth, concentrated in the highest quality earnings
- ✓ The potential for outsized shareholder returns is significant

Real Estate

Kathleen McCarthy
Global Co-Head, Real Estate

Blackstone

The world's preeminent global real estate business

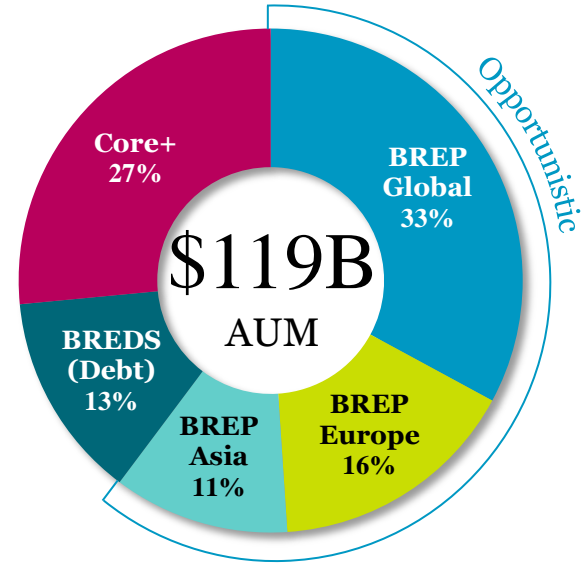
Performance Drives Business

16%
opportunistic net IRR

12%
core+ net IRR

11%
high-yield debt net IRR

Diversified Business Provides a Unique Perspective on Global Real Estate



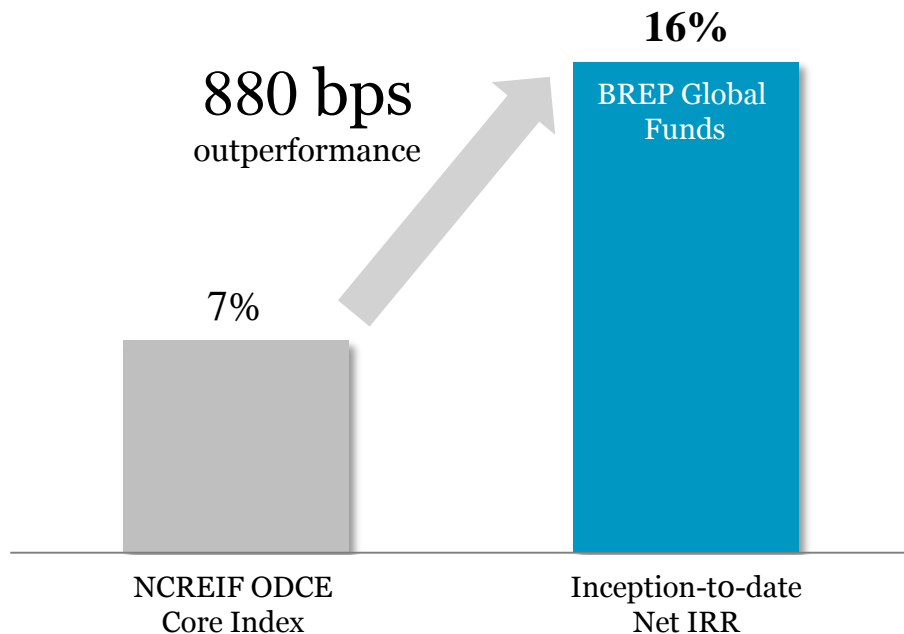
Strong performance across opportunistic funds over 27 years

BREP Performance Summary

Fund	Investment Period	Invested Capital (\$/€ M)	Net IRR
Pre-BREP	'91-'93	\$141	33%
BREP I	'94-'96	\$467	40%
Co-Investment	'95-Present	\$6,746	16%
BREP II	'96-'99	\$1,219	19%
BREP III	'99-'03	\$1,415	21%
BREP Intl	'01-'05	€658	23%
BREP IV	'03-'05	\$2,737	12%
BREP V	'05-'07	\$5,771	11%
BREP Intl II	'05-'08	€1,401	8%
BREP VI	'07-'11	\$10,959	13%
BREP Europe III	'08-'13	€2,938	16%
BREP VII	'11-'15	\$15,004	18%
BREP Asia I	'13-'17	\$4,489	16%
BREP Europe IV	'13-'16	€6,372	18%
BREP VIII	'15-Present	\$10,699	17%
BREP Europe V	'16-Present	€3,495	19%
Total		\$78,200M	16%

Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses. All BREP opportunistic funds shown above, except Asia II. Given short duration and limited activity since launch, Asia II net IRR is not yet meaningful, however it is included in total invested capital. BREP Intl II's net IRR excludes investors that opted out of the Hilton investment opportunity. See important disclosures at the front of this presentation for additional information, including detail about BREP Intl II and total BREP performance shown above.

BREP has consistently delivered outsized returns



BREP Highlights

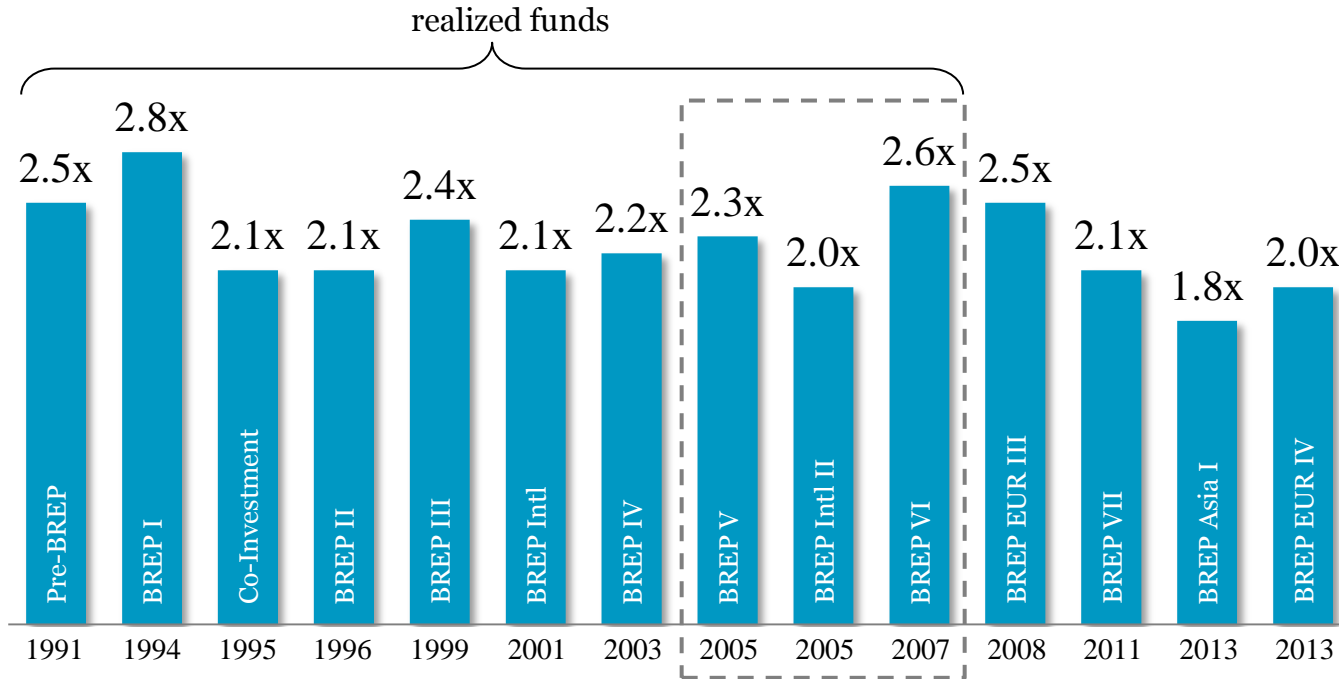
\$78B
invested capital

\$149B
realized / unrealized
value

1%
realized losses

Remarkable performance across time and geographies

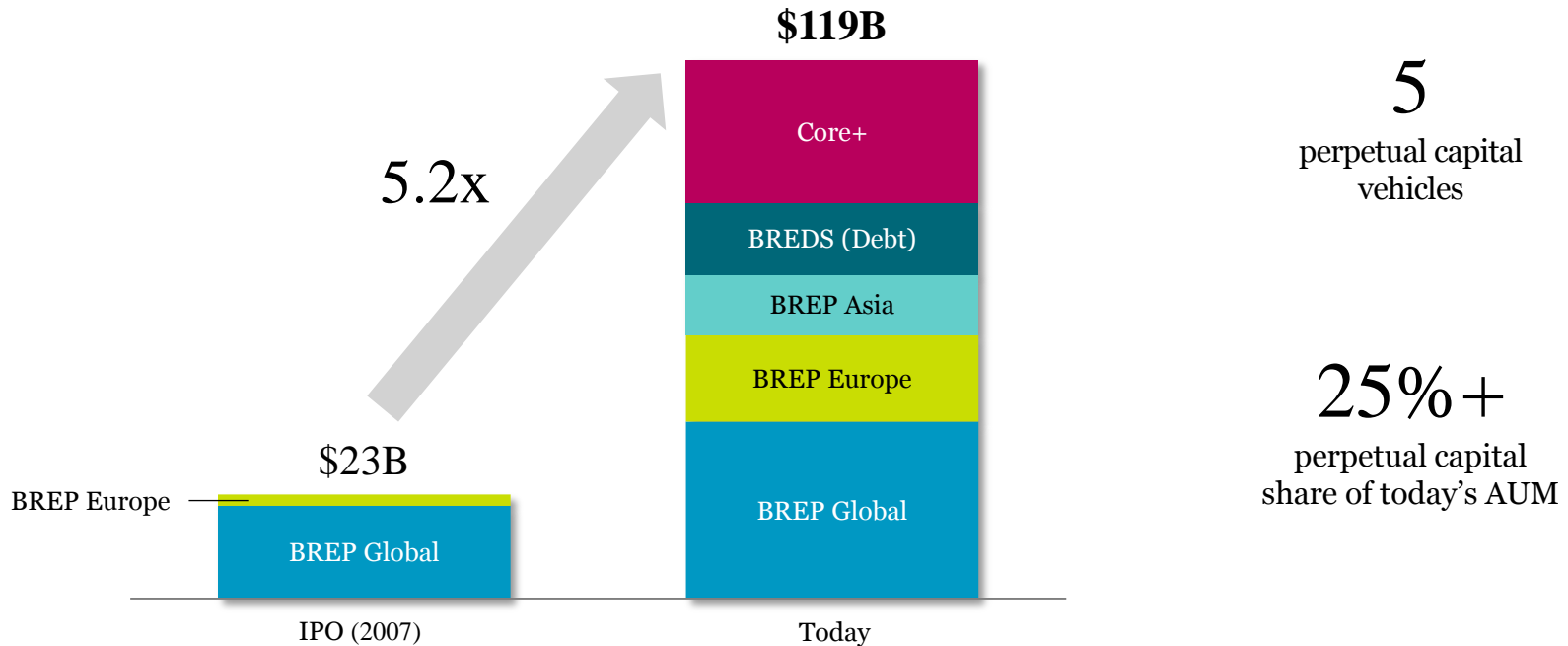
Realized Gross MOICs



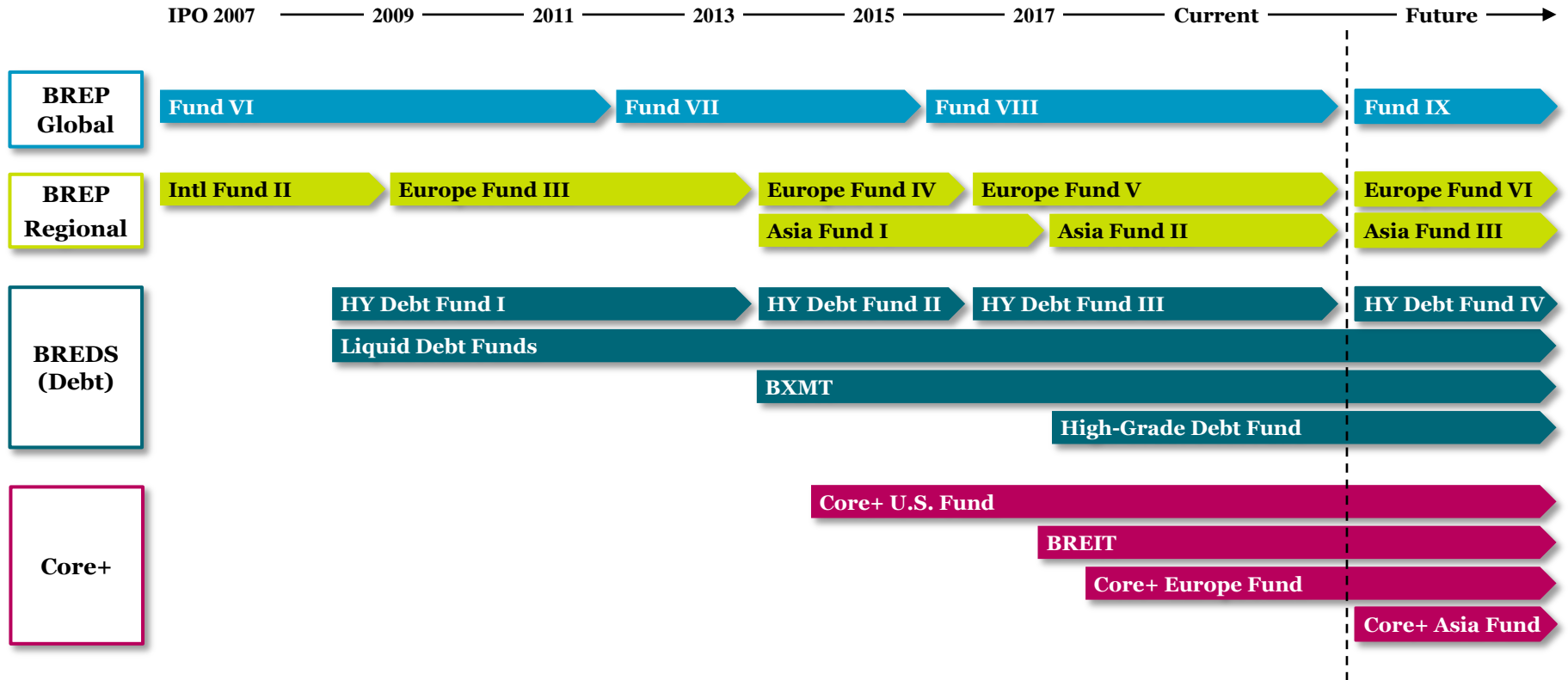
Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses. Includes funds whose investment periods have ended. Total net MOIC for funds above is 1.7x and for each fund, respectively: 2.1x, 2.4x, 1.9x, 1.8x, 2.0x, 1.8x, 1.5x, 2.0x, 1.8x, 2.1x, 1.8x, 1.7x, 1.4x and 1.6x. Net MOICs include realized and unrealized values. Realized funds means >90% realized. See important disclosures at the front of this presentation for additional information, including detail about co-investment and performance.

Our business today is far more diversified than at the IPO

Real Estate AUM



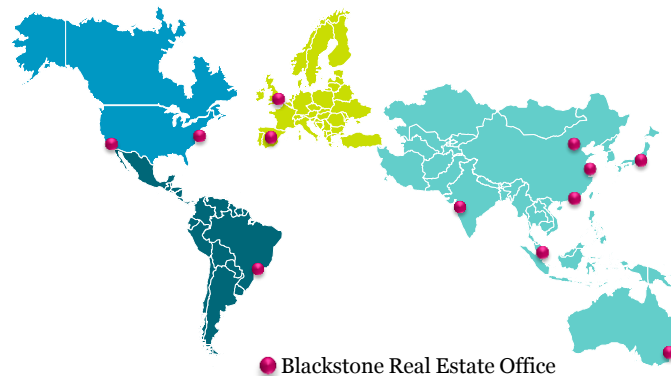
Business expansion while leveraging economies of scale



Foundation of success: one globally integrated business

✓ **Continuity**
In approach, people and process

Global Footprint



473

professionals

27

partners average 12 years
at Blackstone

41%

partners with experience
across geographies

1

global investment
committee

Foundation of success: one globally integrated business

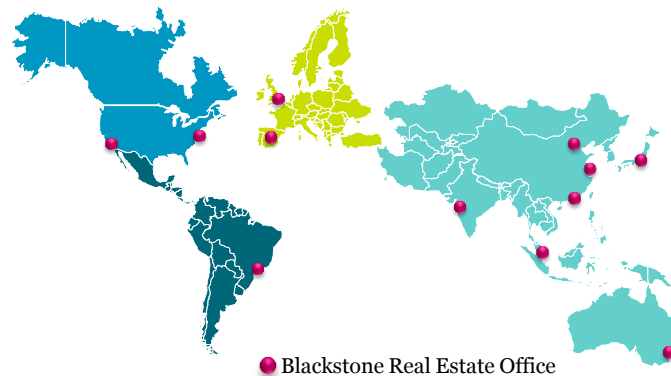
✓ **Continuity**

In approach, people and process

✓ **Scale**

In information, relationships and capital

Global Footprint



473

professionals

27

partners average 12 years
at Blackstone

41%

partners with experience
across geographies

1

global investment
committee

Foundation of success: one globally integrated business

✓ **Continuity**

In approach, people and process

✓ **Scale**

In information, relationships and capital

Scale Across Products

- ✓ Largest global opportunistic real estate fund
- ✓ Largest European opportunistic real estate fund
- ✓ Largest Asian opportunistic real estate fund
- ✓ Largest U.S. core+ real estate fund
- ✓ Largest non-listed REIT actively fundraising
- ✓ Largest real estate mezzanine fund
- ✓ Largest pure-play commercial mortgage REIT
- ✓ Major CMBS investor

Foundation of success: one globally integrated business

✓ **Continuity**

In approach, people and process

✓ **Scale**

In information, relationships and capital

Recent Major Acquisitions

(Total Transaction Value)

 GE Capital	\$23B
 BANCO POPULAR	\$13B
 BioMed Realty	\$9B
 GPT	\$8B
 STRATEGIC <i>Hotels & Resorts</i>	\$6B
 STUYTOWN <small>STUYVESANT TOWN PETER COOPER VILLAGE</small>	\$5B
 SPONDA	\$5B

All figures as of acquisition, unless otherwise indicated. Gramercy Property Trust is currently under contract. There can be no assurance that committed but not yet closed transactions will close as expected or at all. Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses. See important disclosures at the front of this presentation for additional information, including detail about fund-level performance.

Foundation of success: one globally integrated business

✓ **Continuity**

In approach, people and process

✓ **Scale**

In information, relationships and capital

✓ **Value Creation**

Hands-on asset management initiatives drive value in any market

Value Creation Examples



Foundation of success: one globally integrated business

Global Investment Themes

✓ **Continuity**

In approach, people and process

✓ **Scale**

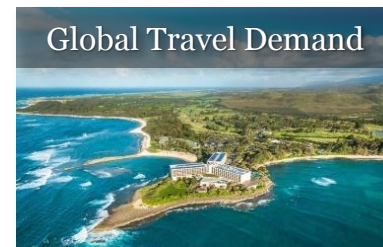
In information, relationships and capital

✓ **Value Creation**

Hands-on asset management initiatives drive value in any market

✓ **Conviction**

Through thematic investing in growth-oriented sectors and geographies



What do our investors ask us?

- Is it too late in the cycle to find value?
- What is the impact of rising interest rates on real estate?

Our business begins and ends with investment performance

Performance

16%

opportunistic
net IRR

Fundraising

\$90B

AUM inflows
since 1Q'14

Deployment

\$66B

capital invested
since 1Q'14

Realizations

\$89B

realized proceeds
since 1Q'14

Corporate Private Equity

Joe Baratta

Global Head, Private Equity

Blackstone

Blackstone Corporate Private Equity: A unique and differentiated platform

Large Diversified Global Portfolio

97

companies

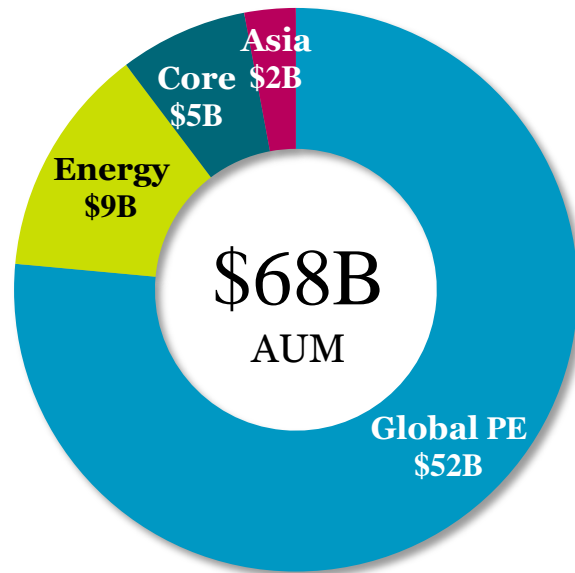
\$50B

equity value

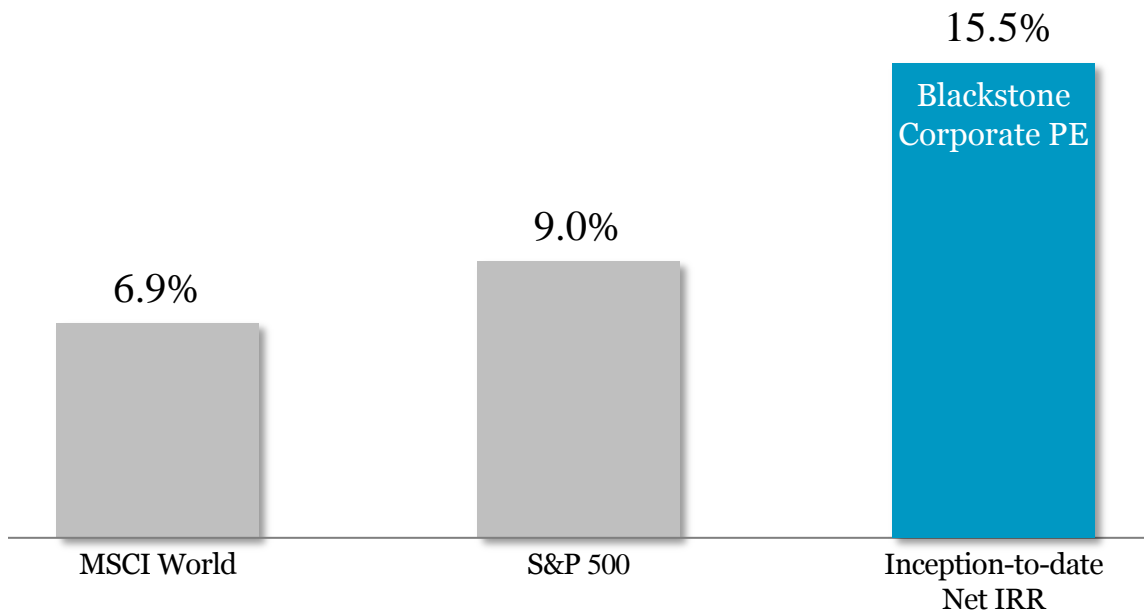
>450k

employees globally

One Integrated Team Managing Complementary Funds



Superior net returns for over thirty years

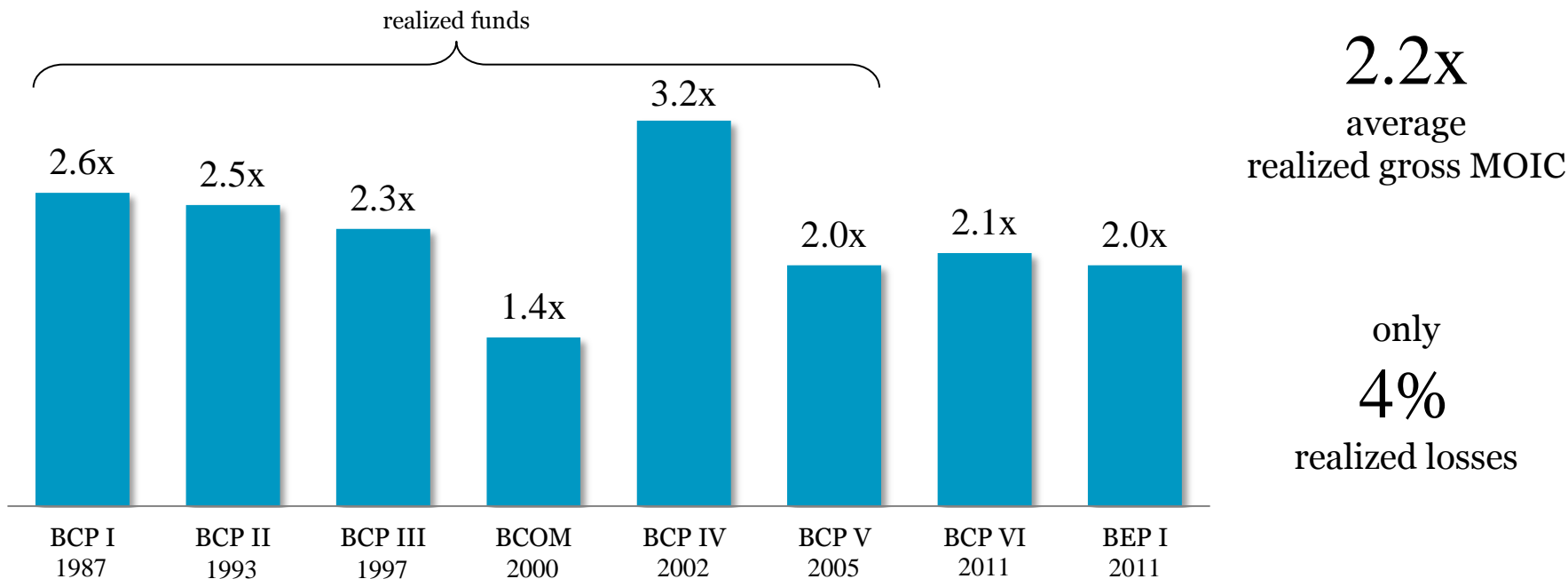


\$67B
invested / committed
since inception

\$124B
realized /
unrealized value

Consistent, strong performance across cycles

Realized Gross MOICs by Fund



Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses. Only funds whose investment periods have ended are shown. Total net MOIC (which includes realized and unrealized value) is 1.8x on a combined basis and for each fund, respectively: 1.9x, 2.1x, 1.9x, 1.2x, 2.5x, 1.7x, 1.6x, and 1.6x. "Realized funds" means >than 90% realized. Realized losses shown are a % of total value, including FX and partnership expenses. See important disclosures at the front of this presentation.

What differentiates us?

BCP VII

Scale and reputation

- ✓ *Leading origination platform = unique investment opportunities*
- ✓ *Excellent corporate stewards*
- ✓ *Reliable counterparty for large equity commitments*



deals requiring >\$1B total equity



bilateral / non-auction transactions



primary deals



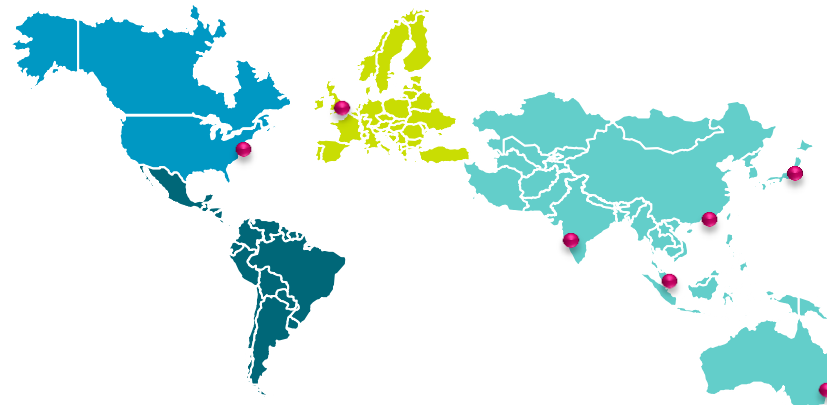
What differentiates us?

Scale and reputation

Global organization, integrated team

- ✓ *Market insights and local knowledge*
- ✓ *Partner of choice for global businesses*
- ✓ *High standards, strong culture, consistency in diligence and risk mitigation*

Global Footprint



180
professionals

~50%
of professionals outside U.S.

37%
portfolio companies
outside U.S.

1
global investment
committee

What differentiates us?

Scale and reputation

Global organization, integrated team

Operating intervention drives returns

- ✓ *Specific intervention plan for each investment*
- ✓ *Global and consistent deployment of resources*

\$1.2B

portfolio savings from
global procurement group

\$750M

savings from healthcare group

183bps

BCP VII margin improvement

World-class Portfolio Operations organization drives value creation

36

BX professionals

~35

advisors and sector advisors

\$600M

2017 EBITDA savings

We deploy fit-for-purpose operating executives working with CEOs



Supported by functional experts and strategic support groups

Leadership

Procurement

Healthcare

Operations &
maintenance

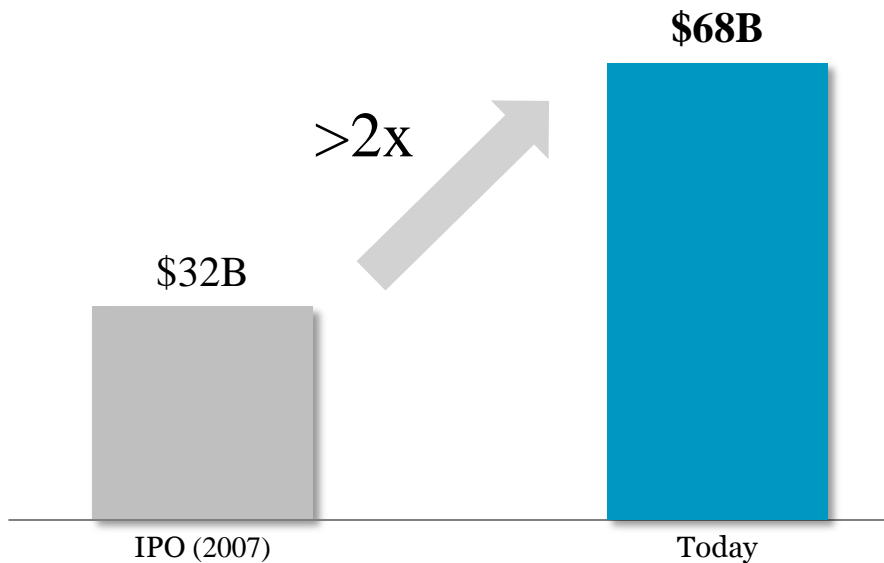
Lean
transformation

Enterprise
systems

Data
science

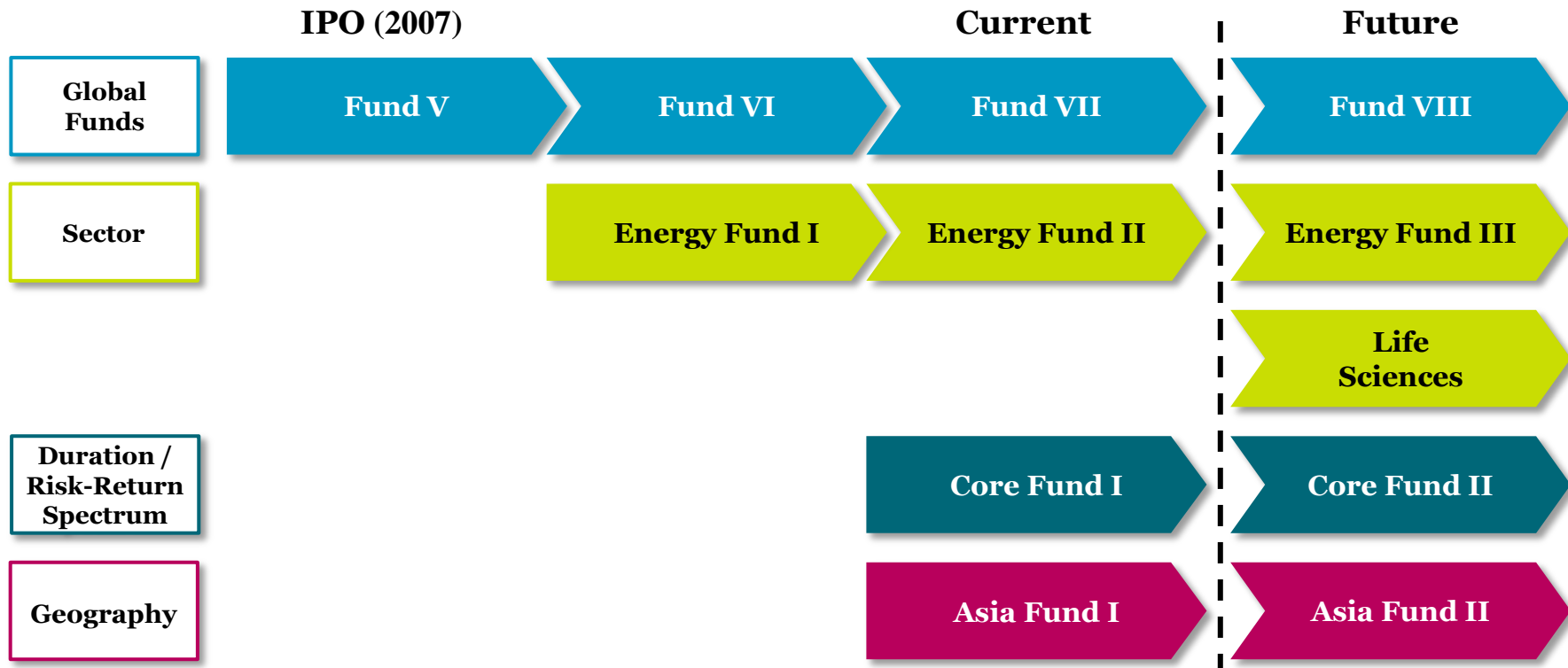
Innovation drives platform expansion and fuels AUM growth

Corporate PE AUM



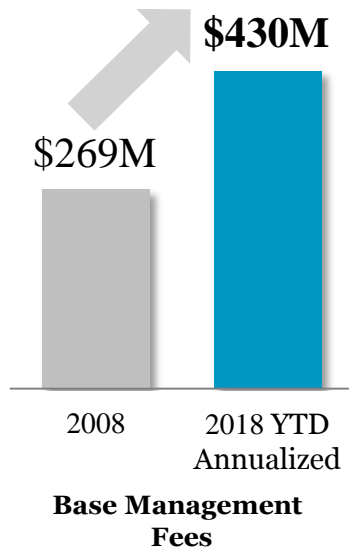
- ✓ Pioneer in long-dated fund structure with \$5B Core fund
- ✓ Flagship BCP fund AUM up \$22B
- ✓ Energy-specific funds add \$9B of AUM

As existing strategies scale, several new strategies on the horizon

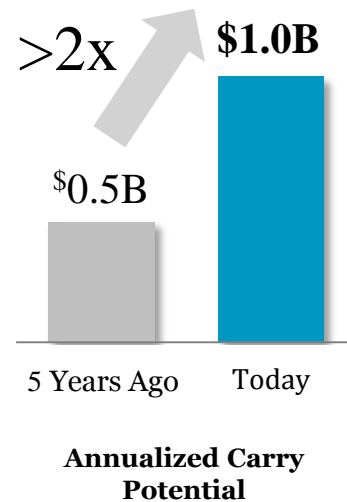
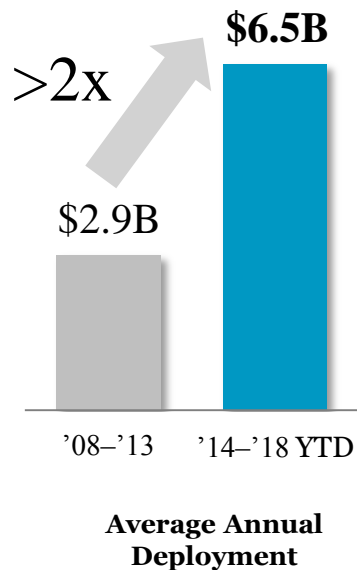


Highly scalable franchise with attractive economic profile

AUM growth drives higher recurring fee revenues...



...and supports greater capital deployment, creating the basis for future performance revenues



Total capital deployed is greater than performance revenue generating capital deployed. 2018 includes committed capital not deployed. Carry potential is hypothetical and illustrative only. Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses. See important disclosures at the front of this presentation for additional information, including detail regarding capital deployment and the assumptions underlying hypothetical carry potential.

What do our investors ask us?

- How do you find attractive opportunities in this high priced market?
- Is there too much dry powder?
- Are you taking too much financial risk (leverage) to generate returns?

Credit

Dwight Scott
President, GSO

Blackstone

GSO: A leading corporate credit investment platform

Global Scale

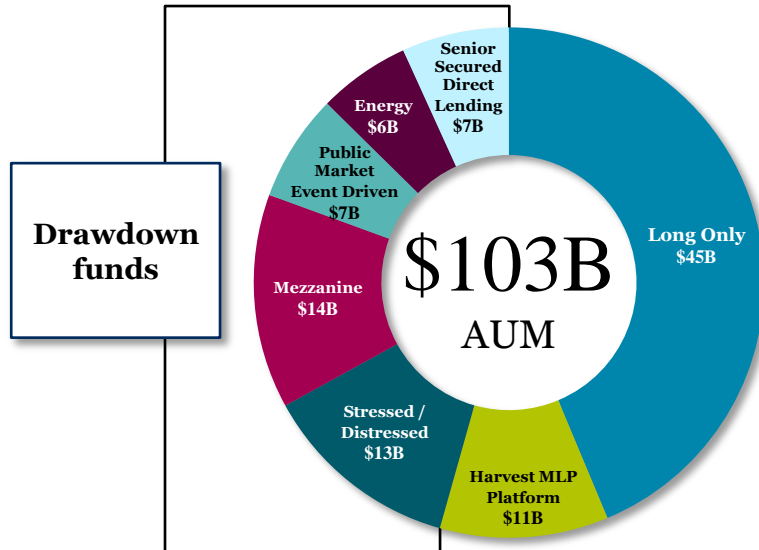
1,250+
issuers across portfolios

\$72B
LP capital currently invested

~350
employees globally

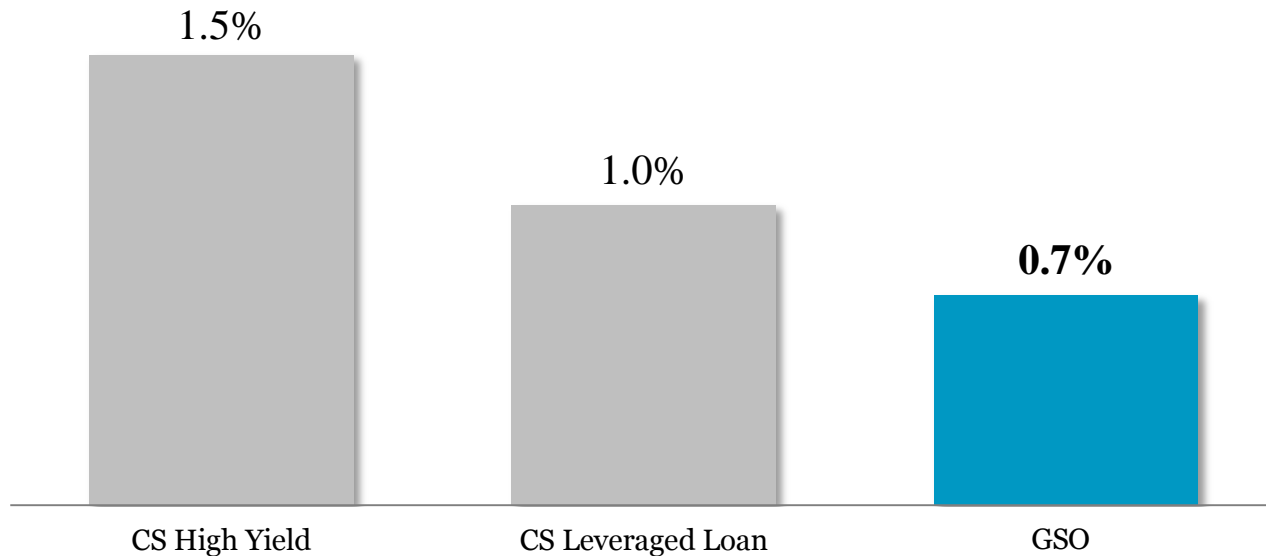
20+
years senior partners have worked together

Strategies Across Private and Public Credit Markets



Disciplined investment process has resulted in strong capital preservation

Principal Loss Rates Since Inception



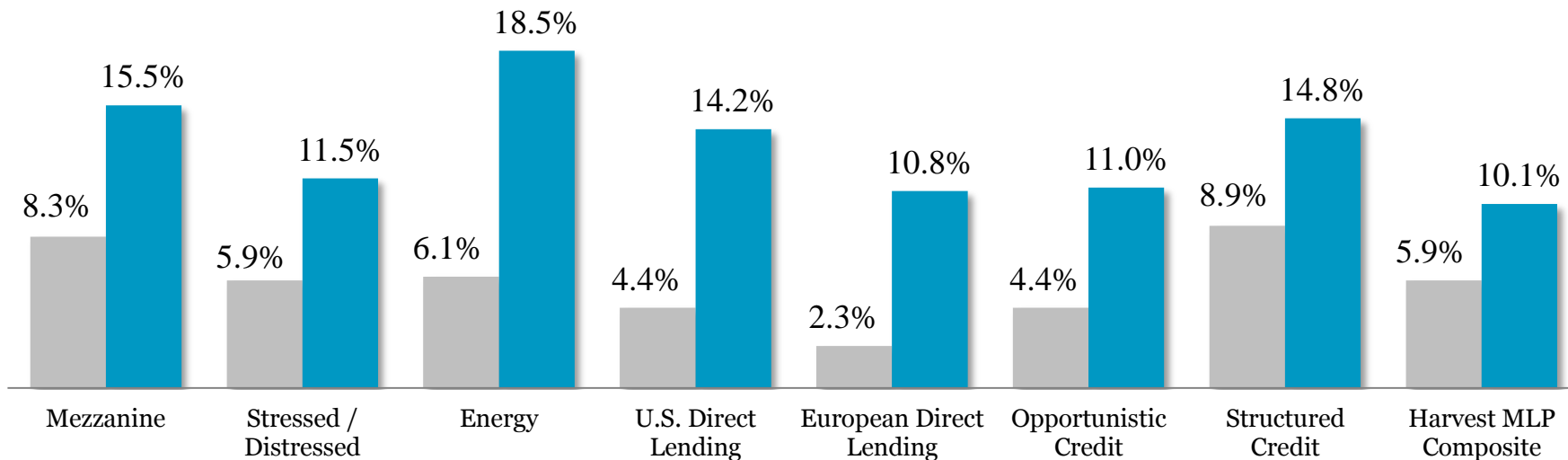
\$50B
AUM originated in
private debt-
oriented strategies
since 2007

0.7%
GSO principal
loss rate

Performance: Generating robust returns compared to indices

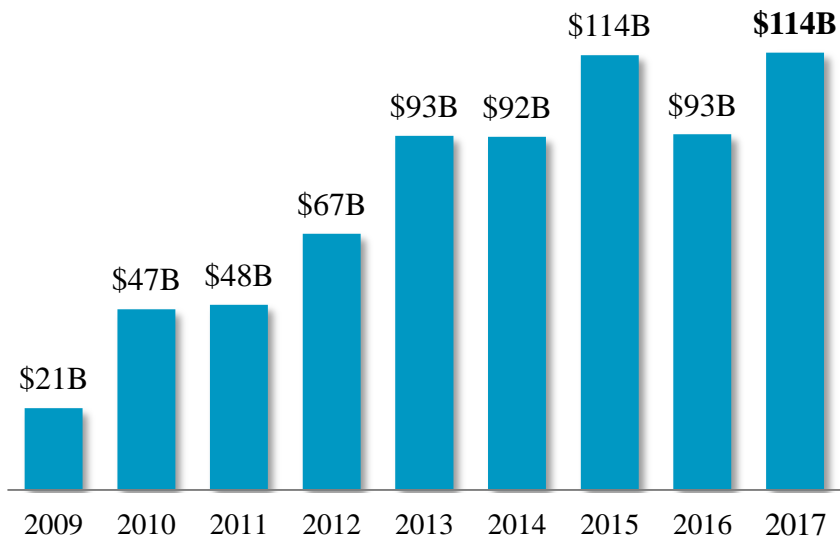
■ Market Indices

■ GSO ITD Net IRR

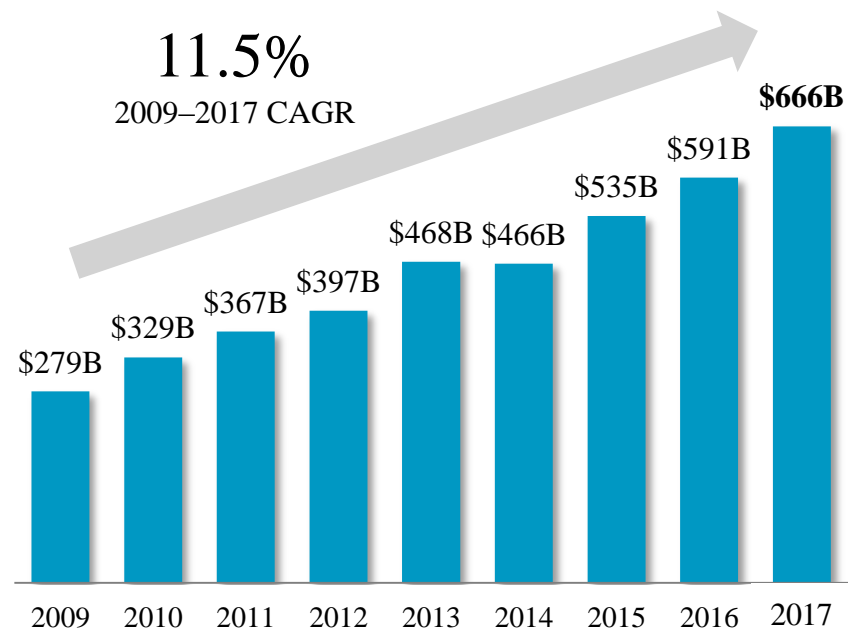


Alternative Credit has become its own asset class, fueling significant inflows

Capital Raised in Alternative Credit Strategies



Private Debt Assets Under Management



What differentiates us?

✓ **Scale**

Can source unique investments and commit capital in size



What differentiates us?

✓ **Scale**

Can source unique investments and commit capital in size

✓ **Brand**

Reputation for partnering with companies, boards and sponsors to solve problems



What differentiates us?

✓ **Scale**

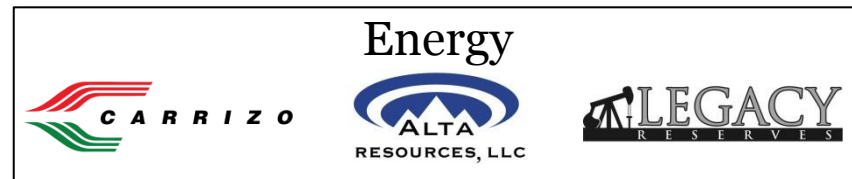
Can source unique investments and commit capital in size

✓ **Brand**

Reputation for partnering with companies, boards and sponsors to solve problems

✓ **Deep industry expertise**

Leverage industry themes



What differentiates us?

✓ **Scale**

Can source unique investments and commit capital in size

✓ **Brand**

Reputation for partnering with companies, boards and sponsors to solve problems

✓ **Deep industry expertise**

Leverage industry themes

✓ **Distinctive European franchise**



What differentiates us?

✓ **Scale**

Can source unique investments and commit capital in size

✓ **Brand**

Reputation for partnering with companies, boards and sponsors to solve problems

✓ **Deep industry expertise**

Leverage industry themes

✓ **Distinctive European franchise**

✓ **Differentiated capital**

BX / GSO advantage program in portfolio companies

100+

GSO portfolio companies participating in at least one advantage program

\$100M

annual savings creating over \$1B of enterprise value

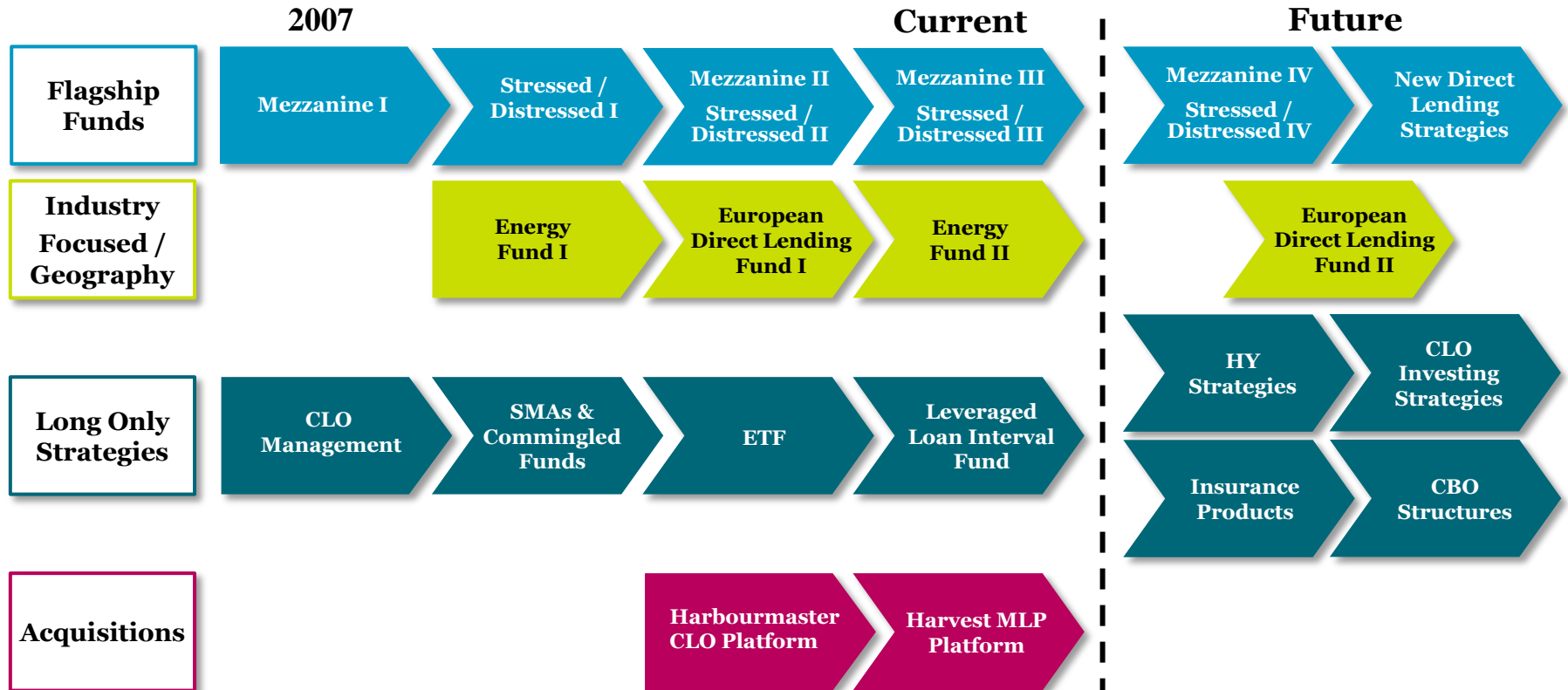
6.4%

average EBITDA increase

What do investors ask us?

- Are credit markets too frothy?
- Do rising interest rates negatively impact your business?

Strong performance and innovation have led to robust growth

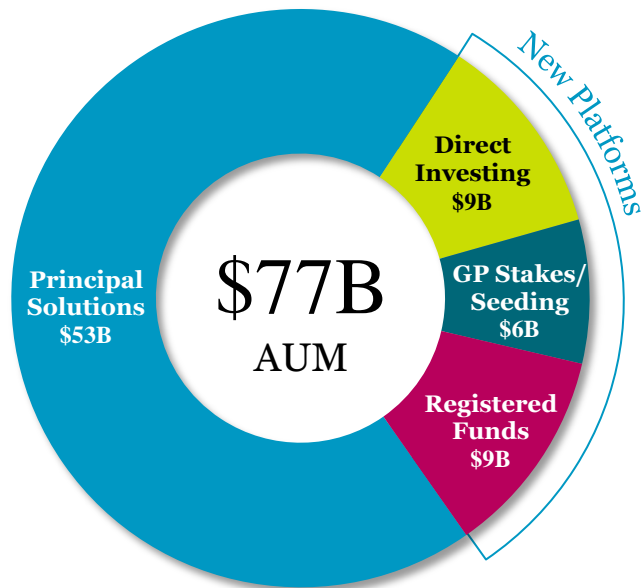


Hedge Fund Solutions

John McCormick
President and CEO, BAAM

Blackstone

Hedge Fund Solutions: Strong core business, rapid new platform growth

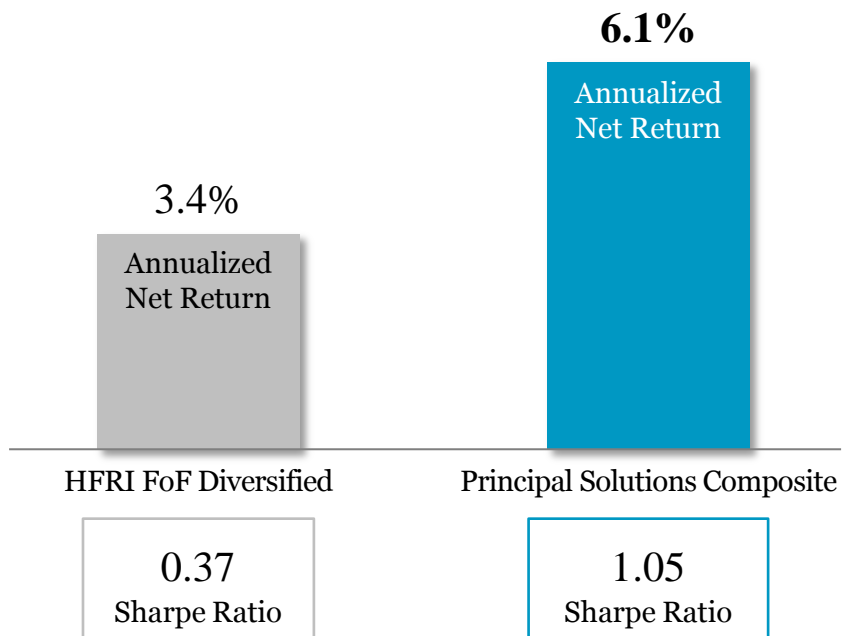


- ✓ Trusted partnerships with leading global institutions
- ✓ Long track record of industry outperformance
- ✓ 30% 5-year CAGR in “new platforms”
- ✓ Longer-term capital base with increasingly attractive economics

Principal Solutions: Strong risk-adjusted net returns

Long-Term Performance

(2000–2018)



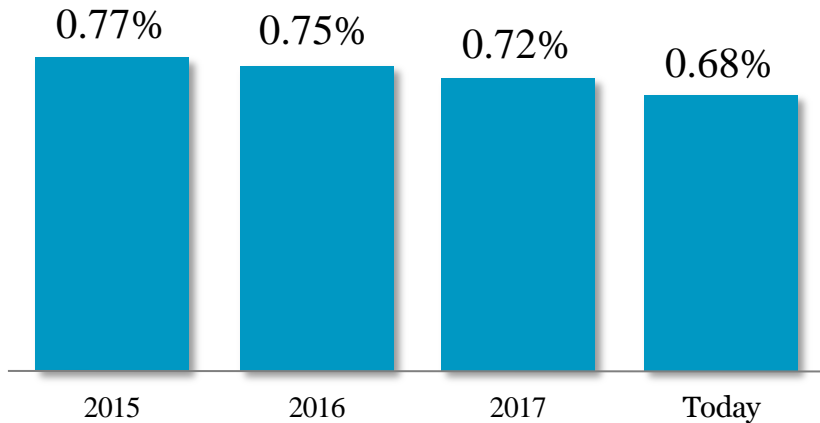
2.7%
annualized outperformance
vs. competition (2000–2018)

79%
AUM in negotiated
structures / transactions

Management fees have declined in Principal Solutions...

Principal Solutions

Effective Management Fees



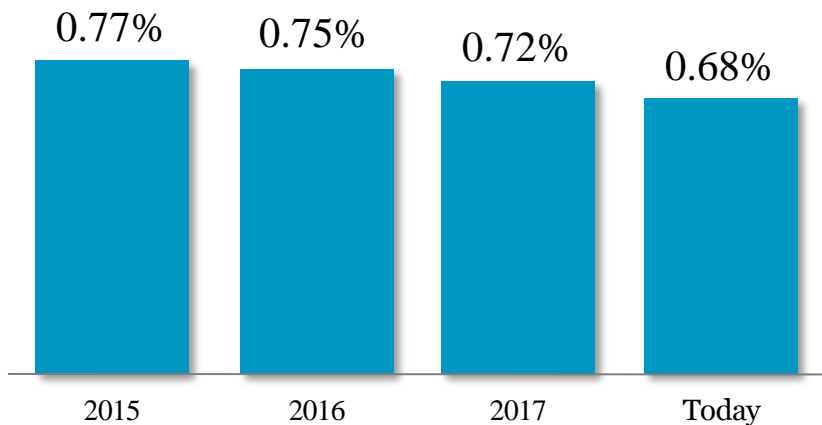
Key Drivers

- ✓ Largest clients adding capital at lower fees
- ✓ New market segments
- ✓ Emphasis on performance fees

...Higher management fees in higher-growth new platforms...

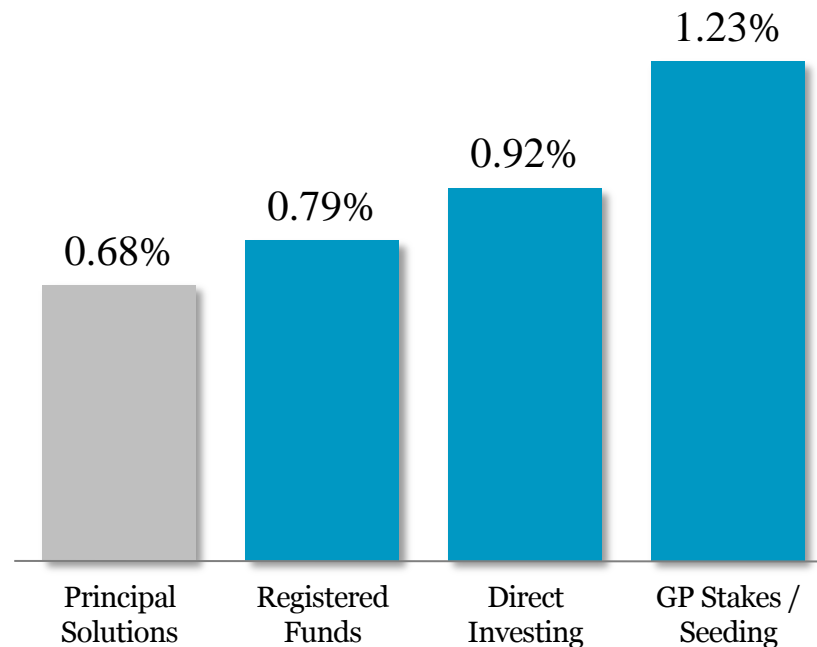
Principal Solutions

Effective Management Fees



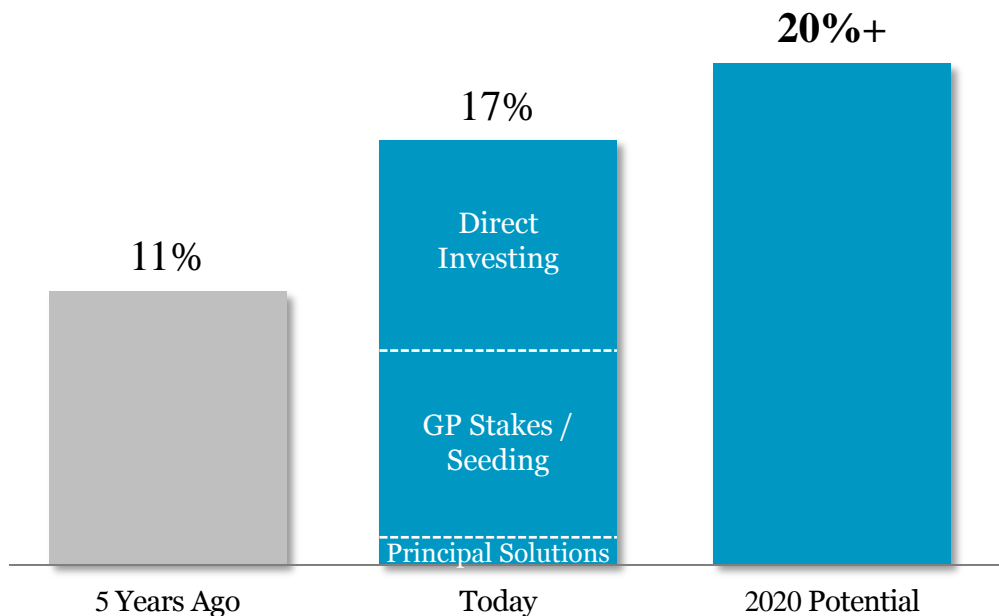
New Platforms

Effective Management Fees



...New platforms also attract longer-term capital

Longer-Term Capital AUM in Less Liquid Structures



3.5 years
average duration in
Direct Investing trades

6 years
average duration of
Seeding capital

Perpetual
duration of GP Stakes capital

GP Stakes / Seeding: Longer-term capital, strong performance

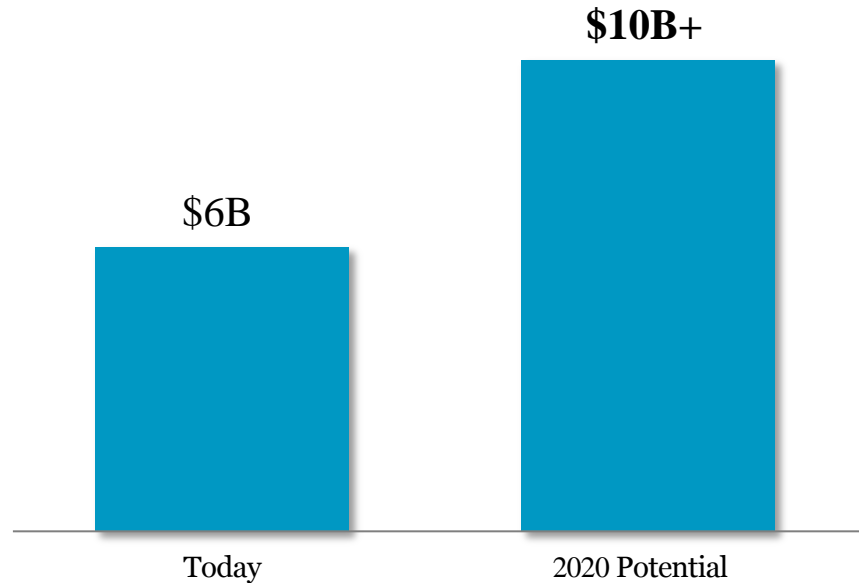
GP Stakes

\$3.3B
commitments to Fund I

11.1%
net cash yield during
deployment period

GP Stakes / Seeding

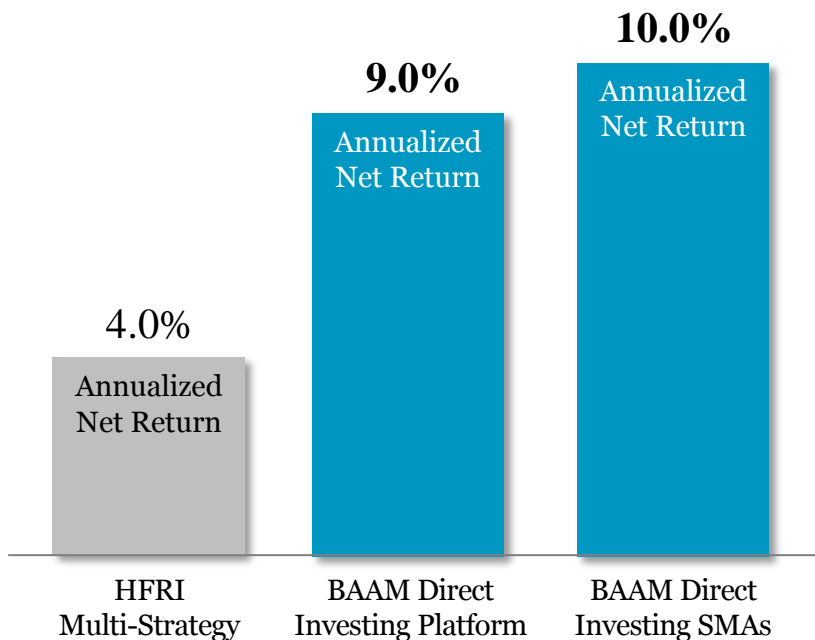
Invested / Committed Capital



Direct Investing: Leveraging competitive advantages

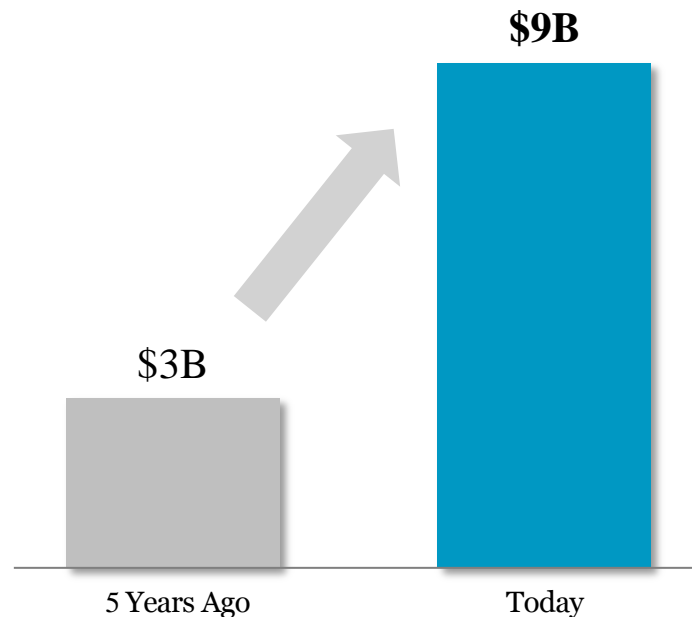
Strong Performance

(October 2016–June 2018)



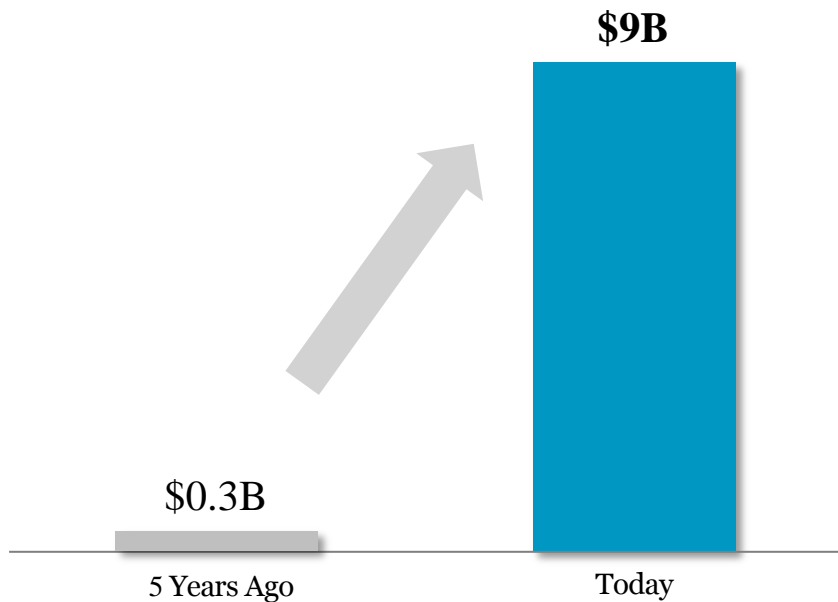
Strong Momentum

Invested / Committed Capital



Registered Funds: Meeting an industry need

Registered Funds AUM



- ✓ Strong retail demand
- ✓ 61 distribution partners
- ✓ Platform for other regulated markets
- ✓ Participation by leading managers

What differentiates us?

✓ **Network**

Position in hedge fund “ecosystem”

150+

hedge funds in regular dialogue

238

Direct Investing trades executed

28

hedge fund GP stakes and seeds

What differentiates us?

✓ **Network**

Position in hedge fund “ecosystem”

~2x

nearest competitor

✓ **Scale / BX**

Ability to create bespoke investment opportunities

10

recent Direct Investing
deals leveraging BX

5

private equity GP Stakes
deals leveraging BX

What differentiates us?

✓ **Network**

Position in hedge fund “ecosystem”

✓ **Scale / BX**

Ability to create bespoke investment opportunities

✓ **Innovation**

Strong LP and manager support for new strategies

\$24B

AUM in new platforms

68%

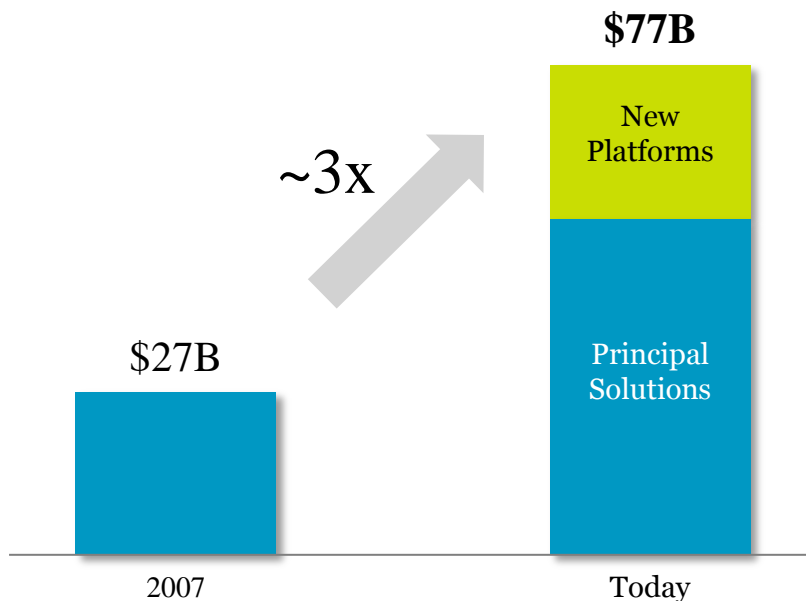
of 25 largest LPs invest in
multiple BAAM businesses

58

managers partner with
BAAM in new platforms

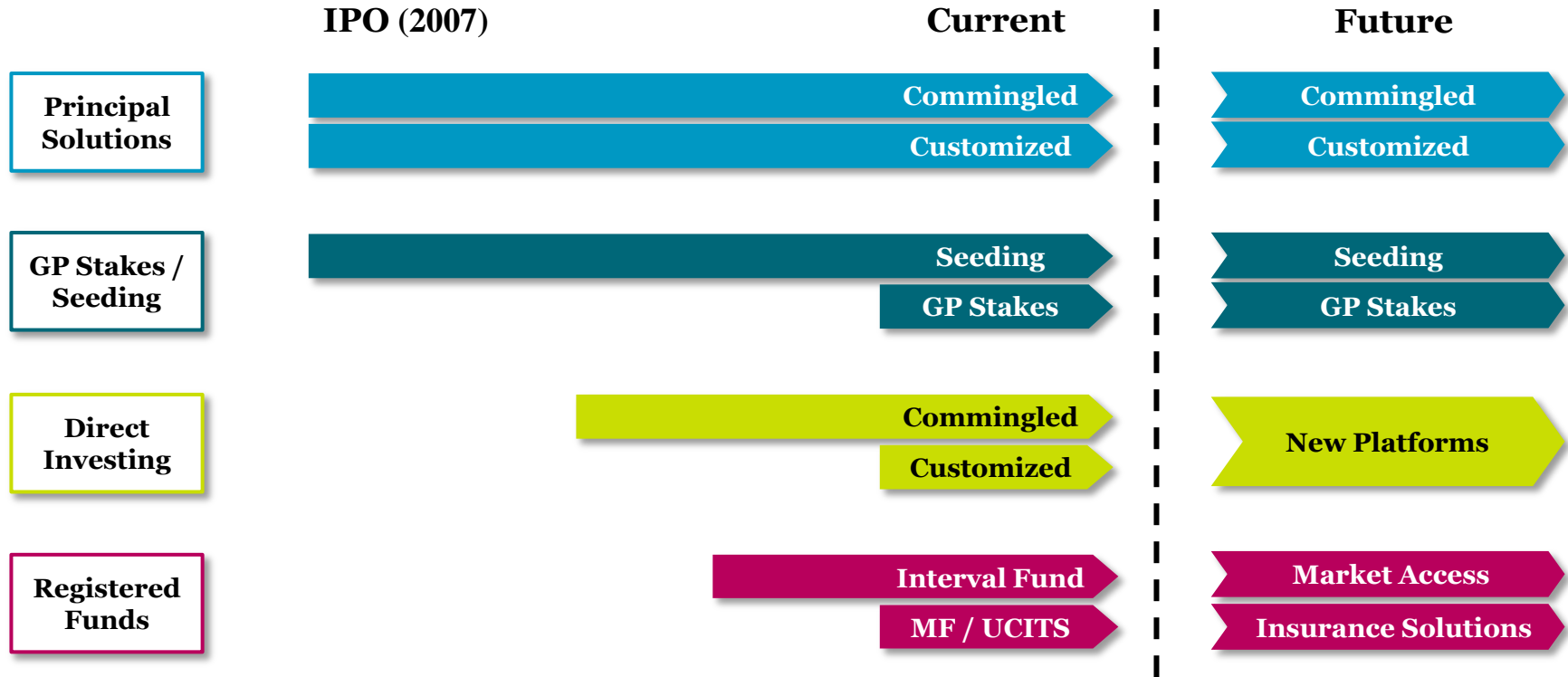
Innovation drives platform expansion and fuels AUM growth

Hedge Fund Solutions AUM



- ✓ “Moat” around Principal Solutions
- ✓ Strong momentum in new platforms
- ✓ Higher management fees in new platforms
- ✓ Longer-term capital

Innovation facilitates evolution of value proposition



What do investors ask us?

- *How can BAAM navigate hedge fund industry headwinds?*
 - ✓ Manufacture differentiated capacity
 - ✓ Use scale to strike fee deals with managers
 - ✓ Maintain high service levels / LP partnerships
 - ✓ Exploit technology to create products / efficiencies

What do investors ask us?

- *How can BAAM navigate hedge fund industry headwinds?*
 - ✓ Manufacture differentiated capacity
 - ✓ Use scale to strike fee deals with managers
 - ✓ Maintain high service levels / LP partnerships
 - ✓ Exploit technology to create products / efficiencies
- *How can BAAM achieve attractive rates of future growth?*
 - ✓ Achieve scale in existing “new platforms”
 - ✓ Expand new platforms into adjacent activities
 - ✓ Penetrate new client segments

Strategic Partners

Vern Perry
Global Co-Head, Strategic Partners

Blackstone

Strategic Partners: A highly differentiated secondary platform

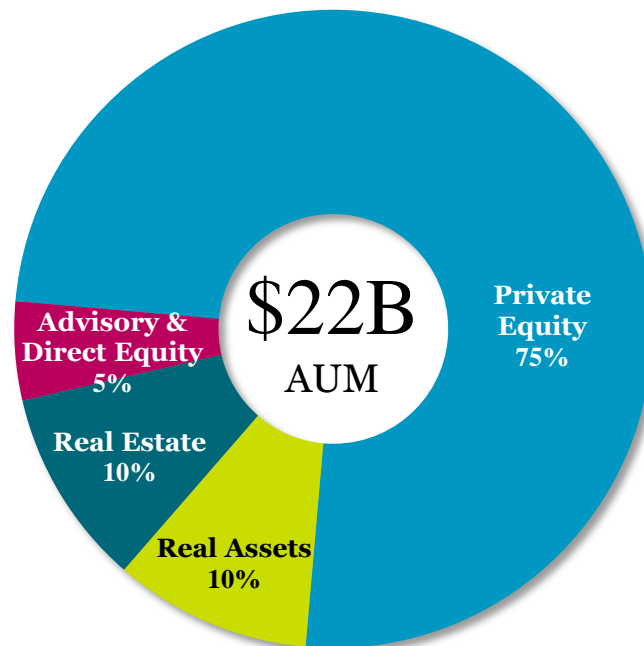
Large, Diversified Global Portfolio

1,100+
transactions since 2000

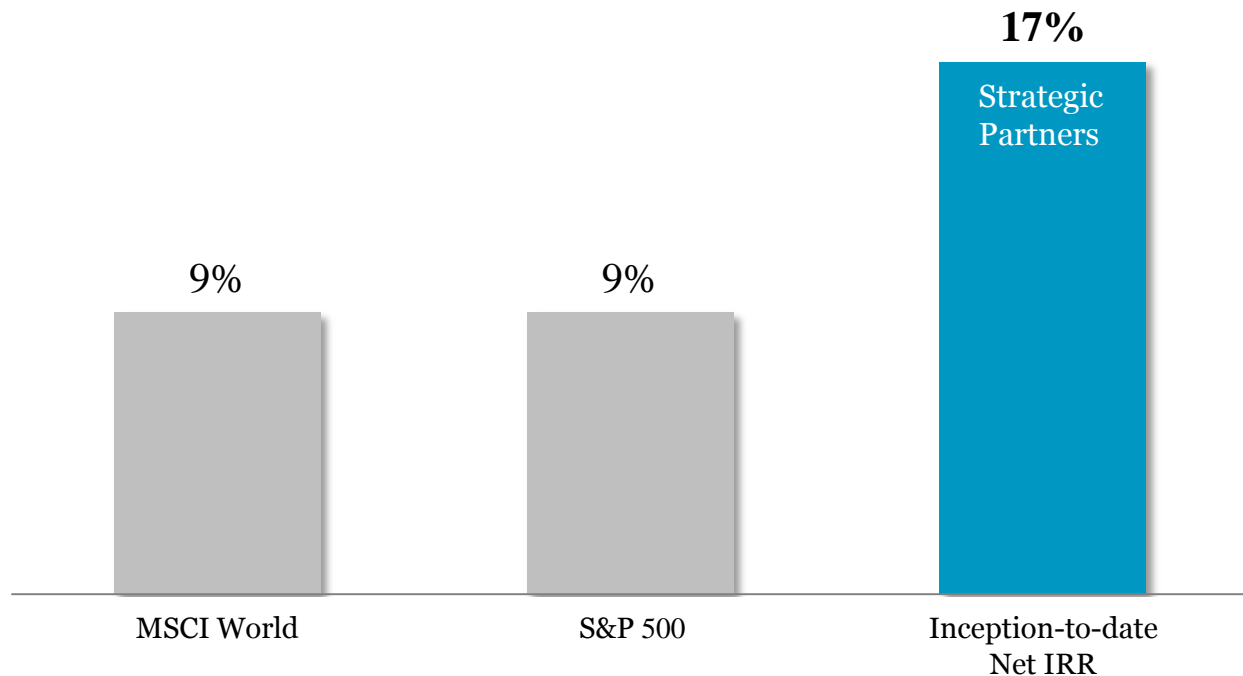
1,200+
manager relationships

3,400+
funds owned

Single, Integrated Platform



Strong risk-adjusted net returns for almost 20 years



\$25B
net exposure acquired
since inception

\$23M
average deal size

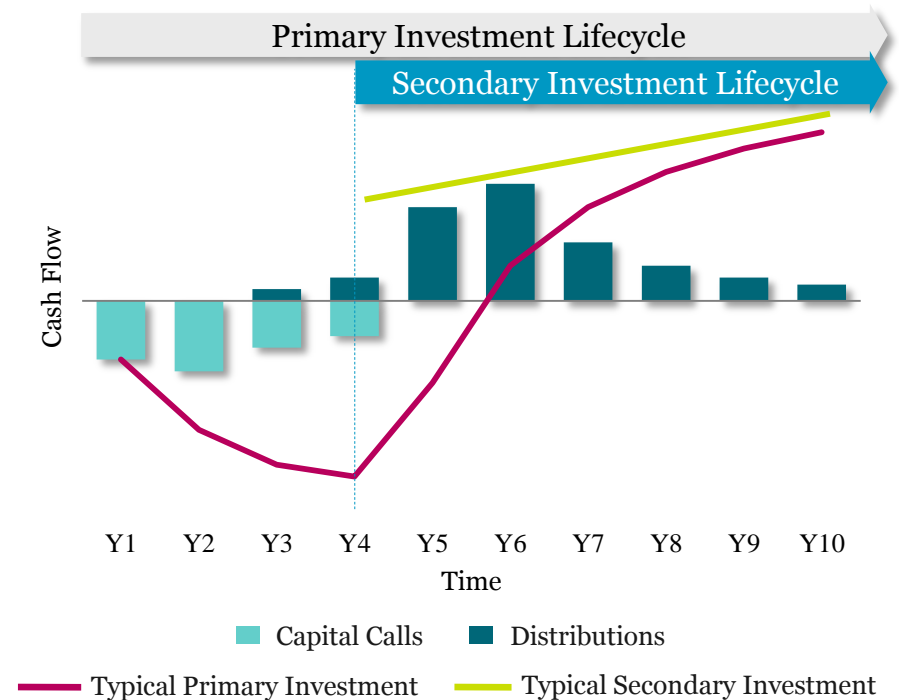
complete a deal every
4 days

Advantages of secondary investing

Typical Investment Characteristics

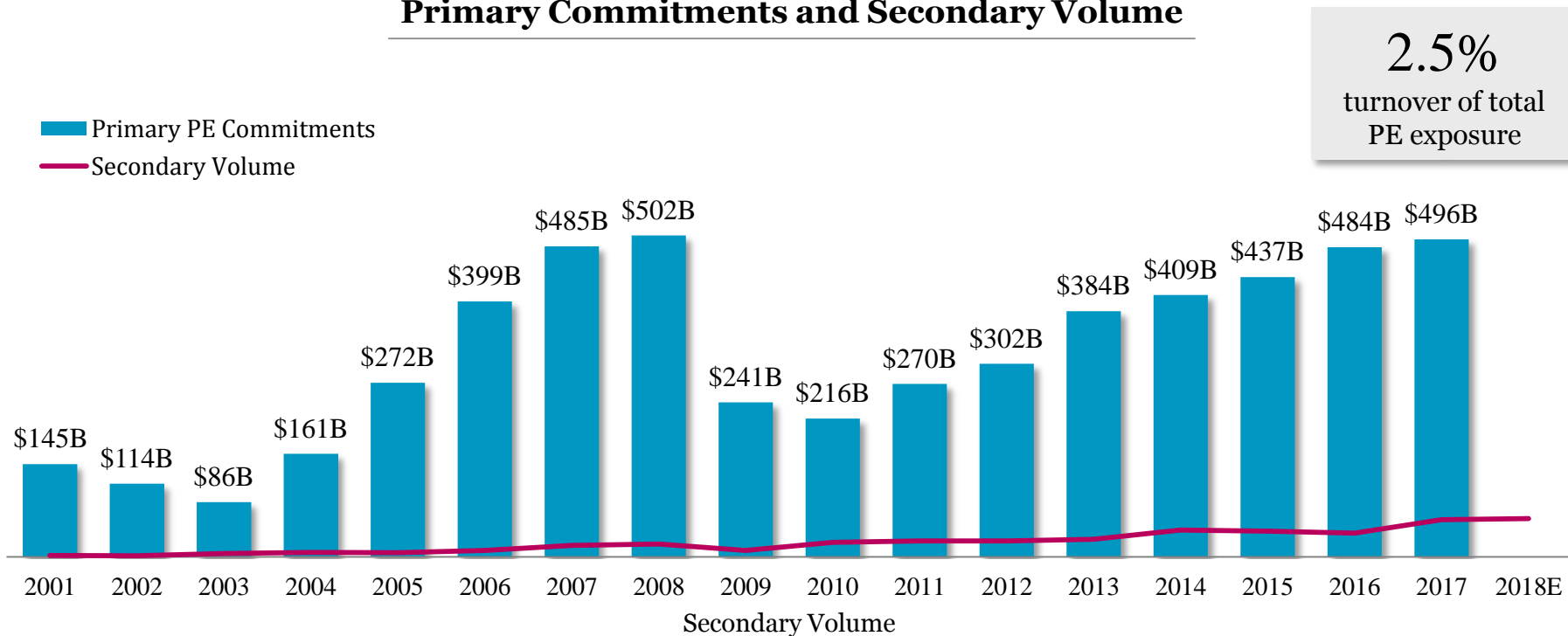
	Primary	Secondary
Assets Acquired	Blind pool	Identifiable assets
Year of Acquisition	At inception	4-10+
Cost Basis	Par	Usually discount to NAV
Return of Capital	Years 5-10	0-6
Diversification	Limited to fund's portfolio	Highly diversified

J-Curve Mitigation



High growth market driving substantial opportunities

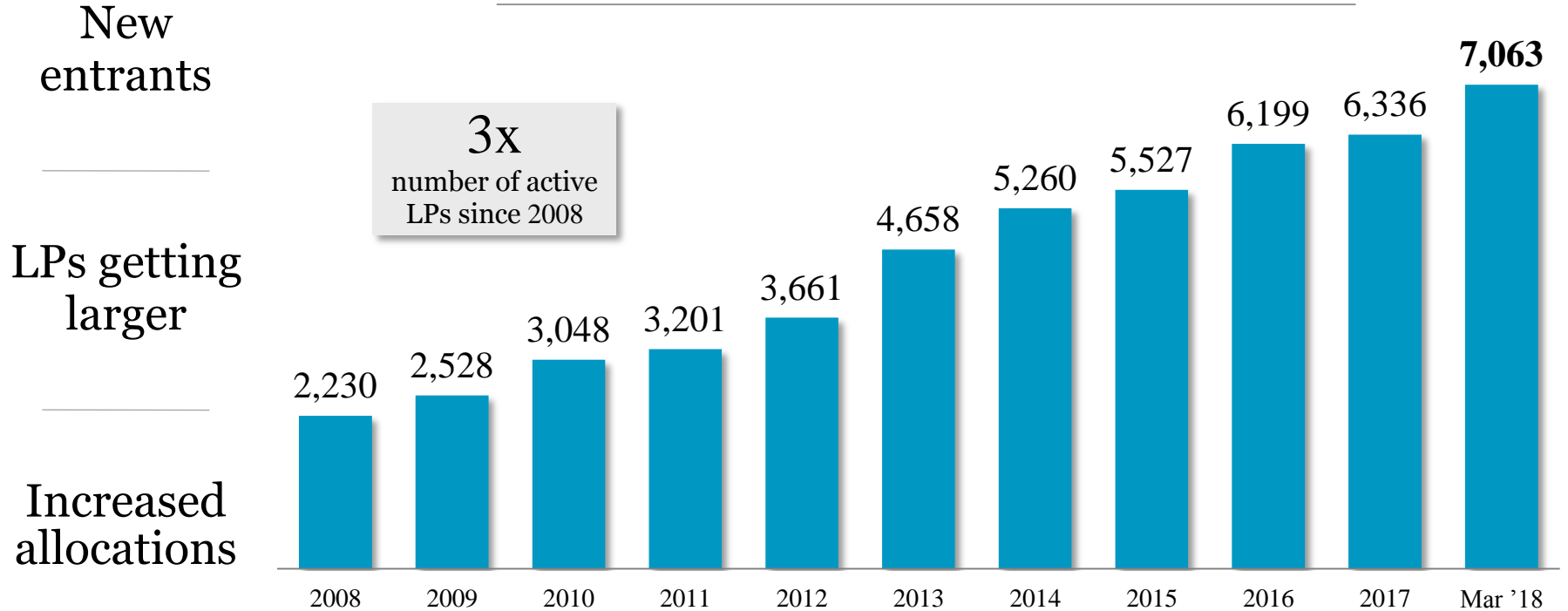
Primary Commitments and Secondary Volume



Sources: Primary commitment data, Preqin, January 2018, excludes real estate and real assets. Secondary volume, Greenhill, includes real estate and real assets, January 2018.

The LP universe continues to rapidly expand

Number of Active Private Equity Limited Partners



Seller motivations are dynamic and driven by a variety of factors

Active Portfolio Management & Concentration

- ✓ Strategic / opportunistic sales
- ✓ Consolidate GP relationships

Tail-End Funds / Fund of Funds

- ✓ Significant opportunity remaining in tail-end funds
- ✓ Capitalize on dissolving FoFs
- ✓ Complex, multi-asset deals

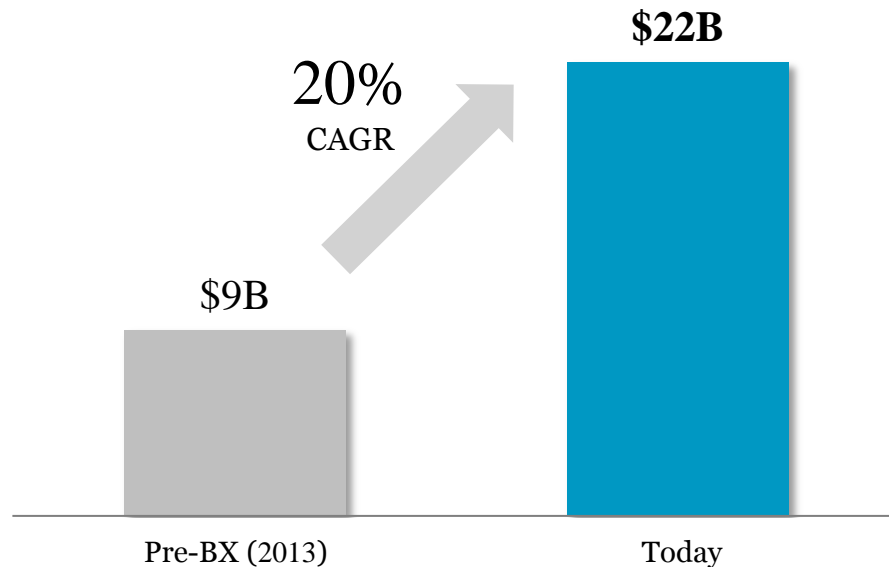
Frictional Displacement / Opportunistic Drivers

- ✓ Organizational change
- ✓ Regulatory change
- ✓ Distress

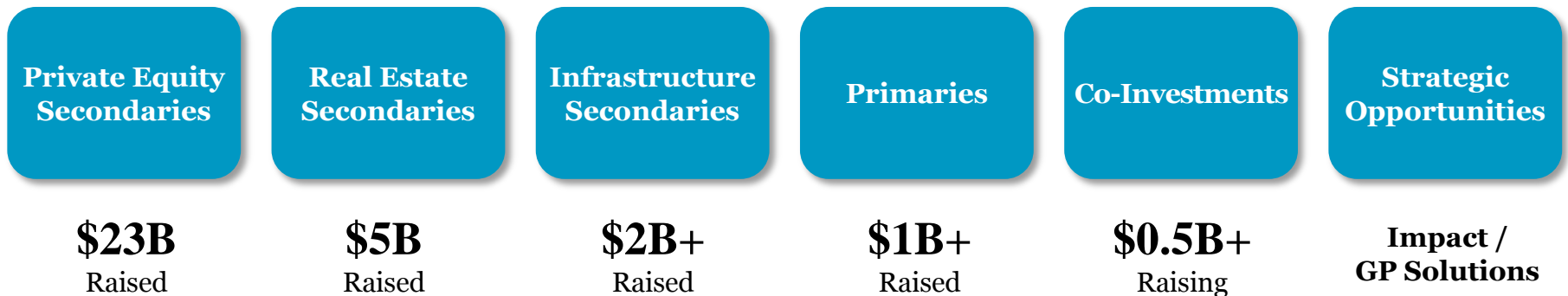
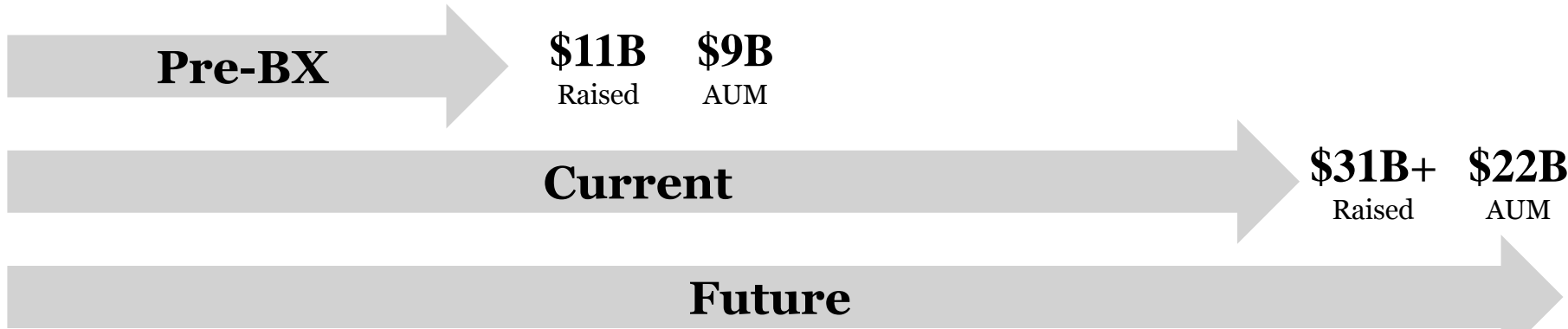
Key ingredients drive highly scalable platform and fuel AUM growth

- ✓ Franchise
- ✓ Sourcing
- ✓ Pricing & execution
- ✓ Performance

Strategic Partners AUM



As existing strategies scale, several new strategies on the horizon



Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses. See important disclosures at the front of this presentation for additional information.

Real Estate Core+

Ken Caplan
Global Co-Head, Real Estate

Blackstone

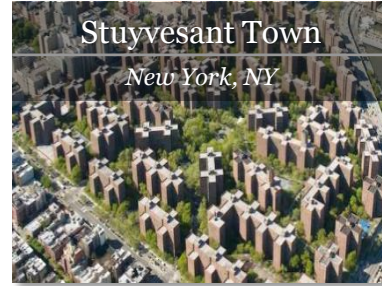
What is Real Estate Core+?



- ✓ High-quality, substantially stabilized properties
- ✓ Lower leverage
- ✓ Longer-term hold
- ✓ Perpetual capital vehicles

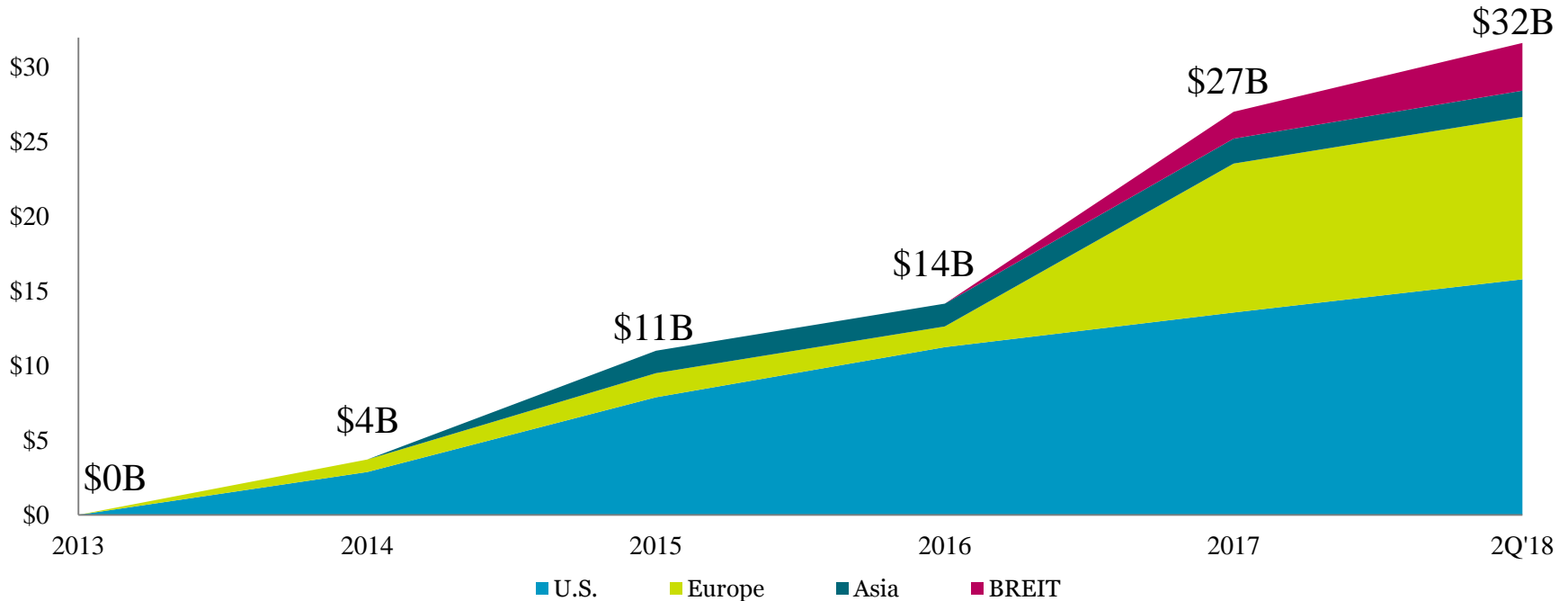
Strategy, scale and approach are highly differentiated

- ✓ Globally integrated business
- ✓ Same team and same process
- ✓ High conviction investing
- ✓ Execute on complexity in scale



~\$30B of perpetual capital in less than five years

Global Core+ AUM



Core+ AUM includes some non-perpetual capital, which totaled \$4.6B as of 2Q'18. 2013 represents 2Q'13.

Four perpetual capital vehicles with strong performance



Core+ U.S.

\$16B
AUM

11%
Net IRR



Core+ Europe

\$11B
AUM

12%
Net IRR



Core+ Asia

\$2B
AUM

12%
Net IRR



BREIT

\$3B
AUM

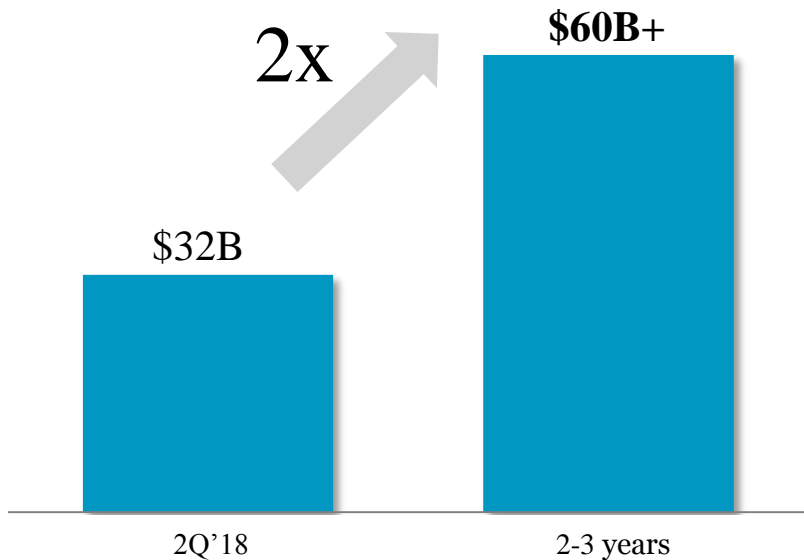
10%
Net Return

Optimal structure for continued growth

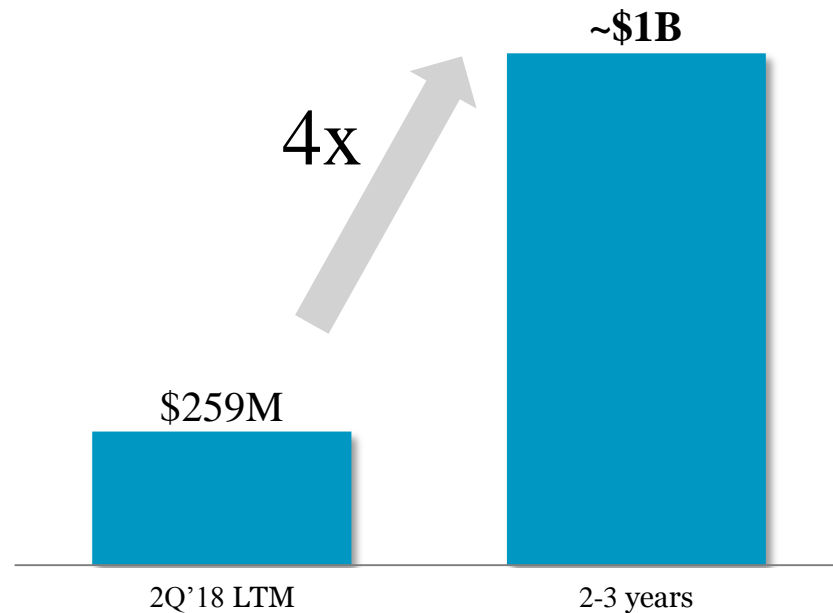
- ✓ Perpetual capital
- ✓ Management fees on NAV
- ✓ Recurring realized performance revenue without dispositions
- ✓ Never forced to sell assets

Visibility to \$60B+ of AUM and ~\$1B of cash revenue in 2-3 years

Global Core+ AUM



Core+ Cash Revenue



Tactical Opportunities

David Blitzer
Global Head, Tactical Opportunities

Blackstone

Forefront of alternative investing

Growing investor demand for:

Differentiated
investments

Timely
execution

Attractive *risk-
adjusted* returns

Blackstone's solution

Tactical Opportunities

Innovative
strategy

+

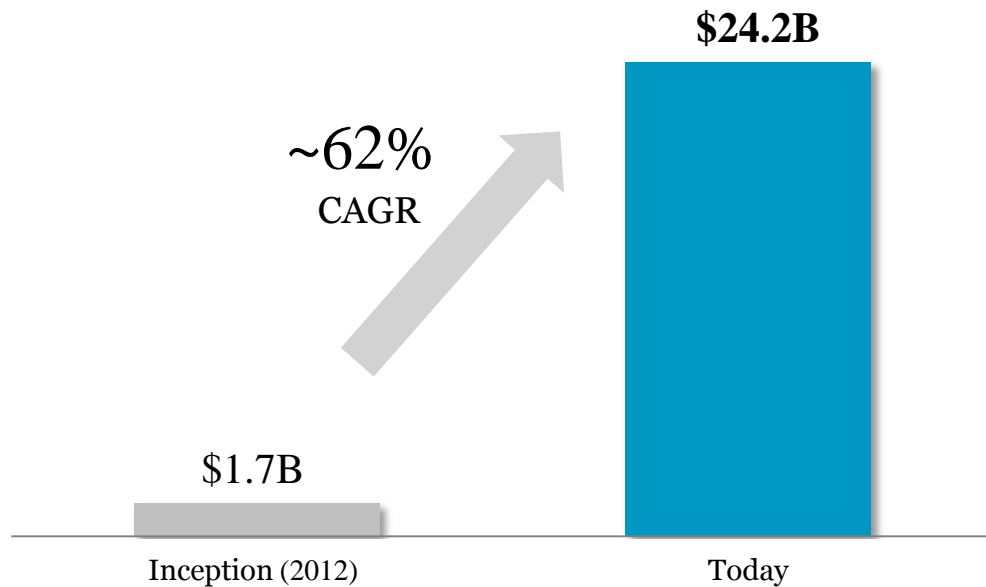
Dedicated multi-
disciplinary team

+

Leading
global platform

Largest private opportunistic platform

Tac Opps AUM



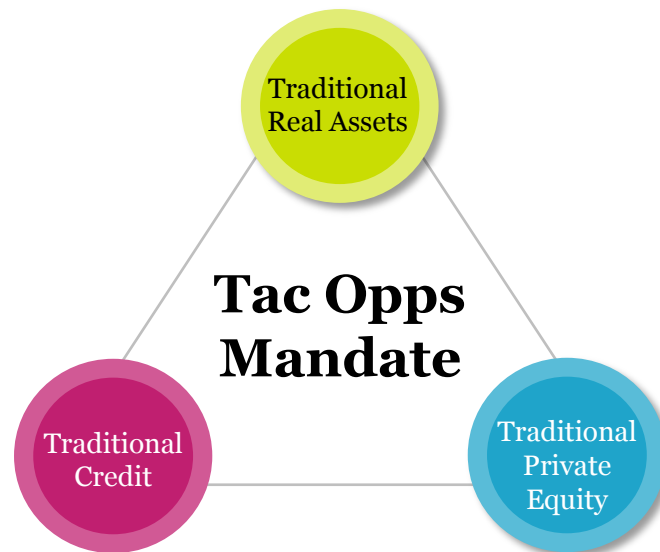
Overview of the business

104
total investments

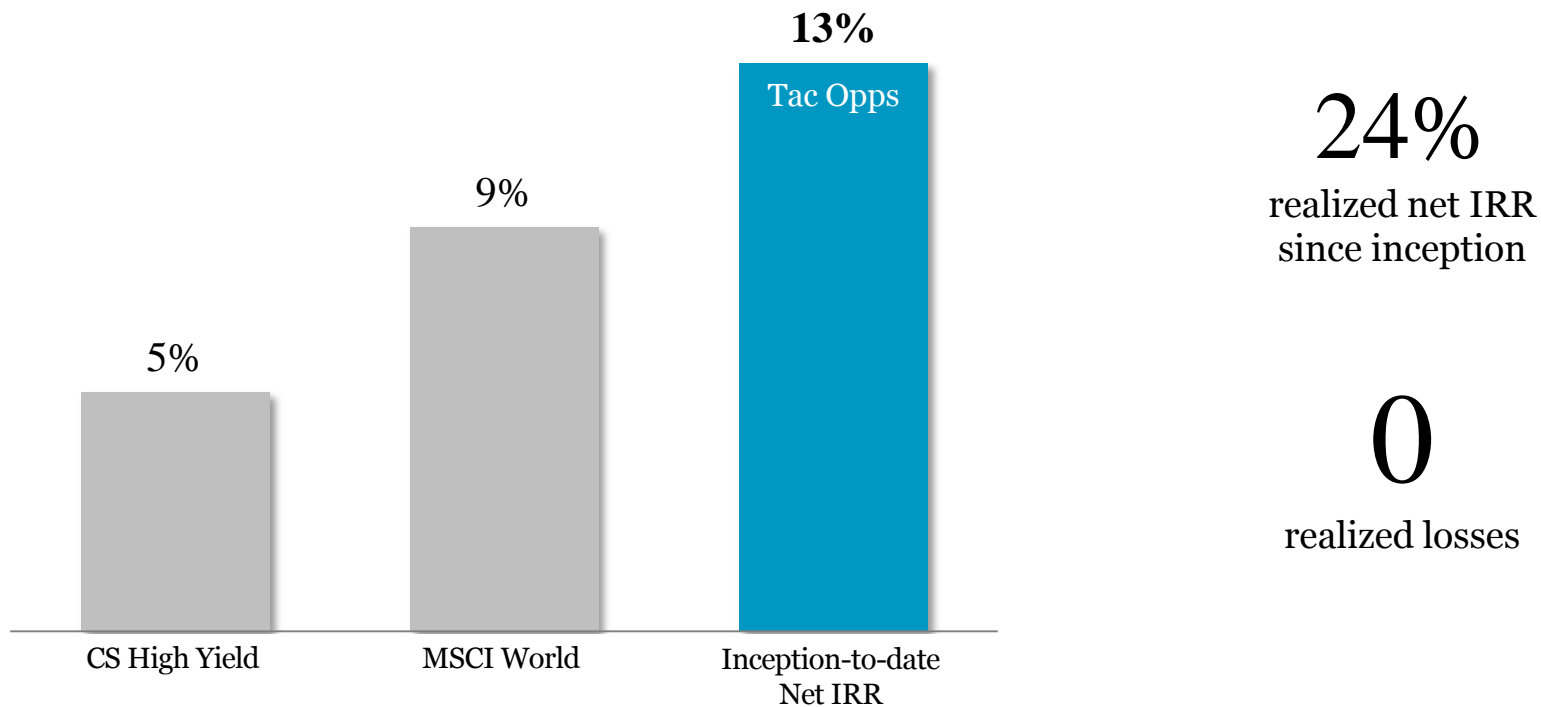
97
dedicated professionals

\$24B
AUM

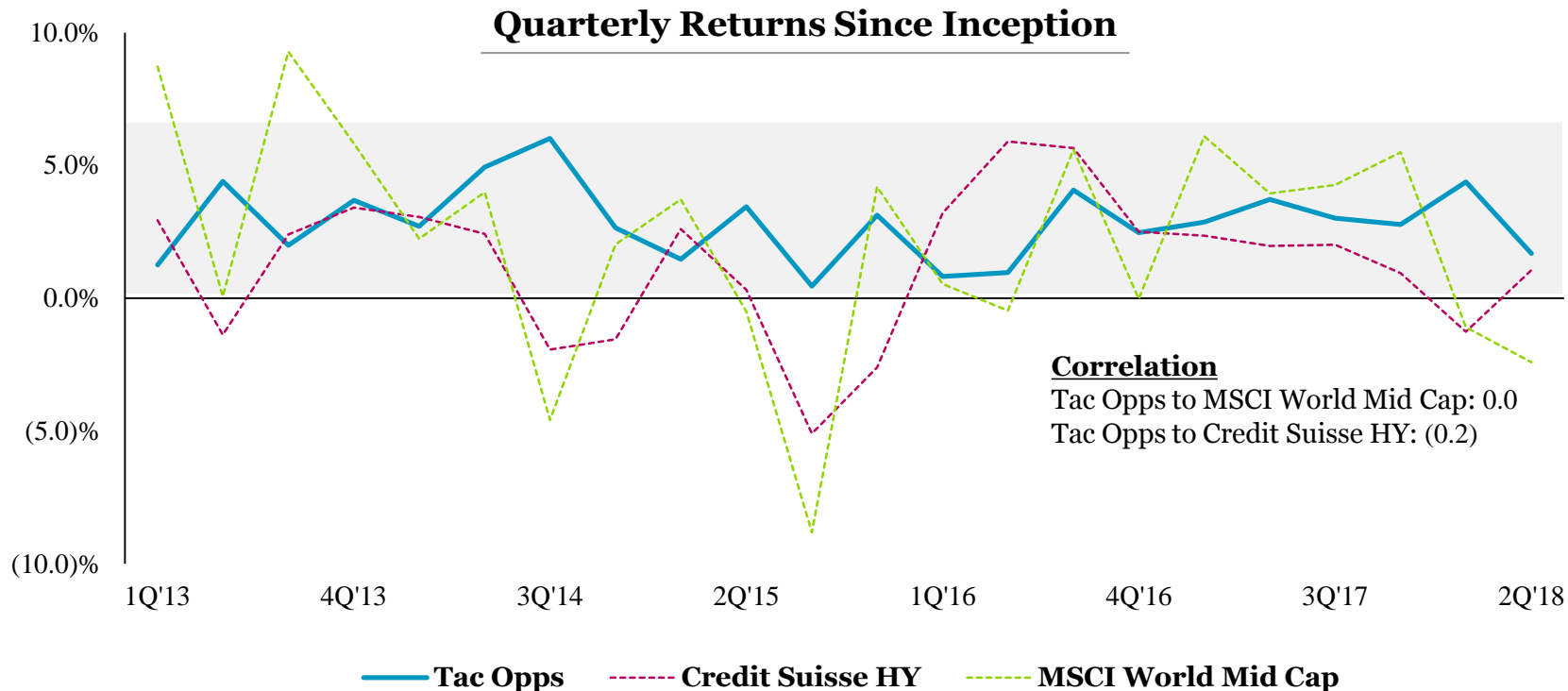
Differentiated Investment Opportunities



Outperformance vs. market indices



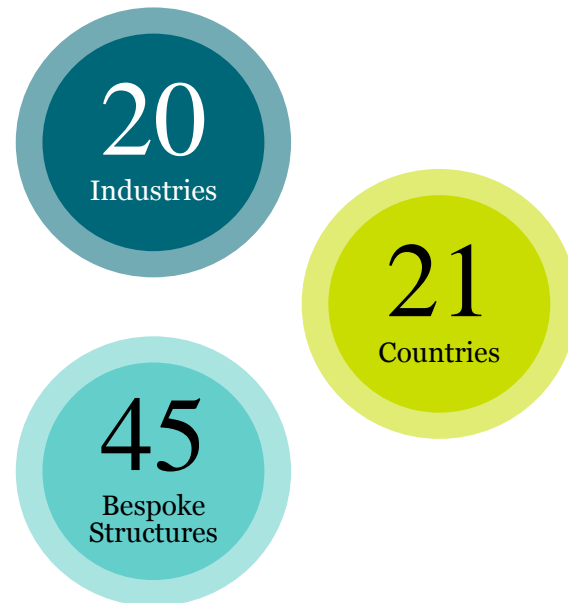
Consistently positive returns with limited correlation to traditional indices



Key principles

- ✓ **Unconstrained capital**

Tac Opps has invested across...



Key principles

Leading Global Platform

✓ **Unconstrained capital**

✓ **Leverage Blackstone**

9 | firm / business unit leaders on Tac Opps investment committee

~2,500 | Blackstone employees

22% | deals sourced from other BX businesses

1 | private opportunistic platform

Key principles

✓ **Unconstrained capital**

✓ **Leverage Blackstone**

✓ **Nimble execution**

Capturing Windows of Opportunity



U.S. NPLs (*Sep '12–Dec '13*)



Equipment Leasing (*Dec '12–Dec '13*)



TV Spectrum (*Feb '13–Jan '16*)



Energy Dislocation (*Dec '15–Mar '16*)

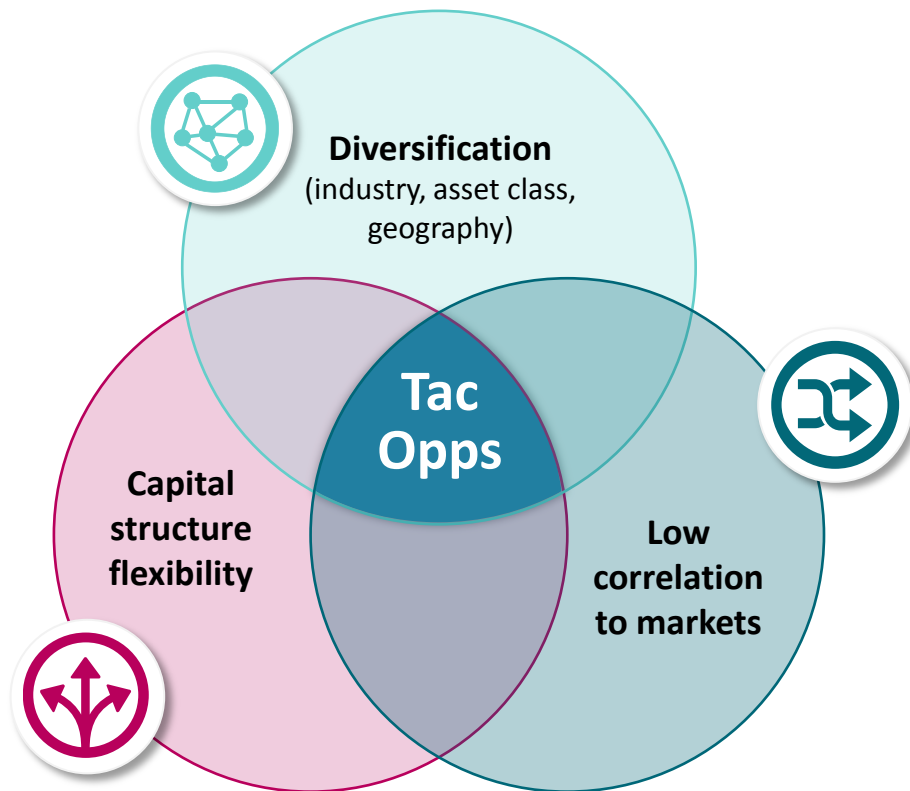


UK Mortgages (*Dec '15–Apr '17*)



Cybersecurity / Cloud Migration (*Jun '16–Present*)

There are few (if any) sponsors with a strategy like Tac Opps



**Increased
LP demand**

+

**Harnessing
Blackstone's
intellectual capital**

=

**Significant opportunity
for AUM growth**

Private Wealth Solutions

Joan Solotar
Global Head, Private Wealth Solutions

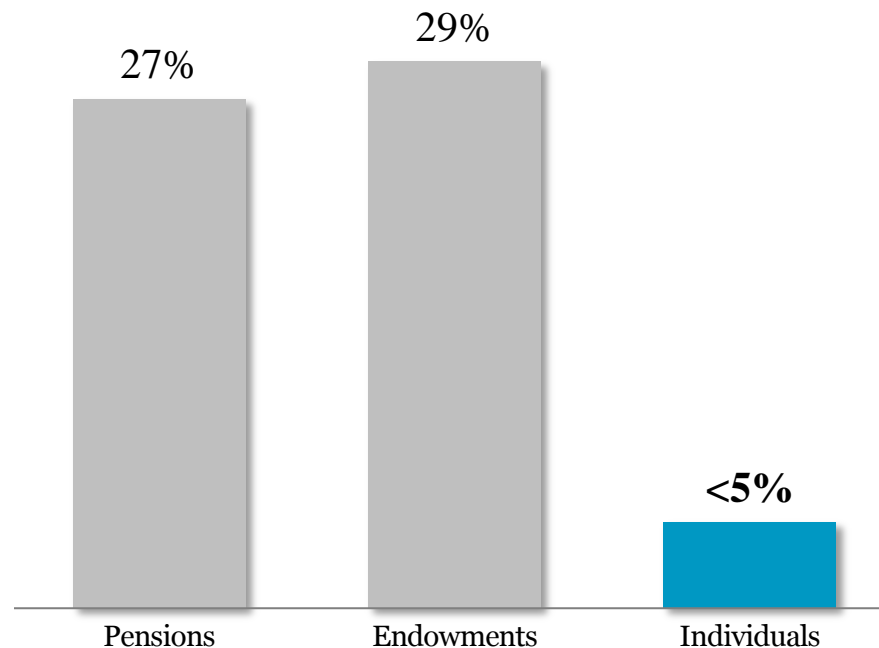
Blackstone

Attacking massive market opportunity

Global Individual Investable Assets

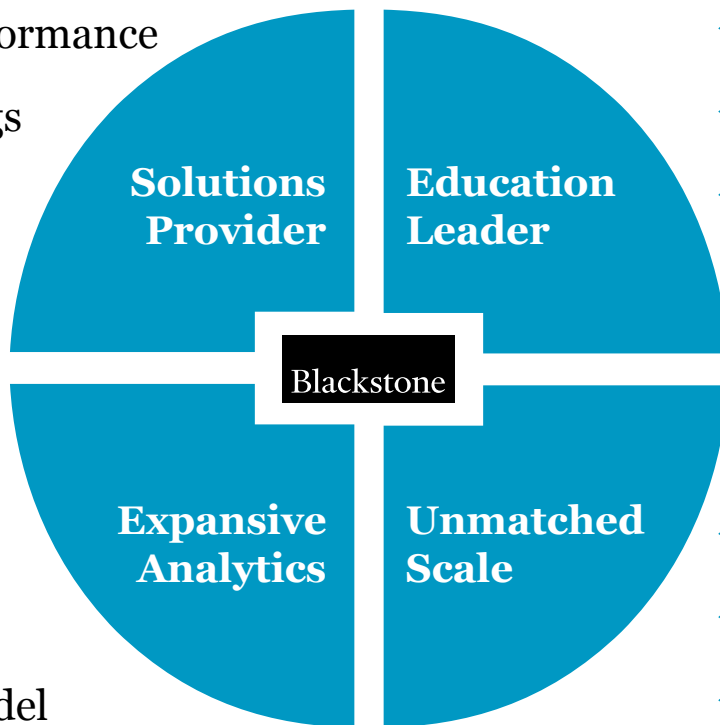


Average Allocation to Alternatives



Invested heavily to build powerful platform advantage

- ✓ Institutional quality performance
- ✓ Bespoke product offerings
- ✓ Diversified alternatives

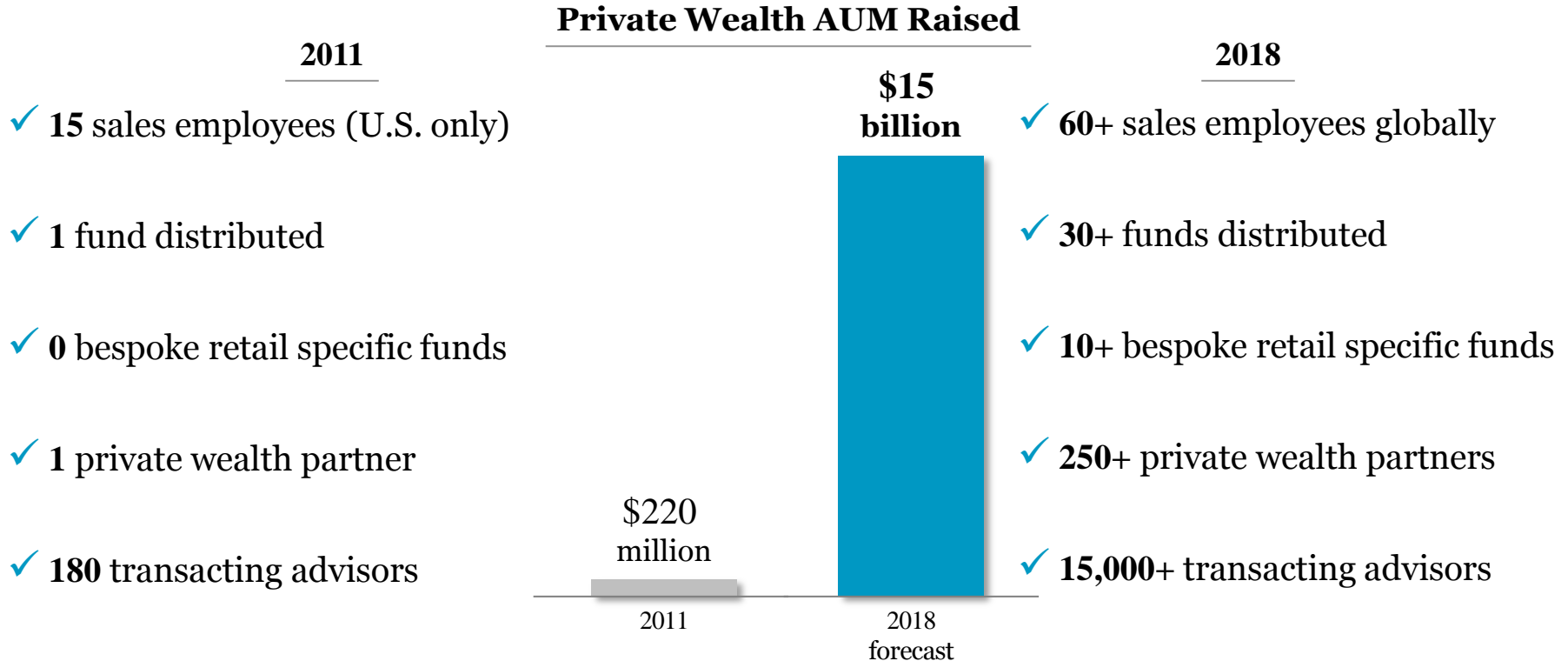


- ✓ Blackstone University
- ✓ Investing insights
- ✓ Scalable digital platform

- ✓ Proprietary system
- ✓ 250K+ advisor profiles
- ✓ Opportunity ranking model

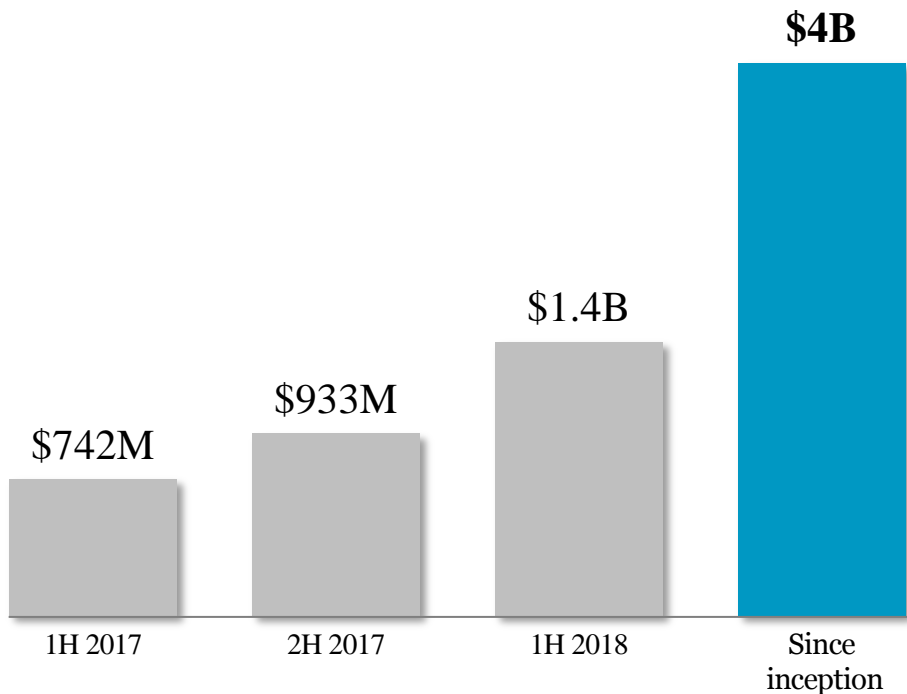
- ✓ 130 employees globally
- ✓ Channelized sales
- ✓ Dedicated service platform

Harnessing platform to drive significant growth



Bringing institutional real estate to individual investors

Blackstone Non-Traded REIT AUM Raised

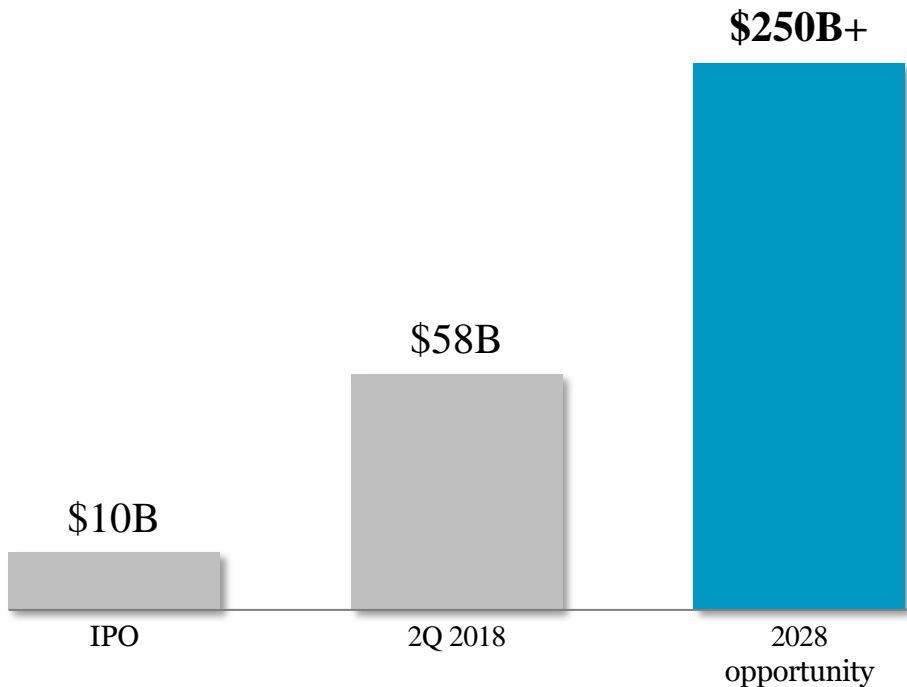


- ✓ **\$4B** AUM raised since Jan 2017 launch
- ✓ **65%** market share
- ✓ **3,000** new advisors to BX
- ✓ **30,000** individual investors
- ✓ **\$3B+** annual, perpetual fundraise pace

Since inception through Aug '18. Annual, perpetual fundraise pace based on most recent three month sales trend ended Aug '18. Market share source: Stanger Market Pulse. Market share based on most recent three months ended Aug '18.

The path to substantial private wealth AUM growth

Blackstone Private Wealth AUM



- ✓ **Expand**
wealth management network
- ✓ **Deepen**
advisor relationships
- ✓ **Innovate**
product solutions

New Initiatives

Tony James
Executive Vice Chairman

Blackstone

What we look for in new opportunities

- ✓ Has best-in-class leadership and talent
- ✓ Can sustain top-quartile investment performance
- ✓ Potential for leading market position
- ✓ Contributes to and benefits from our intellectual ecosystem
- ✓ Blackstone's brand and distribution can accelerate growth
- ✓ Can be a large business
- ✓ Generates a high return for shareholders

Always highly disciplined

A long record of creating market leaders

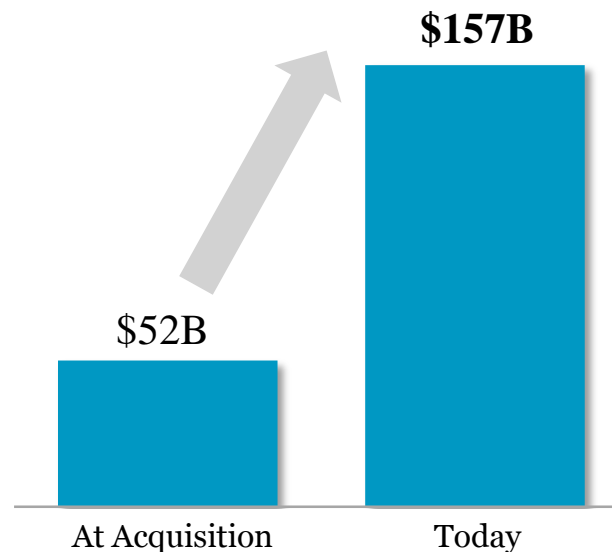
	Year Started	Today
Hedge Fund seeding	2007	Largest
Private Real Estate debt	2008	Largest
BDCs	2008	Largest (sold in 2018)
Private Equity energy	2011	Top 3
Tactical Opportunities	2012	Invented category, largest
Hedge Fund stakes	2013	Top 2
Secondaries	2013	Top 5
Real Estate Core+	2013	Largest
Core Private Equity	2017	Invented category, largest
Non-traded REIT	2017	Largest

Continuous innovation drives growth

A decade of successful acquisitions

	Year	AUM at Acquisition	AUM Today
GSO + 3 CLO add-ons	2008 2010–2012	\$10B \$15B	\$92B
Patria	2010	\$4B	\$12B
Asia RE business	2010	\$2B	\$17B
Blackstone Mortgage Trust	2012	\$.04B	\$4B
Strategic Partners	2013	\$9B	\$22B
Harvest	2017	\$11B	\$11B
Total		\$52B	\$157B

Elevating Acquisitions (AUM)

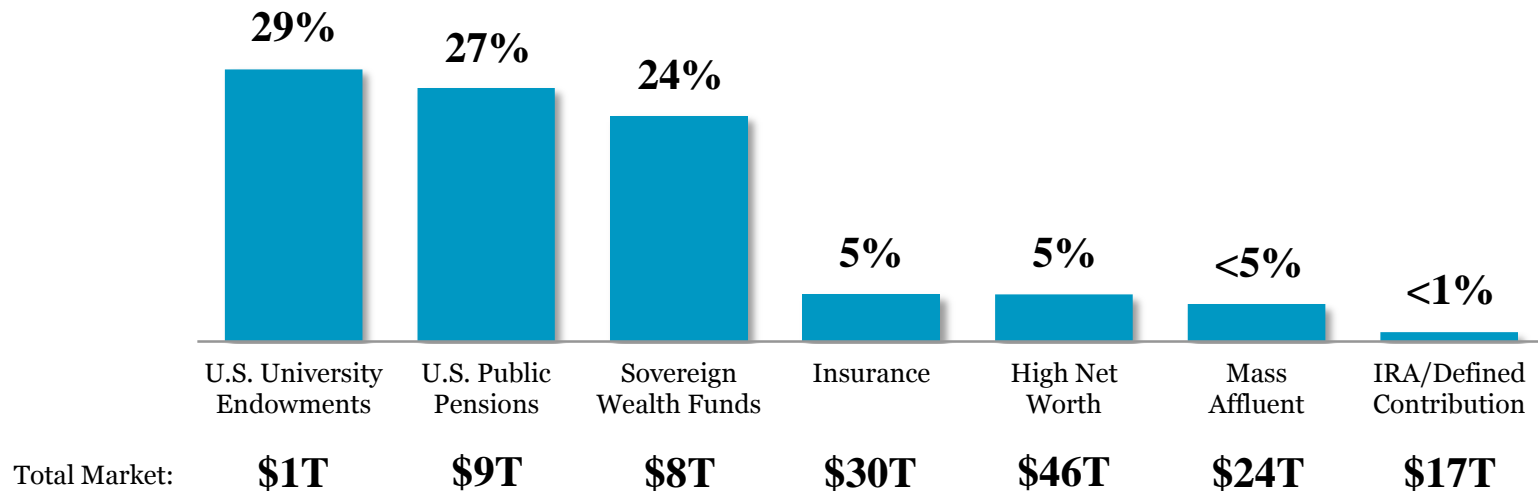


Tripled AUM and returned 24% to shareholders

Blackstone invested in 40% of Patria, and Patria AUM is not included in overall Blackstone AUM as reported by Blackstone. GSO AUM presented above excludes Harvest and Blackstone Insurance Solutions. See important disclosures at the front of this presentation. Past performance is not indicative of future results and there is no assurance that any Blackstone fund will achieve its objectives or avoid significant losses.

Alternatives AUM has doubled in last ten years

Allocations to Alternatives



Vast appetite remains

New Initiative: **Infrastructure**

Blackstone is building one of the largest infrastructure businesses

- ✓ Decades of underfunding have left the U.S. with a \$2 trillion shortfall

U.S. Infrastructure Funding Shortfall

2016–2025E

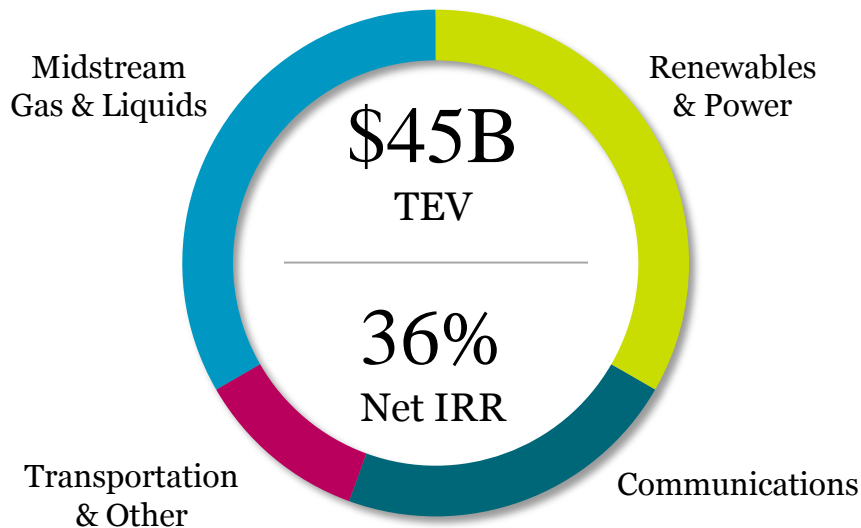
	Need	Funded	Gap
Transportation	\$2.4T	\$1.2T	\$1.2T
Water & Waste	\$282B	\$65B	\$217B
Electricity	\$934B	\$757B	\$177B
Social	\$984B	\$502B	\$482B
Total	\$4.6T	\$2.5T	\$2.1T

Capital requirements dwarf available funding

Blackstone is building one of the largest infrastructure businesses

- ✓ Decades of underfunding have left the U.S. with a \$2 trillion shortfall
- ✓ Blackstone's proven experience

Broad Expertise



Successful infrastructure-related track record spanning 14 years

Blackstone is building one of the largest infrastructure businesses

- ✓ Decades of underfunding have left the U.S. with a \$2 trillion shortfall
- ✓ Blackstone's proven experience
- ✓ Building leading scale

largest recent
infrastructure funds

~\$15B

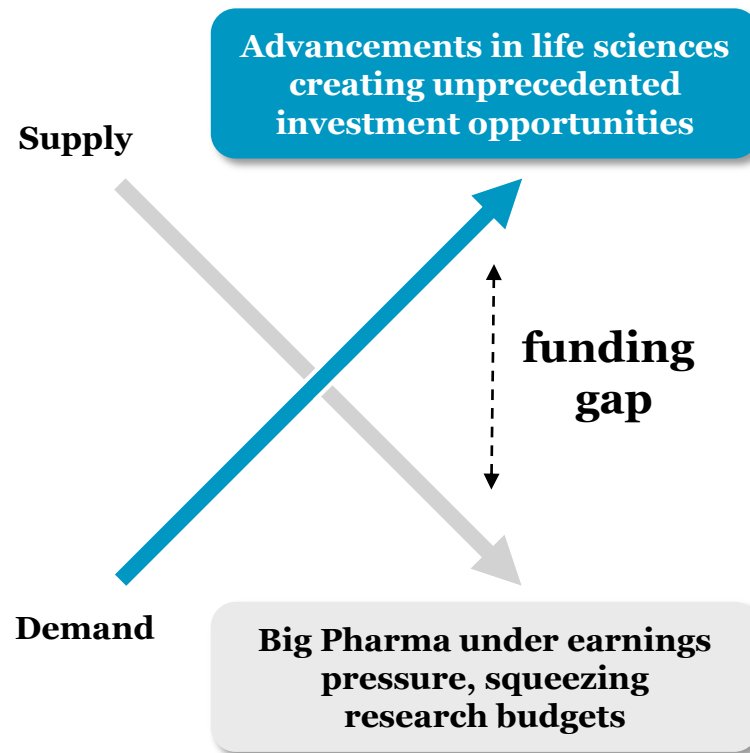
\$5B / **\$17.5B**
AUM closed add'l committed

Uniquely positioned to execute on largest opportunities

New Initiative: **Life Sciences**

Flexible global capital for the life sciences industry

✓ Yawning funding gap



Flexible global capital for the life sciences industry

✓ Yawning funding gap

✓ The sector needs a new paradigm

What's Missing: A Combination of...

Deep scientific knowledge ✘

Multi-sector healthcare experience ✘
to manage converging technologies and business models

Operational capability ✘
to create companies from ideas

Long-lived fund vehicle ✘
to take investments from discovery to commercialization

Large capital pool ✘
to accommodate multiple shots on goal

Ability across full lifecycle ✘
to invest and grow companies

Flexible global capital for the life sciences industry

Blackstone's Extensive Capabilities in Each Area

✓ Yawning funding gap

✓ The sector needs a new paradigm

✓ Opportunity to create a dominant new business

Expertise across healthcare sectors
\$19B+ invested



Best-in-class operating platform



Pioneer in long-duration vehicles



#1 global scale



Full lifecycle experience: growth through buyouts



New Initiative: **Insurance**

Creating a leading asset management platform for insurers

- ✓ Insurers squeezed by low rates and increasing capital requirements

Global Insurance Assets	
Publicly traded assets	\$19.5T
Private credit	\$9T
Alternatives	\$1.5T
Total Market Size	\$30T

Blackstone targets

Underallocated to alts; unable to source sufficient private credit

Creating a leading asset management platform for insurers

Blackstone's Advantages

- ✓ Insurers squeezed by low rates and increasing capital requirements
- ✓ Blackstone is extremely well positioned

Largest manager of alternatives ✓

Top 3 manager of private credit ✓

One of the largest debt originators ✓

Deep insurance expertise (~\$50B AUM today) ✓

Dedicated distribution ✓

Even small market penetration can have meaningful AUM impact

Creating a leading asset management platform for insurers

- ✓ Blackstone can create vehicles to acquire insurer books of business and whole companies
- ✓ Even higher margin, longer duration and more potential AUM

Acquisitions Can Give Us:

100% of the balance sheet to manage



An insurance equity management product line



Permanent capital



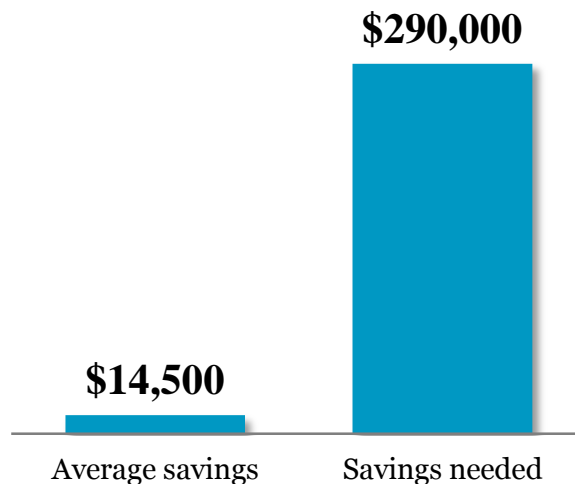
Active market representing hundreds of billions in assets

New Initiative: **Defined Contribution**

A solution for one of the most critical challenges ahead

- ✓ Americans are woefully short of retirement savings

Retirement Savings

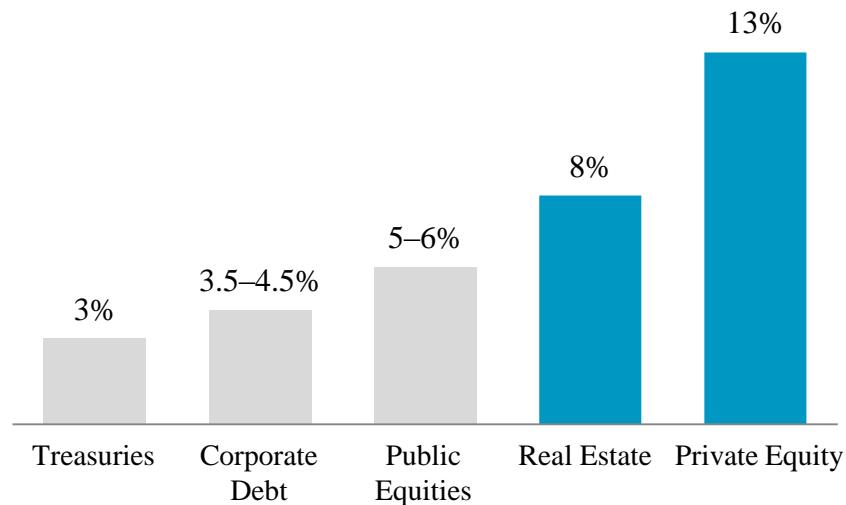


Historical returns of <5% are insufficient

A solution for one of the most critical challenges ahead

- ✓ Americans are woefully short of retirement savings
- ✓ Alternatives can help bridge gap by earning more

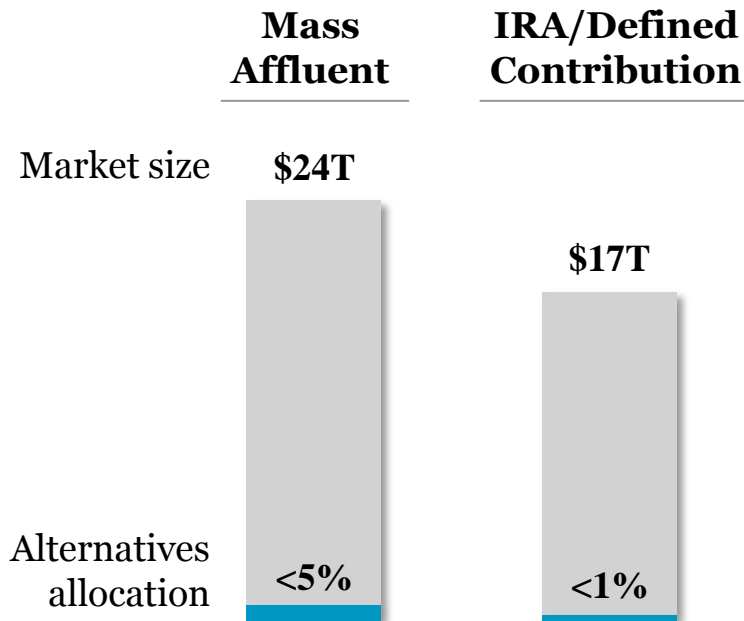
Annual Industry Returns



Significant return premium possible with alts

A solution for one of the most critical challenges ahead

- ✓ Americans are woefully short of retirement savings
- ✓ Alternatives can help bridge gap by earning more
- ✓ Potentially the largest untapped opportunity



Low allocations; large underserved markets

Much more already underway

- ✓ Capital markets
- ✓ Growth equity
- ✓ Primary PE fund of funds
- ✓ Residential mortgages
- ✓ Structured debt
- ✓ ESG fund

\$1 trillion in AUM on the horizon

Appendix: Additional Important Disclosure Information

Important Disclosures

Aggregated Returns. The calculation of combined or composite Net IRR/Net Returns takes the aggregate limited partner cash flows by actual date from inception of the strategy through the current quarter end and uses the terminal value (including unrealized investments) as of the current quarter end to comprise an overall return for the strategy. The actual realized returns on the unrealized investments used in this calculation may differ materially from the returns indicated herein.

Allocations to Alternatives (appearing in the New Initiatives section):

- U.S. University Endowments. Congressional Research Service, 2018.
- U.S. Public Pensions. Willis Towers Watson, 2016.
- Sovereign Wealth Funds. Sovereign Wealth Fund Institute, 2018.
- Insurance. NAIC, 2017. European Insurance Database, 2018. Standard Life Investment Survey, 2017. Blackstone estimate.
- High Net Worth. Spectrem Group, 2017.
- Mass Affluent. U.S. Trust, 2017.
- IRA/Defined Contribution. CEM Benchmarking, 2018. Government Accountability Office, 2016.

Annual Rate of Return. Annual Rate of Return (“IRR”) calculations are presented on a “gross” or “net” basis. Please see “IRR – Gross” and “IRR – Net” for additional information regarding performance calculations.

AUM.

Blackstone: AUM presented as of the time of the initial public offering (“IPO”) includes AUM attributable to credit however this figure does not represent AUM associated with GSO. Blackstone acquired GSO following its IPO.

Credit AUM: Credit AUM of \$123B is a combined figure that includes GSO Capital Partners, Harvest Fund Advisors, and Blackstone Insurance Solutions businesses.

GP Stakes. GP Stakes/Seeding AUM represents committed capital for BAAM’s strategic alliance and strategic capital holdings platforms. Registered Funds AUM includes all registered funds managed by the Hedge Fund Solutions Group. Direct Investing AUM includes committed capital for BAAM’s strategic opportunities commingled funds, custom funds and co-investment transactions.

GSO: AUM associated with Blackstone’s acquisition of GSO is as of December 31, 2007 and was sourced from publicly available filings, including the Form 8-K filed by Blackstone on March 4, 2008 announcing the closing of the GSO acquisition. For the avoidance of doubt, “Senior Secured Direct Lending” is also known as “Europe” for purposes of GSO’s AUM.

Insurance: Insurance AUM is comprised of assets managed by Blackstone Insurance Solutions and assets from third party clients managed elsewhere within Blackstone.

Private Wealth: Private Wealth assets under management is defined as assets raised through high-net worth sources (e.g., global banks, IBDs/RIAs, families, etc.).

Real Estate: Real Estate AUM reflects “investor capital” which, as used herein, includes co-investments and Blackstone’s GP and side-by-side commitments, as applicable.

Blackstone Insurance Solutions (“BIS”). Inception of the business was in October 2017.

CAGR. Compound Annual Growth Rate (“CAGR”) is the mean annual growth rate over a specified period of time longer than one year.

Capital Deployment. For Corporate Private Equity, average annual capital deployment reflects actual deployed capital for all periods shown through June 30, 2018, and capital deployment for the second half of 2018.

Carry Potential. For Corporate Private Equity, carry potential shown assumes 20% of capital deployed except for Core vehicles for which 10% is assumed.

Cash Yield. Cash Yield is calculated by the total distributions to the investor over the period (inclusive of all deemed distributions made to the investor) divided by the total contributions made by the investor to date (inclusive of all applicable contributions for expenses and fees paid by the investor).

Important Disclosures (Cont'd)

BSCH Net Cash Yield, as of June 30, 2018, is net of fees and expenses applicable to an onshore full fee paying investor: 0.75% commitment fee, 1.5% management fee, and 20% performance fee.

Case Studies. The companies presented herein were not selected based on the performance contribution of the applicable company to any Blackstone fund, account or strategy. Companies presented were selected to illustrate managers and/or portfolio companies that are indicative representations of an investment thesis, theme or trend or management or operational capability discussed on the slide(s) where they appear. In Blackstone's opinion, the companies selected were generally the most applicable examples of the given thesis, theme or trend discussed on the relevant slide(s).

Certain Jurisdictions. The use of this presentation in certain jurisdictions may be restricted by law. The products mentioned in this presentation may not be eligible for sale in some states or countries or suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by exchange rates, interest rates, or other factors.

Company Logos. All rights to the trademarks and/or logos presented herein belong to their respective owners and Blackstone's use hereof does not imply an affiliation with, or endorsement by, the owners of these logos.

Composites.

Harvest: Harvest's Composite performance is based on the returns of Harvest's approximately seventy-five long-only separately managed accounts running the same or similar MLP Alpha strategy, which encompasses the Harvest Alpha Strategy Composite. Returns are dollar-weighted and are shown net of all management fees, performance fees, and expenses, if any, and reflect reinvestment of distributions and dividends. The historical performance of redeemed accounts remains in the composite. The Harvest Alpha Strategy Composite is Harvest's core institutional SMA offering, which was created in May 2008 and is managed long-only, without leverage. Assets are held at the client's custodian of choice with a \$5M minimum capital balance for composite inclusion. The most recent, month, quarter, and current year-to-date performance results are preliminary and subject to change. Past performance is not necessarily indicative of future results, and there can be no assurances that Harvest will continue to achieve comparable results or that Harvest will be able to implement its investment strategy or achieve its investment objectives or its target portfolio construction. Please note that the currency used to express performance is U.S. dollars.

Hedge Fund Solutions: BAAM's Principal Solutions business ("BPS") Composite includes all of the BAAM-managed commingled and customized multi-manager funds and accounts. It does not include BAAM's individual investor solutions, ventures, strategic opportunities, and advisory platforms, except for investments by BPS funds directly into those platforms, or BAAM-managed funds in liquidation. The funds / accounts that comprise the BPS Composite are not managed within a single fund or account and are managed with different mandates. There is no guarantee that BAAM would have made the same mix of investments in a stand-alone fund / account. The BPS Composite is not an investible product and, as such, the performance of the Composite does not represent the performance of an actual fund or account. Returns for the BPS Composite are shown net of all fees and expenses and have been adjusted downward to account for the inclusion of non-fee paying assets.

Real Estate: BREP Funds Composite reflects (x) pre-Blackstone Real Estate Partners investments, Blackstone Real Estate Partners L.P. ("BREP I"), Blackstone Real Estate Partners II L.P. ("BREP II"), Blackstone Real Estate Partners III L.P. ("BREP III"), Blackstone Real Estate Partners IV L.P. ("BREP IV"), Blackstone Real Estate Partners V L.P. ("BREP V"), Blackstone Real Estate Partners VI L.P. ("BREP VI"), Blackstone Real Estate Partners VII L.P. ("BREP VII") and Blackstone Real Estate Partners VIII L.P. ("BREP VIII") (collectively, with their respective parallel funds, feeder funds and related vehicles, the "BREP Global Funds"); (y) Blackstone Real Estate Partners International L.P. ("BREP International"), Blackstone Real Estate Partners International II L.P. ("BREP International II"), Blackstone Real Estate Partners Europe III L.P. ("BREP Europe III"), Blackstone Real Estate Partners Europe IV L.P. ("BREP Europe IV") and Blackstone Real Estate Partners Europe V L.P. ("BREP Europe V") (collectively, with their respective parallel funds, feeder funds and related vehicles, the "BREP Europe Funds"); and (z) Blackstone Real Estate Partners Asia L.P. ("BREP Asia I") and Blackstone Real Estate Partners Asia II L.P. ("BREP Asia II") (collectively, with their respective parallel funds, feeder funds and related vehicles, the "BREP Asia Funds", and together with the BREP Global Funds and the BREP Europe Funds, in each case, together with any successor funds and co-investment vehicles related thereto (as the context requires), the "BREP Funds"). Pre-BREP through BREP International are substantially fully realized funds and BREP IV, BREP International II, BREP V, BREP VI, BREP Europe III, BREP VII, BREP VIII, BREP Asia I, BREP Asia II, BREP Europe IV and BREP Europe V represent realized and unrealized values as of the reporting date. BREP International, BREP International II, BREP Europe III, BREP Europe IV and BREP Europe V are euro denominated funds and the Net IRRs for such funds represent the euro denominated return. The calculation of the combined Net IRR takes the aggregate LP cash flows by actual date from inception of the strategy through the current quarter end and uses the terminal value (including unrealized investments) as of the current quarter end to comprise an overall return for the strategy. The actual realized returns on the unrealized investments used in this calculation may differ materially from the returns indicated herein.

Corporate Private Equity. Inception of the business was in October 1987.

Important Disclosures (Cont'd)

Direct Investing Platform Composite. Direct Investing Platform Composite represents the returns of BAAM's strategic opportunities commingled funds, custom funds and co-investment transactions. The first strategic opportunities custom account launched in October 2016 and therefore the Direct Investing SMA Composite has a limited track record. Direct Investing SMA Composite performance is presented net of the management and performance fees set forth in the limited partnership agreements of both custom funds.

Distributable Earnings. Distributable Earnings ("DE"), is used to assess performance and amounts available for distributions to Blackstone unitholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Blackstone Funds. DE is the sum across all segments of: (a) Total Management, Advisory and Other Fees, Net, (b) Interest and Dividend Revenue, (c) Realized Incentive Fees, (d) Realized Performance Allocations, and (e) Realized Principal Investment Income (Loss); less (a) Compensation, excluding the expense of equity-based awards, (b) Realized Incentive Fee Compensation, (c) Realized Performance Allocations Compensation, (d) Interest Expense, (e) Other Operating Expenses, and (f) Taxes and Related Payables Under the Tax Receivable Agreement. DE is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.

Distributable Earnings per Share. Distributable Earnings per Share calculations are based on DE attributable to common unitholders over end of period total common units outstanding.

Distribution Policy. Blackstone's intention is to distribute quarterly to common unitholders approximately 85% of The Blackstone Group L.P.'s share of Distributable Earnings, subject to adjustment by amounts determined by Blackstone's general partner to be necessary or appropriate to provide for the conduct of its business, to make appropriate investments in its business and funds, to comply with applicable law, any of its debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and distributions to unitholders for any ensuing quarter. The amount to be distributed could also be adjusted upward in any one quarter. All of the foregoing is subject to the qualification that the declaration and payment of any distributions are at the sole discretion of Blackstone's general partner and may change its distribution policy at any time, including, without limitation, to eliminate such distributions entirely.

Diversification. Diversification does not ensure a profit or protect against loss in declining markets.

Duration. There is no guarantee that the investment period for any underlying investment will be completed within the underwritten time period. Investments may experience investment duration periods that exceed the underwritten base case duration assumptions described herein, and in certain instances, may be underwritten to a base case duration that is longer than indicated or not be underwritten to a specified base case duration.

Economic Income. Economic Income ("EI"), represents segment net income before taxes and is used as a key measure of value creation, a benchmark of performance and in making resource deployment and compensation decisions across Blackstone's four segments. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages, and excludes the amortization of intangibles and other transaction-related charges. EI is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.

Economic Net Income. Economic Net Income ("ENI"), represents EI adjusted to include current period taxes. Current period taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and adjusted to exclude the tax impact of any divestitures. ENI is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.

ERISA Fiduciary Disclosure. The information herein 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.

Fee Related Earnings. Fee Related Earnings ("FRE") is a performance measure used to assess Blackstone's ability to generate profits from revenues that are measured and received on a recurring basis not subject to future realization events. FRE equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Net Performance Revenues, less (a) cash compensation expense directly related to earning those revenues, and (b) Other Operating Expenses. FRE is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.

Fee Related Earnings per Share. Fee Related Earnings per Share are calculated based on end of period DE units outstanding.

Fee Related Margin. Fee Related Margin is calculated by dividing Fee Related Earnings by Fee Related Revenues (defined as the sum of total segment Management and Advisory Fees, Net and Fee Related Performance Revenues).

Fee Related Net Performance Revenues. Fee Related Net Performance Revenues refers to the realized portion of Performance Revenues from Perpetual Capital that are: (a) measured and received on a recurring

Important Disclosures (Cont'd)

basis and (b) not dependent on realization events from the underlying investments (“Fee Related Performance Revenues”), net of directly related cash compensation expense.

Future Strategies/Products. Any references to future strategies and/or products are presented for illustrative purposes only. There is no guarantee that such strategies/products will launch or that if they launch, such strategies/products will be able to implement their investment strategy, achieve their investment objectives or otherwise be profitable or avoid substantial losses.

Hedge Fund Solutions. Hedge Fund Solutions (“HFS”) inception to date information is shown for the period from January 2000 to present, although Blackstone Alternative Asset Manager’s (“BAAM”) inception date is September 1990.

Index Comparisons. Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks or targets for referenced fund(s). Rather, the indices shown are provided solely to illustrate the performance of well-known and widely recognized indices. Any comparisons herein of the investment performance of a referenced fund(s) to an index are qualified as follows: (i) the volatility of such index likely will be materially different from that of the referenced fund(s); (ii) such index will, in many cases employ different investment guidelines and criteria than the referenced fund(s) and, therefore, holdings in such fund(s) will differ significantly from holdings of the securities that comprise such index; and (iii) the performance of such index is disclosed solely to allow for comparison of the referenced fund’s (or funds’) performance (or the performance of the assets held by such fund(s)) to that of a well-known index. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that will differ from the fund. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. You cannot invest directly in an index. No representation is made as to the risk profile of any benchmark or index relative to the risk profile of the funds presented herein. Blackstone has provided index data for informational purposes only.

Corporate Private Equity: Performance is shown for the S&P 500 Total Return and MSCI World indices. Index returns are calculated as the internal rate of return assuming each amount contributed or paid to Corporate Private Equity funds (BCP I–BCP VII and Energy and Communication Funds) were invested and disposed of in the index on the same respective dates corresponding from inception of the business in October 1987.

GSO: Performance for the Mezzanine strategy is compared to the Credit Suisse High Yield Index from inception in July 2007, calculated using a PME analysis based on cash flows. Performance for the Stressed / Distressed Lending strategy is compared to Credit Suisse Event Driven Distressed Hedge Fund Index from inception in May 2009, calculated using a PME analysis based on cash flows. Performance for the Energy strategy is compared to the Credit Suisse High Yield Energy Total Return Index from inception in November 2015, calculated using a PME analysis based on cash flows. Performance for U.S. Direct Lending strategy is compared to the Credit Suisse Leveraged Loan Index from inception in December 2007, calculated as a total return on an annual basis. Performance for European Direct Lending strategy is compared to the Credit Suisse Western European High Yield Index from inception in December 2014, calculated using a PME analysis based on cash flows. Performance for the Opportunistic Credit strategy is compared to the 30% Credit Suisse High Yield Index and the 70% HFRI Fund Weighted Index from inception in August 2005, calculated as a total return on an annual basis. Performance for the Structured Credit strategy (specific to the particular share class being presented) is compared to the Credit Suisse Leveraged Loan Index from inception in December 2008, calculated as a total return on an annual basis.

Harvest: Performance for Harvest’s Composite is compared to the Alerian MLP Total Return Index from inception on May 1, 2008, calculated as a total return.

Hedge Fund Solutions: Performance is compared to the HFRI. Index returns are calculated as the internal rate of return based on index levels corresponding for the period from January 2000 to present, although BAAM’s inception date is September 1990.

Real Estate: Performance is compared to the NCREIF-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity). Index returns are calculated as the internal rate of return assuming each amount contributed or paid to BREP global funds (Pre-BREP-BREP VIII) were invested and disposed of in the index on the same respective dates corresponding from inception of the business in 1991. Comparison to the NCREIF-ODCE is for informational purposes only and should not be relied up for any purpose, and is provided solely as an indication of returns that could be earned by investors by making similar investments in the basket of “core” real estate investment funds that comprise the NCREIF-ODCE.

Strategic Partners: Performance is compared to the S&P 500 Total Return and MSCI World indices. Index returns are calculated as the internal rate of return assuming each amount contributed or paid to Strategic Partners funds (SP I – SP VII) were invested and disposed of in the index on the same respective dates corresponding from inception in December 2000 to March 31, 2018.

Tactical Opportunities: Performance is shown for the Credit Suisse High Yield and MSCI World indices. Index returns are calculated as the internal rate of return assuming each amount contributed or paid

Important Disclosures (Cont'd)

to Tactical Opportunities funds were invested and disposed of in the index on the same respective dates corresponding from inception of the business in February 2012.

Index Descriptions. Floating Rate Loans are represented by the Credit Suisse Leveraged Loan index, which tracks the investable market of the U.S. dollar denominated leveraged loan market. Corporate High Yield is represented by the Bloomberg Barclays U.S. Corporate High Yield Bond Index, which measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, are excluded. Municipals are represented by the Bloomberg Barclays U.S. Municipal Bond Index, a U.S. dollar denominated index that tracks the long-term tax exempt bond market. The Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Treasuries are represented by the Bloomberg Barclays U.S. Treasury Bond Index, which measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury (excluding T-Bills). Investment Grade Corporates are represented by the Bloomberg Barclays U.S. Corporate Investment Grade Bond Index, which measures the investment grade, fixed-rate, taxable corporate bond market.

Alerian MLP Total Return Index: Alerian MLP Total Return Index, which is a capped, float-adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted, market-capitalization energy MLPs. The volatility of the Alerian MLP Total Return Index may be materially different than that of the Harvest strategy depicted, and the holdings in the Harvest strategy may differ significantly from the securities that make up the Alerian MLP Total Return Index. The Alerian MLP Total Return Index is calculated on a total-return basis, with dividends reinvested, and is not assessed a management fee. The Harvest Composite has a total return objective and does not have a relevant comparative index, though the Alerian is used herein simply for comparison.

Credit Suisse Event Driven Distressed Hedge Fund Index: The Credit Suisse Event Driven Distressed Hedge Fund Index is a subset of the Credit Suisse Hedge Fund Index that measures the aggregate performance of event driven funds that focus on distressed situations. These funds typically invest across the capital structure of companies subject to financial or operational distress or bankruptcy proceedings. Such securities often trade at discounts to intrinsic value due to difficulties in assessing their proper value, lack of research coverage, or an inability of traditional investors to continue holding them. This strategy is generally long-biased in nature, but managers may take outright long, hedged or outright short positions. Distressed managers typically attempt to profit on the issuer's ability to improve its operation or the success of the bankruptcy process that ultimately leads to an exit strategy.

Credit Suisse High Yield Energy Total Return Index: The Credit Suisse High Yield Energy Total Return Index is calculated using only the energy portion of the Credit Suisse High Yield Index.

Credit Suisse High Yield Index: The Credit Suisse High Yield Index is a market cap weighted benchmark index designed to mirror the investable universe of the U.S. dollar-denominated high yield debt market. The index aims to capture the liquid universe of high yield debt denominated in U.S. dollars and issued by the most actively traded names in U.S. credit market.

Credit Suisse Leveraged Loan Index: The index represents tradable, senior-secured, U.S.-dollar-denominated non-investment-grade loans.

Credit Suisse Western European High Yield Index: The Credit Suisse Western European High Yield Index ("WEHY") is a market cap weighted benchmark index designed as an objective proxy for the investable universe of the Western European high yield debt market.

HFRI Fund Weighted Index: HFRI® Indices are designed to capture the breadth of hedge fund industry performance trends across all strategies and regions. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite Index® while all funds of hedge funds are included in the HFRI Fund of Funds Composite Index®. Most HFRI Indices are equally-weighted (annual rebalance) while the constituent funds of the HFRI Asset Weighted indices are weighted according to the AUM reported by each fund for the prior month.

MSCI World: MSCI World is used as a performance comparison for certain funds presented herein. MSCI World captures mid cap representation across 23 Developed Markets countries, including Australia, Austria, Singapore, Sweden, the U.K. and the U.S., among others. © 2018 MSCI Inc. All rights reserved. **MSCI has no liability to any person for any loss, damage, cost or expense suffered as a result of any use of or reliance on any of the information.**

NCREIF-ODCE: The NCREIF-ODCE is a fund-level capitalization-weighted, time-weighted return index that consists of approximately 36 open-ended core funds. The average index leverage is approximately 20% and includes property investments at ownership share, cash balances and leverage. NCREIF-ODCE returns are reported on a quarterly basis. NCREIF Returns have been calculated as the IRR of the total contributions and dispositions (including fees, drawdown of expenses, return of capital and recouped losses), and the corresponding annual rate of return of the NCREIF-ODCE from each contribution date to each disposition or return of capital date, or to the quarter end for unrealized investments. Comparison to the NCREIF-ODCE is for informational purposes only and should not be relied upon for any purpose, and is provided solely as an indication of returns that could be earned by investors by making similar investments in the basket of "core" real estate investment funds that comprise the NCREIF-ODCE.

Important Disclosures (Cont'd)

Blackstone's funds, including all of the BREP Funds, differ from the NCREIF-ODCE in material respects, including in that, among other factors: (i) the BREP Funds employ a different investment strategy (e.g., "opportunistic" real estate investments and, in the case of the BREP Europe Funds, real estate investments in Europe) than the investment funds comprising the NCREIF-ODCE (e.g., "core" real estate investments), (ii) the volatility of the index may be materially different from that of the BREP Funds; (iii) the index employs different investment guidelines than the BREP Funds and accordingly holdings in the index will vary materially from the investments made by the BREP Funds; and (iv) the BREP Funds are actively managed entities that bear fees and use leverage. The results of the BREP Funds and the NCREIF-ODCE over a different time period could differ from the information presented. The performance of the NCREIF-ODCE may not necessarily have been selected to represent an appropriate benchmark or index to compare to the BREP Funds, but rather is chosen to allow for comparison of the BREP Funds' performance to that of a well-known index in the core space.

S&P 500: S&P 500 is used as a performance comparison for certain funds presented herein. The S&P 500 Index is a capital-weighted index that includes 500 stocks representing all major industries. Returns are denominated in U.S. dollar and include dividends. The Index is a proxy of the performance of the broad U.S. economy through changes in aggregate market value. This is not a managed portfolio and does not reflect fees or expenses. The S&P 500 Index comparison provided herein is solely for informational purposes as an indication of returns that could be earned by investors by making similar investments in the S&P 500 Index and should not be relied upon for any purpose.

Investment Decisions. An investment in any Blackstone fund, account or strategy is speculative and involves a high degree of risk, and no assurance can be provided that a fund, account or strategy will be able to implement its investment strategy, achieve its investment objectives or avoid substantial losses. Investors should invest in a fund, account or strategy only if they are able to withstand the loss of their entire investment in a fund, account or strategy. An investment in a fund, account or strategy is suitable only for sophisticated investors who are in a position to tolerate such risk and satisfy themselves that such investment is appropriate for them. A fund, account or strategy may lack diversification, thereby increasing the risk of loss, and a fund, account or strategy's performance may be volatile. As a result, an investor could lose all or a substantial amount of its investment. The operative documents will contain descriptions of certain of the risks associated with an investment in a fund, account or strategy. In addition, a fund, account or strategy's fees and expenses may offset or exceed its profits. Interests in a fund, account or strategy have not been registered under the securities laws of any jurisdiction and therefore cannot be resold unless either (i) they are subsequently registered under applicable securities laws or (ii) an exemption from registration is available. Interests in a fund, account or strategy are highly illiquid and do not trade on any public market. It is unlikely that there will be a secondary market for the interests. Investors generally will not be permitted to withdraw their investment or transfer their interests. In making an investment decision, you must rely on your own examination of a fund, account or strategy and the terms of the offering. You should not construe the contents of this presentation as legal, tax, investment or other advice. No offer to purchase interests in a fund, account or strategy will be accepted prior to the receipt by the offeree of all appropriate documentation. The content of this presentation is provided solely for your information and does not constitute investment advice or a personal investment recommendation. Investments mentioned herein may not be suitable for any or all recipients of this presentation, and potential investors are advised not to make any investment decision unless they have taken independent advice from an appropriately authorized advisor. An investment in a fund, account or strategy may involve complex tax structures, which may result in delays in the distribution of important tax information and the requirement that investors obtain an extension on their income tax returns.

In making an investment decision, investors must rely solely on their own examination of a fund, account or strategy and the terms of the applicable offering materials, including the merits and risks involved, and not on any information or representation made or alleged to have been made herein or otherwise. Capitalized terms used in this presentation without definition are defined in the operative documents.

IRR - Gross. Gross IRR measures returns for a fund from inception to June 30, 2018 (unless otherwise noted) on a gross basis (before management fees, organizational expenses, fund expenses, carried interest (or incentive allocations, where applicable) and taxes, which in the aggregate are expected to be substantial). The gross IRR calculations for individual investments are made on the basis of the actual timing of investment inflows and outflows received or made by the fund, and the return is annualized. A series of cash flows is created starting with the initial cash capital contribution for the investment from fund investors, followed by cash receipts representing current income, financing proceeds, and partial sale proceeds. The terminal cash flow represents either the actual proceeds from the realization of the investment or, if the investment is yet to be realized, a fair market value ascribed to it by Blackstone, which is meant to approximate the cash flow that would have been generated had the investment been realized as of a reporting date. An IRR is a function of the length of time from the initial investment to ultimate realization and, for a given dollar amount realized, the IRR will decrease as the investment holding period increases. The gross IRR calculation is computed on a levered or basis, depending on the strategy of the fund, and does not take into account potential defaults on unrealized investments.

Credit: Gross returns for Mezzanine Funds represent the gross IRRs of the combined cash flows of the fee-earning funds exceeding \$100 million of fair value at each respective quarter end excluding the Blackstone funds that were contributed to GSO as part of Blackstone's acquisition of GSO in March 2008, and inception-to-date returns are from July 2007, November 2011 and September 2016. Gross returns are measured from inception through the end of the indicated period based on realized / substantially realized and unrealized / partially realized investments. The gross returns exclude origination and transaction fees (which are received by the management company and subject to a 100% offset against management fees) and are levered at the fund level.

Important Disclosures (Cont'd)

Strategic Partners: Returns shown for cumulative performance of flagship funds SP I–SP VII. Because this is cumulative information, these figures do not reflect the actual results achieved by any individual fund or any investor therein. Inception of the business was in December 2000, and all returns are as of March 31, 2018.

Tactical Opportunities: Returns shown for the combined global flagship funds Tactical Opportunities (“Tac Opps”) I–Tac Opps II and SMAs from inception of the business in February 2012.

IRR - Net. Net IRR is calculated based on returns (which include recycled contributions, if applicable) after management fees, organizational expenses, fund expenses, certain taxes and “carried interest” (but before any investor servicing fees as applicable, taxes or withholdings incurred by the limited partners directly) and excludes certain non-fee and/or non-carry bearing parties (e.g., the general partner commitment and Blackstone employee side-by-side investors), and adds back the effect of tax advances paid for carried interest already reflected in the returns.

Corporate Private Equity: Inception-to-date Net IRR shown for combined flagship global funds (BCP I–BCP VII), flagship sector funds (BEP and BCOM), BCEP and BCP Asia.

Credit: Net returns for the Mezzanine strategy represent the net IRRs of the combined cash flows of certain fee-earning funds exceeding \$100 million of fair value at each respective quarter end, excluding the Blackstone funds that were contributed to GSO as part of Blackstone’s acquisition of GSO in March 2008. Inception-to-date returns (i) are from July 2007, November 2011 and September 2016, (ii) are measured on the basis of both realized and unrealized investments, (iii) include the effect of recycling, (iv) does not include co-investments and (v) may reflect the impact of leverage. Net returns for the Stressed / Distressed strategy represent the net IRRs of the combined cash flows of the fee-earning funds exceeding \$100 million of fair value at each respective quarter end. Inception-to-date returns (i) are from September 29, 2009 and June 2013, (ii) are measured on the basis of both realized and unrealized investments, (iii) include the effect of recycling, (iv) does not include co-investments and (v) may reflect the impact of leverage. Net returns for the Energy strategy are measured from inception in November 2015 through the end of the indicated period and represent the sum of the aggregate cash flows (contributions from and distributions to all limited partners (and not the general partner)) for the Energy fund from inception through the end of the indicated period and the terminal value of fund interests for all limited partners on a “net” basis (i.e., after management fees, organizational expenses, fund expenses, certain taxes and “carried interest” (but before taxes or withholdings incurred by the limited partner directly or indirectly through withholdings by the Energy fund). For purposes of the net levered IRR calculation, recycled amounts are treated as distributed to investors and re-contributed by such investors to the Energy fund. Net returns for the U.S. Direct Lending strategy represent U.S. first lien and unitranche debt (which may be secured by the applicable borrower’s assets and/or equity) transactions that were originated or anchored by certain GSO managed, advised or sub-advised funds (including GSO managed mezzanine funds and GSO sub-advised business development companies (“BDCs”)) since 2006 (the “U.S. Direct Lending Track Record”). With respect to certain transactions, the U.S. Direct Lending Track Record includes free equity and/or warrants that accompanied the debt financings, as well as any loans or securities into which the applicable first lien and unitranche debt may have been restructured subsequent to GSO’s initial investment. The U.S. Direct Lending Track Record excludes (i) broadly syndicated, mezzanine, second lien and equity (other than the aforementioned free equity and/or warrants) transactions, among others and (ii) transactions where GSO’s invested capital (net of transactions fees) was under \$25 million. Net returns for the European Direct Lending strategy represent the sum of the aggregate cash flows (contributions from and distributions to, limited partners) for the European Direct Lending fund from inception through the end of the indicated period on a “net” basis (i.e., after management fees, organizational expenses, fund expenses, certain taxes, “carried interest” (but before share class hedging income or loss, taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by European Direct Lending fund)). As used herein, fund level net IRR is calculated by using the annual implied discount rate that makes the net present value of all cash flows from a particular investment equal to zero. Terminal value represents net asset value on a liquidation basis. Note, the Net IRR as of Q2 2018 is 10.5% when reflected net of income or loss associated with share class hedging. Net returns for the Opportunistic Credit strategy represents the sum of the aggregate cash flows (contributions from and distributions to, limited partners) from inception through the end of the indicated period on a “net” basis (i.e., after management fees, organizational expenses, fund expenses, certain taxes and “carried interest” (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by such fund)). As used herein, the fund level net IRR is calculated by using the annual implied discount rate (de-compounded for each period less than a year) that makes the net present value of all cash flows from a particular investment equal to zero. Net returns for the Structured Credit strategy represent the net returns for a given month, calculated as the change between the net asset value of the current month and the net asset value of the previous month, with the current month’s net asset value increased by the amount of any dividend paid during the month. Net returns for the Harvest MLP Composite reflect returns for the SMA Composite, which exclude the MAPS platform, the HFR sub-advised account, and any individual SMA allocating less than \$5 million (which together amount to approximately 5% of total AUM). Harvest’s core institutional SMA offering was created in May 2008 and is managed long-only, without leverage. Returns for 2008 reflect the period May 1, 2008 through December 31, 2008. Returns reflect the deduction of all trading expenses and the reinvestment of corporate dividends, MLP distributions, and other earnings.

Infrastructure: Infrastructure Net IRR is hypothetical and has been compiled by selecting certain infrastructure-related investments from a number of different Blackstone funds and represents a weighted average based on invested capital. These funds have a variety of different investment strategies and do not exclusively pursue infrastructure investments. There is no generally accepted definition of

Important Disclosures (Cont'd)

“infrastructure” and the use of different criteria in selecting investments for inclusion in calculating the Infrastructure Net IRR could result in a materially different result. For purposes of selecting investments, “infrastructure” was defined to include companies and assets in the power generation, energy midstream, renewable energy, telecom infrastructure and logistics and transport industries. Infrastructure does not include upstream energy, general commercial or residential real estate or industrials companies. Includes originated investments only. Investments (and related performance information) were made by a number of different Blackstone funds whose overall strategy (including the fact that these funds were not solely focused on the acquisition of infrastructure assets) and terms (including fees and expenses) vary significantly from each other and, potentially, from those of any Blackstone infrastructure fund.

Real Estate:

BREP International II. As of June 30, 2018, the 7.7% Net IRR represents the performance for BREP International II investors that elected to participate in the Hilton investment. The fund’s partnership agreement was amended to permit the investment and offer the election because a majority of Hilton’s revenues were derived from the United States. Including the performance of investors that did not elect to participate in Hilton, the Net IRR for BREP International II is 6.3%, as of June 30, 2018. Please see “IRR – Gross” for additional information regarding performance calculations.

Real Estate Fund Level Net Returns. As of June 30, 2018, the Net IRR for BREP VI is 13.2%, the Net IRR for BREP VII is 17.7%, the Net IRR for BREP VIII is 16.5%; the Net IRR for BREP Europe IV is 17.8%, the Net IRR for BREP Europe V is 18.7; and the Net IRR for BREP Asia I is 15.5%, however due to the short duration and the limited amount of activity, the Net IRR for BREP Asia II is not yet meaningful. Please see above for the Net IRR of BREP International II and “IRR – Gross” for additional information regarding performance calculations.

Tactical Opportunities: Net IRR for Tac Opps is for total (realized plus unrealized) investments. Tactical Opportunities funds represent the Tactical Opportunities Program (which includes global flagship funds Tac Opps I – Tac Opps II and SMAs). Tac Opps returns are calculated as the internal rate of return of the total contributions and distributions (including fees, drawdown of expenses, return of capital and recouped losses) for all investments. Inception-to-date Net IRR of 13% for the Tac Opps business represents annualized returns from inception, February 2012, to June 30, 2018. Realized Net IRR of 24% reflects the performance of realized proceeds only. Quarterly returns and Net IRR shown for the flagship strategy includes Tac Opps I–Tac Opps II are shown since inception.

Issuers Across Portfolios.

GSO: Issuers across portfolios includes all issuers covered by draw-down funds, and Long Only vehicles, including, but not limited to, broadly syndicated assets, middle market assets, high yield bonds, mezzanine transactions, the Harvest MLP Platform and CLOs (including risk retention securities) or other structured products.

Last Investor Day: The last Investor Day took place on June 12, 2014.

LTM: LTM is defined as last twelve months.

Limited Use. Blackstone grants you a limited right to use the information contained herein. Your right to use the information is subject to any other rules, procedures, policies, terms or conditions that govern all or any portion of the 2018 Blackstone Investor Day materials and content on the Blackstone Website. At any time and for any reason Blackstone may revoke your right to use all or any portion of these materials or may remove these materials from the Blackstone Web site. You may browse and download the 2018 Blackstone Investor Day materials. You may not, however, distribute, modify, transmit, reuse, repost or use any of such materials for public or commercial purposes, without the express written permission of The Blackstone Group L.P. All copyright and other proprietary notices contained in downloaded materials must be retained.

Market Sizing (appearing in New Initiatives section):

- U.S. University Endowments. National Association of College and University Business Officers, 2016.
- U.S. Public Pensions. Willis Towers Watson, 2016.
- Sovereign Wealth Funds. PwC, 2018.
- Insurance. NAIC, 2017. European Insurance Database, 2018. Standard Life Investment Survey, 2017. Blackstone estimate.
- High Net Worth. CapGemini, 2018.
- Mass Affluent. CapGemini, 2015.
- IRA/Defined Contribution. Investment Company Institute, 2018.

Important Disclosures (Cont'd)

Market Trends. Market trends depicted herein are current as of the date of this document and are based on market observation and Blackstone estimates. There can be no assurance that any trends depicted herein will continue.

MOIC - Gross. Except where indicated (e.g., when only realized or unrealized value is presented), Gross MOIC represents total realized and unrealized value divided by invested capital. Where realized gross MOIC is presented on a combined basis for Corporate Private Equity or Real Estate, it reflects the average realized gross MOIC of only the funds indicated.

MOIC - Net. Except where indicated (e.g., when only realized or unrealized value is presented), Net MOIC represents total realized and unrealized value after management and servicing fees, as applicable, organizational expenses, partnership expenses, certain fund tax liabilities and the general partner's allocation of profit ("carried interest" or "incentive fees", as applicable) (but before taxes or withholdings incurred by the limited partners directly or indirectly) divided by invested capital, and excludes certain non-fee and/or non-carry bearing parties (e.g., the general partner commitment and Blackstone employee side-by-side investors, as applicable), and adds back the effect of any tax distributions paid for carried interest already reflected in the returns. Where realized net MOIC is presented on a combined basis for Corporate Private Equity or Real Estate, it reflects the average realized net MOIC of only the funds indicated. Calculations of net and gross IRRs and MOICs in respect of investment and performance data referred to herein are based on the payment date of capital contributions received from limited partners. As such, fund-level borrowings (made in lieu of or in advance of calling capital contributions) are not taken into account. Capital contributions called from limited partners and used to repay any such borrowings are treated as outflows as of the payment date of the investors' capital contributions, and these calculations therefore reflect the timing effect of utilizing fund-level borrowing in advance of receiving capital contributions. Fund performance shown reflects a fund's return since inception and is based on the actual management fees and expenses paid by fund investors as a whole. The management fees paid by certain investors during the performance period are materially different from those paid by other investors during the performance period due to, among other factors, fee holidays for limited partners subscribing to a first close or fee breaks for investors committing at or above a specified capital amount. In addition, certain investors may pay investor servicing fees to the manager during the performance period. Furthermore, fund performance shown may not reflect returns experienced by any particular investor in a fund since actual returns to investors depend on when each investor invested in such fund, which may be at a point in time subsequent to the fund's equalization period (if applicable). Accordingly, performance for individual investors may vary from the performance stated herein as a result of the management fees paid by certain investors; the investor servicing fees paid by certain investors, as applicable; the timing of their investment; and/or their individual participation in fund investments.

Opinions. Opinions expressed reflect the current opinions of Blackstone as of the date appearing in this presentation only and are based on Blackstone's opinions of the current market environment, which is subject to change.

Perpetual Capital. Perpetual Capital refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Includes co-investment capital with an investor right to convert into Perpetual Capital.

Principal Loss Rate. The principal loss rate is calculated as loss of principal in realized investment divided by total invested capital.

Credit. The principal loss rate is based on GSO commingled funds that are primarily invested in privately originated investments, including Mezzanine I, Mezzanine II, Mezzanine III, Stressed / Distressed I, Stressed / Distressed II, Stressed / Distressed III, European Direct Lending I, Energy I and U.S. Direct Lending. The U.S. Direct Lending Track Record includes U.S. first lien and unitranche debt (which may be secured by the applicable borrower's assets and/or equity) transactions that were originated or anchored by certain GSO managed, advised or sub-advised funds (including GSO managed mezzanine funds and GSO sub-advised business development companies) since 2006. The applicable non-GSO entities that acted as advisers to the BDCs retained investment discretion over the BDCs' investment programs. Thus, while GSO proposed investment opportunities to the BDC Advisers for investment by the BDCs, the BDC Advisers had investment discretion to approve or reject such proposed investment opportunities.

Real Estate. Inception of the business was in 1991.

Real Estate Fund Definitions. As used herein, "BREP or opportunistic" reflects Pre-BREP, all BREP funds and BREP co-investments; "Global Core+ or core+" reflects BPP U.S., BPP Europe, co-investments, supplemental vehicles, separately managed accounts and the BPP global investment vehicles, as well as Blackstone Real Estate Income Trust ("BREIT"), a vehicle with an income-oriented strategy; and "BREDS" reflects BREDS I, BREDS II, BREDS III, and separately managed accounts investing alongside those funds (collectively, the "BREDS High-Yield Funds" or "high-yield debt"), as well as Blackstone Real Estate Debt Strategies High-Grade L.P., Blackstone Mortgage Trust ("BXMT") and the BREDS funds and separately managed accounts investing in liquid real estate related debt.

Relative Size of Blackstone Businesses (appearing in New Initiatives section):

- Hedge Fund seeding. Blackstone estimate.

Important Disclosures (Cont'd)

- Private Real Estate debt. PERE historical fundraising data, 2018.
- BDCs. Blackstone estimate.
- Private Equity energy. Preqin, 2018.
- Tactical Opportunities. Preqin, 2018.
- Hedge Fund stakes. Blackstone estimate.
- Secondaries. PEI Secondaries Investor, 2018.
- Real Estate Core+. PERE historical fundraising data, 2018. Represents U.S. market.
- Core Private Equity. Blackstone estimate.
- Non-traded REIT. Stanger Market Pulse, 2018.

Realized or Partially Realized Returns. Realized or partially realized returns represent both (i) proceeds from investments that are realized and have been disposed of and (ii) realized proceeds from unrealized investments, such as interest, principal, transaction fees (which are received by Blackstone) and proceeds from disposition of equity interests. The actual realized value of currently unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized values of unrealized investments may differ materially from the values presented herein. Aggregate realized or partially realized returns for the funds are presented net of partnership expenses and unrealized currency gains or losses.

Shares. References to “Shares” refer to Blackstone common and/or partnership holdings units.

Special Cash Distribution or “Special Distribution.” Blackstone announced in April 2018 it intended to distribute a portion of the after-tax proceeds it received upon the conclusion of Blackstone’s investment sub-advisory relationship with FS Investments. This would result in an anticipated incremental \$0.30 per unit, or an estimated total special distribution of \$360 million, to be distributed with respect to 2018. As of August 6, 2018, the date of Blackstone’s last distribution payment, \$0.10 per unit of the incremental \$0.30 per unit has been distributed.

Strategic Partners. \$23 billion raised, as of June 30, 2018, within the Private Equity Secondaries vertical includes co-investment capital, overage accounts and capital raised for co-managed vehicles. There is no guarantee any Strategic Partners vehicle will achieve its investment objectives or avoid substantial losses. Current capital raised represents capital raised since inception as of April 2018.

Stock. Stock, in reference to The Blackstone Group L.P., refers to the publicly traded common units of The Blackstone Group L.P. (ticker: BX), which are traded on the New York Stock Exchange.

Subscription-Based Credit Facility. Calculations of returns to investors are based on the payment date of investors’ capital contributions. There are instances where the fund utilizes borrowings under its subscription-based credit facility in advance of or in lieu of receiving investors’ capital contributions. The use of a subscription-based credit facility will result in higher or lower reported returns than if investors’ capital had been contributed at the inception of an investment. In addition, the fund pays all related expenses, including interest, on its subscription-based credit facility and investors will bear such costs.

Seller Motivations. Seller motivations are based on Blackstone observations, and may be driven by factors other than those presented herein.

Terms and Conditions of Use. By accessing or using the 2018 Blackstone Investor Day materials, prepared by The Blackstone Group L.P. and its affiliates (collectively, “Blackstone”), you hereby accept and agree to comply with the Terms and Conditions of Use of the Blackstone Website (www.blackstone.com) as though incorporated and set forth fully herein. You acknowledge your understanding that the Terms and Conditions of Use constitute a binding agreement between you and Blackstone (sometimes referred to as “we” or “us”) that governs your access and use of the 2018 Blackstone Investor Day materials, which includes any images, text, illustrations, designs, icons, photographs, programs, music clips, downloads, video clips, graphics, user interfaces, visual interfaces, information, data, tools, products, written materials, services and other content (together, “Content”), including but not limited to the design, structure, selection, coordination, expression and arrangement of the Content available on or through the Blackstone Website and the 2018 Blackstone Investor Day materials.

Tactical Opportunities. Inception of the business is February 2012.

Total Enterprise Value (“TEV”). Infrastructure TEV reflects initial value of infrastructure-related projects. There is no generally accepted definition of “Infrastructure” and the use of different criteria in selecting

Important Disclosures (Cont'd)

investments for inclusion in calculating TEV could result in a materially different result. Please see Performance Information above for additional detail about “infrastructure-related” investments.

Transaction-Related Charges. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone’s initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the tax receivable agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.

Appendix: Non-GAAP Reconciliations

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2Q'18 LTM
Net Income (Loss) Attributable to The Blackstone Group L.P.	\$ (1,163,032)	\$ (715,291)	\$ (370,028)	\$ (168,303)	\$ 218,598	\$ 1,175,346	\$ 1,588,827	\$ 713,188	\$ 1,039,014	\$ 1,471,374	\$ 1,791,972
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	(3,638,799)	(1,792,174)	(668,444)	(83,234)	407,727	1,343,874	1,705,001	686,529	960,099	1,392,323	1,698,980
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	(159,828)	(14,328)	343,498	7,953	99,959	198,557	335,070	219,900	246,152	497,439	530,387
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(632,495)	131,097	87,651	(24,869)	103,598	183,315	74,794	11,145	3,977	13,806	10,445
Net Income (Loss)	\$ (5,594,154)	\$ (2,390,696)	\$ (607,323)	\$ (268,453)	\$ 829,882	\$ 2,901,092	\$ 3,703,692	\$ 1,630,762	\$ 2,249,242	\$ 3,374,942	\$ 4,031,604
Provision (Benefit) for Taxes	(14,145)	99,230	84,669	345,711	185,023	255,642	291,173	190,398	132,362	743,147	849,328
Income (Loss) Before Provision (Benefit) for Taxes	\$ (5,608,299)	\$ (2,291,466)	\$ (522,654)	\$ 77,258	\$ 1,014,905	\$ 3,156,734	\$ 3,994,865	\$ 1,821,160	\$ 2,381,604	\$ 4,118,089	\$ 4,880,932
Transaction-Related Charges (a)	3,332,721	2,973,950	2,369,195	1,269,932	1,079,511	722,707	856,382	489,563	264,937	(176,531)	(708,930)
Amortization of Intangibles (b)	153,237	158,048	165,378	220,865	150,148	106,643	111,254	104,530	84,466	48,297	55,355
Impact of Consolidation (c)	792,323	(116,769)	(431,149)	16,916	(203,557)	(381,872)	(409,864)	(231,045)	(250,129)	(511,245)	(540,832)
Economic Income (Loss)	\$ (1,330,018)	\$ 723,763	\$ 1,580,770	\$ 1,584,971	\$ 2,041,007	\$ 3,604,212	\$ 4,552,637	\$ 2,184,208	\$ 2,480,878	\$ 3,478,610	\$ 3,686,525
(Taxes) (d)	(43,457)	(51,086)	(28,932)	(45,763)	(45,708)	(82,164)	(199,512)	(27,527)	(92,263)	(101,531)	(96,812)
Economic Net Income (Loss)	\$ (1,373,475)	\$ 672,677	\$ 1,551,838	\$ 1,539,208	\$ 1,995,299	\$ 3,522,048	\$ 4,353,125	\$ 2,156,681	\$ 2,388,615	\$ 3,377,079	\$ 3,589,713
Taxes (d)	43,457	51,086	28,932	45,763	45,708	82,164	199,512	27,527	92,263	101,531	96,812
Performance Revenues (e)	1,247,249	(240,131)	(926,289)	(1,174,526)	(1,593,765)	(3,573,819)	(4,408,748)	(1,810,253)	(2,177,136)	(3,711,820)	(3,812,363)
Principal Investment (Income) Loss (f)	756,611	(33,424)	(548,549)	(185,264)	(286,244)	(687,805)	(471,628)	(52,849)	(220,290)	(304,988)	(322,753)
Other Revenues (g)	(13,595)	(7,096)	618	(7,415)	(5,149)	(10,308)	(9,405)	(8,500)	(54,712)	140,051	35,773
Net Interest (Income) Loss (h)	(9,023)	(12,254)	570	14,357	22,522	32,968	36,511	44,181	51,623	49,918	31,384
Performance Compensation (i)	(202,717)	(1,079)	356,962	316,712	513,546	1,422,455	1,294,235	570,324	867,578	1,491,038	1,550,173
Fee Related Net Performance Revenues (j)	-	-	-	-	3,427	20,031	32,561	57,354	56,461	93,512	91,360
Equity-Based Compensation - Non-Performance Compensation Related (k)	64,288	66,788	68,900	84,627	90,040	130,124	45,133	96,901	73,747	93,410	113,049
Fee Related Earnings	\$ 512,795	\$ 496,567	\$ 532,982	\$ 633,462	\$ 785,384	\$ 937,858	\$ 1,071,296	\$ 1,081,366	\$ 1,078,149	\$ 1,329,731	\$ 1,373,148
Net Realized Performance Revenues (l)	34,016	49,160	233,347	128,409	392,411	960,175	1,789,692	2,527,019	1,118,790	2,443,708	1,738,964
Fee Related Net Performance Revenues (j)	-	-	-	-	(3,427)	(20,031)	(32,561)	(57,354)	(56,461)	(93,512)	(91,360)
Realized Principal Investment Income (Loss) (m)	(64,677)	29,544	46,915	102,575	95,398	170,471	543,425	418,808	199,869	436,194	255,753
Net Interest Income (Loss) (h)	9,023	12,254	(570)	(14,357)	(22,522)	(32,968)	(36,511)	(44,181)	(51,623)	(49,918)	(31,384)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (n)	(43,457)	(51,086)	(48,867)	(74,696)	(132,325)	(156,734)	(280,788)	(90,470)	(167,149)	(189,988)	(178,212)
Distributable Earnings	\$ 447,700	\$ 536,439	\$ 763,807	\$ 775,393	\$ 1,114,919	\$ 1,858,771	\$ 3,054,553	\$ 3,835,188	\$ 2,121,575	\$ 3,876,215	\$ 3,066,909

See Reconciliation of GAAP to Non-GAAP Measures – Notes. Effective July 1, 2018, Fee Related Earnings, a Total Segment measure, has been redefined to include Fee Related Net Performance Revenues. Please refer to the Definitions for further information. There was no change to Economic Income and Distributable Earnings. All prior periods have been recast to reflect this definition. Effective January 1, 2018, Blackstone adopted new GAAP guidance on revenue recognition. As previously disclosed, historical periods beginning with 2013 have been recast to reflect these changes. Periods prior to 2013 have not been recast. The adoption of the new GAAP guidance on revenue recognition did not have an impact on Fee Related Earnings and Distributable Earnings.

Reconciliation of Individual Segment Economic Income and Fee Related Earnings to Total Segments Results

(Dollars in Thousands)	2008						Total Segments
	Private Equity	Real Estate	Hedge Fund Solutions	Credit	Financial Advisory		
Economic Income (Loss)	\$ (392,506)	\$ (850,584)	\$ (168,789)	\$ (26,673)	108,534	\$ (1,330,018)	
Performance Revenues (e)	430,485	819,023	(7,185)	4,926	-	1,247,249	
Principal Investment (Income) Loss (f)	182,513	234,872	278,764	60,462	-	756,611	
Other Revenues (g)	(4,474)	(3,008)	(738)	(476)	(4,899)	(13,595)	
Net Interest (Income) Loss (h)	1,196	(981)	(403)	(2,296)	(6,539)	(9,023)	
Performance Compensation (i)	(130,345)	(73,891)	4,569	(3,050)	-	(202,717)	
Fee Related Net Performance Revenues (j)	-	-	-	-	-	-	
Equity-Based Compensation - Non-Performance Compensation Related (k)	6,419	2,279	16,235	556	38,799	64,288	
Fee Related Earnings	\$ 93,288	\$ 127,710	\$ 122,453	\$ 33,449	135,895	\$ 512,795	

(Dollars in Thousands)	2Q'18 LTM					Total Segments
	Private Equity	Real Estate	Hedge Fund Solutions	Credit		
Economic Income (Loss)	\$ 1,365,772	\$ 1,556,226	\$ 369,757	\$ 394,770	\$ 3,686,525	
Performance Revenues (e)	(1,658,478)	(1,663,541)	(139,782)	(350,562)	(3,812,363)	
Principal Investment (Income) Loss (f)	(187,925)	(100,409)	(24,627)	(9,792)	(322,753)	
Other Revenues (g)	7,479	16,350	4,719	7,225	35,773	
Net Interest (Income) Loss (h)	14,533	6,338	7,740	2,773	31,384	
Performance Compensation (i)	722,190	613,324	48,895	165,764	1,550,173	
Fee Related Net Performance Revenues (j)	-	67,265	-	24,095	91,360	
Equity-Based Compensation - Non-Performance Compensation Related (k)	25,991	34,318	30,250	22,490	113,049	
Fee Related Earnings	\$ 289,562	\$ 529,871	\$ 296,952	\$ 256,763	\$ 1,373,148	

This reconciliation supplements the Reconciliation of GAAP to Non-GAAP Measures for the respective periods. See Reconciliation of GAAP to Non-GAAP Measures and Reconciliation of GAAP to Non-GAAP Measures – Notes. On October 1, 2015 Blackstone spun-off its Financial Advisory business, which did not include Blackstone's capital markets services business. The results of Blackstone's capital markets services business have been reclassified from the Financial Advisory segment to the Private Equity segment. All prior periods have been recast to reflect this reclassification.

Reconciliation of GAAP to Non-GAAP Measures – Notes

- (a) This adjustment removes Transaction-Related Charges. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone’s initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the tax receivable agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.
- (b) This adjustment adds the amortization of transaction-related intangibles including intangibles associated with Blackstone’s investment in Pátria, which is accounted for under the equity method.
- (c) This adjustment represents the effect of consolidating Blackstone Funds, the elimination of Blackstone’s interest in these funds, the increase to revenue representing the reimbursement of certain expenses by Blackstone Funds, which are presented gross under GAAP but netted against Other Operating Expenses in the segment presentation, and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
- (d) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and adjusted to exclude the tax impact of any divestitures.
- (e) This adjustment removes total segment Performance Revenues.
- (f) This adjustment removes total segment Principal Investment Income (Loss).
- (g) This adjustment removes total segment Other Revenues.
- (h) This adjustment removes total segment Interest and Dividend Revenue less total segment Interest Expense.
- (i) This adjustment removes the total segment amount of Performance Compensation, comprised of Incentive Fee Compensation and Performance Allocations Compensation.
- (j) Fee Related Net Performance Revenues refers to the realized portion of Performance Revenues from Perpetual Capital that are (i) measured and received on a recurring basis and (ii) not dependent on realization events from the underlying investments (“Fee Related Performance Revenues”), net of directly related cash compensation expense.
- (k) This adjustment removes the component of total segment Compensation that is equity-based.
- (l) This adjustment adds the total segment amounts of Realized Incentive Fees and Realized Performance Allocations, net of realized Performance Compensation.
- (m) This adjustment adds the total segment amount of Realized Principal Investment Income.
- (n) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and to exclude the tax impact on any divestitures and the Payable Under Tax Receivable Agreement.

Units Outstanding

	2Q'07	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2Q'18
Economic Net Income Adjusted Units, End of Period	1,120,307,616	1,135,164,858	1,126,974,312	1,116,771,651	1,108,034,890	1,143,019,281	1,150,867,868	1,159,954,181	1,190,361,741	1,196,223,079	1,200,553,187	1,208,784,937
Total Common Units Outstanding	260,171,677	275,420,469	324,688,930	420,631,857	495,599,976	568,600,922	588,165,949	611,480,457	637,410,828	654,833,530	668,733,356	682,801,258
<i>Adjustments:</i>												
Blackstone Holdings Partnership Units	827,516,644	824,793,569	771,095,235	681,451,592	608,718,156	553,614,040	547,021,277	536,543,970	546,844,892	537,393,402	530,472,212	520,175,306
Distributable Earnings Units Outstanding	1,087,688,321	1,100,214,038	1,095,784,165	1,102,083,449	1,104,318,132	1,122,214,962	1,135,187,226	1,148,024,427	1,184,255,720	1,192,226,932	1,199,205,568	1,202,976,564

Common Unitholders receive tax benefits from deductions taken by Blackstone's corporate tax paying subsidiaries and bear responsibility for the deduction from Distributable Earnings of the Payable Under Tax Receivable Agreement and certain other tax-related payables. Distributable Earnings Units Outstanding excludes units which are not entitled to distributions and are as of the end of each period.

Definitions

Blackstone discloses the following financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America (“non-GAAP”) in this presentation:

- **Economic Income**, or “**EI**”, represents segment net income before taxes and is used as a key measure of value creation, a benchmark of performance and in making resource deployment and compensation decisions across Blackstone’s four segments. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages, and excludes the amortization of intangibles and other transaction-related charges.
 - **Transaction-Related Charges** arise from corporate actions including acquisitions, divestitures, and Blackstone’s initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the tax receivable agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.
- **Economic Net Income**, or “**ENI**”, represents EI adjusted to include current period taxes. Current period taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and adjusted to exclude the tax impact of any divestitures.
- **Fee Related Earnings**, or “**FRE**”, is a performance measure used to assess Blackstone’s ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. FRE equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Net Performance Revenues, less (a) cash compensation expense directly related to earning those revenues, and (b) Other Operating Expenses. FRE is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision for Taxes.
 - **Fee Related Net Performance Revenues** refers to the realized portion of Performance Revenues from Perpetual Capital that are (a) measured and received on a recurring basis and (b) not dependent on realization events from the underlying investments (“Fee Related Performance Revenues”), net of directly related cash compensation expense.
- **Distributable Earnings**, or “**DE**”, which is derived from Blackstone’s segment reported results, is a supplemental measure used to assess performance and amounts available for distributions to Blackstone unitholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Blackstone Funds. DE is the sum across all segments of: (a) Total Management, Advisory and Other Fees, Net, (b) Interest and Dividend Revenue, (c) Realized Incentive Fees, (d) Realized Performance Allocations, and (e) Realized Principal Investment Income (Loss); less (a) Compensation, excluding the expense of equity-based awards, (b) Realized Incentive Fee Compensation, (c) Realized Performance Allocations Compensation, (d) Interest Expense, (e) Other Operating Expenses, and (f) Taxes and Related Payables Under the Tax Receivable Agreement. DE is reconciled to Blackstone’s Consolidated Statement of Operations.
- **Performance Revenues** collectively refers to: (a) Incentive Fees, and (b) Performance Allocations.
- **Performance Compensation** collectively refers to: (a) Incentive Fee Compensation, and (b) Performance Allocations Compensation.
- **Perpetual Capital** refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Includes co-investment capital with an investor right to convert into Perpetual Capital.

Speaker Biographies

Speaker Biographies



Stephen A. Schwarzman is Chairman, CEO and Co-Founder of Blackstone, one of the world's leading investment firms with \$440 billion Assets Under Management (as of June 30, 2018). Mr. Schwarzman has been involved in all phases of Blackstone's development since its founding in 1985. The firm has established leading investing businesses across asset classes, including private equity, where it is a global leader in traditional buyout, growth equity, special situations and secondary investing; real estate, where it is currently the largest owner of property in the world; hedge fund solutions, where it is the world's largest discretionary hedge fund investor; and credit, where it is a global leader and major provider of credit for small, middle-market and other companies. Blackstone has also recently launched major new businesses dedicated to infrastructure investing and delivering the firm's investment management expertise and products to insurance companies.

Mr. Schwarzman is an active philanthropist with a history of supporting education and schools. Whether in business or in philanthropy, he has always attempted to tackle big problems and find transformative solutions. Earlier this year, he donated \$25 million to his alma mater Abington High School to facilitate a full-scale renovation and curriculum changes that better prepare students for today's workforce. With this gift - the largest ever to an individual public school - Mr. Schwarzman is advocating for a paradigm shift in how schools and donors approach private support for public education. In 2015, Mr. Schwarzman donated \$150 million to Yale University to establish the Schwarzman Center, a first-of-its-kind campus center in Yale's historic "Commons" building. In 2013, he founded an international scholarship program, "Schwarzman Scholars," at Tsinghua University in Beijing to educate future leaders about China. At \$550 million, the program is modeled on the Rhodes Scholarship and is the single largest philanthropic effort in China's history coming largely from international donors. Mr. Schwarzman currently maintains his position as Co-Chair of the Board of Trustees of Schwarzman Scholars. In 2007, Mr. Schwarzman donated \$100 million to the New York Public Library on whose board he serves.

Mr. Schwarzman is a member of The Council on Foreign Relations, The Business Council, The Business Roundtable, and The International Business Council of the World Economic Forum. He is a former co-chair of the Partnership for New York City and serves on the boards of The Asia Society and New York-Presbyterian Hospital, as well as on The Advisory Board of the School of Economics and Management at Tsinghua University, Beijing. He is a Trustee of The Frick Collection in New York City and Chairman Emeritus of the Board of Directors of The John F. Kennedy Center for the Performing Arts. In 2007, Mr. Schwarzman was included in TIME's "100 Most Influential People." In 2016, he topped Forbes Magazine's list of the most influential people in finance. The Republic of France has awarded Mr. Schwarzman both the Légion d'Honneur and the Ordre des Arts et des Lettres at the Commandeur level. Mr. Schwarzman is one of the only Americans to receive both awards recognizing significant contributions to France.

He is also the Former Chairman of the President's Strategic and Policy Forum, which was charged with providing direct input to the President of the United States from business leaders through a non-partisan, non-bureaucratic exchange of ideas.

Mr. Schwarzman holds a B.A. from Yale University and an M.B.A. from Harvard Business School. He has served as an adjunct professor at the Yale School of Management and on the Harvard Business School Board of Dean's Advisors.

Speaker Biographies (Cont'd)



Jonathan (“Jon”) Gray is President and Chief Operating Officer of Blackstone, and is a member of Blackstone’s Board of Directors. He sits on its Management Committee and most of its investment committees, including serving as Chairman of the Real Estate group’s investment committee. Mr. Gray previously served as the firm’s Global Head of Real Estate, which he helped to build into the largest real estate platform in the world with \$120 billion of investor capital under management. He joined Blackstone in 1992.

Mr. Gray currently serves as Chairman of the Board of Hilton Worldwide. He also serves on the board of Harlem Village Academies and Trinity

School. Mr. Gray and his wife, Mindy, established the Basser Center for BRCA at the University of Pennsylvania School of Medicine focused on the prevention and treatment of BRCA related cancers. They also established NYC Kids RISE in partnership with the City of New York to accelerate college savings for low income children.

Mr. Gray received a BS in Economics from the Wharton School, as well as a BA in English from the College of Arts and Sciences at the University of Pennsylvania.



Hamilton (“Tony”) E. James is Executive Vice Chairman of Blackstone, and a member of the Board of Directors of its general partner, Blackstone Group Management L.L.C. He is also a member of Blackstone’s Management Committee and sits on each of the firm’s investment committees. Mr. James previously served as the firm’s President and Chief Operating Officer.

Prior to joining Blackstone in 2002, Mr. James was Chairman of Global Investment Banking and Private Equity at Credit Suisse First Boston and a member of the Executive Board. Prior to the acquisition of Donaldson, Lufkin & Jenrette by Credit Suisse First Boston in 2000, Mr. James was the Chairman of DLJ’s Banking Group, responsible for all the firm’s investment banking and merchant banking activities. Mr. James joined DLJ in 1975, became head of

DLJ’s global M&A group in 1982, founded DLJ Merchant Banking, Inc. in 1985, and was named Chairman of the Banking Group in 1995.

Mr. James is Chairman of the Board of Directors of Costco Wholesale Corporation, a member of the Board of Directors of Digital Asset Holdings, and has served on a number of other corporate Boards. Mr. James is Chairman of the Finance Committee of The Metropolitan Museum of Art, member of The Board of Trustees of the Mount Sinai Health System, member of the Center for American Progress Board of Trustees, Vice Chairman of Trout Unlimited’s Coldwater Conservation Fund, Vice Chairman of the Board of Trustees of Wildlife Conservation Society, Advisory Board member of The Montana Land Reliance, Advisory Council member of the Monetary Authority of Singapore, Chairman of the Education Finance Institute, Advisory Board member of the Max S. Baucus Institute at the University of Montana and Chairman Emeritus of the Board of Trustees of American Ballet Theatre. He is also a former member of the President’s Export Council and a former Commissioner of The Port Authority of New York and New Jersey.

In 2018, Mr. James co-authored the second edition of *Rescuing Retirement*, a book proposing a solution to America’s looming retirement crisis. The first edition was published in 2016. He has also published articles in *The New York Times*, *The Wall Street Journal*, *Financial Times*, *The Harvard Business Review* and other major publications.

Mr. James graduated magna cum laude with a BA from Harvard College in 1973 and was a John Harvard Scholar. He earned an MBA with high distinction from the Harvard Business School and graduated as a Baker Scholar in 1975.

Speaker Biographies (Cont'd)



Joseph Baratta is Global Head of Private Equity and a member of the firm's Management Committee. He also serves on many of the firm's investment committees.

Mr. Baratta joined Blackstone in 1998 and in 2001 he moved to London to help establish Blackstone's corporate private equity business in Europe. Since 2012, Mr. Baratta has served as the firm's Global Head of Private Equity and is located in New York.

Mr. Baratta has served on the boards of many past Blackstone portfolio companies and currently serves on the boards of First Eagle Investment Management, Penn Engineering and SESAC. He is also a member of the

Board of Trustees of Georgetown University; is a trustee of the Tate Foundation; and serves on the board of Year Up, an organization focused on youth employment.

Before joining Blackstone, Mr. Baratta was with Tincum Incorporated and McCown De Leeuw & Company. Mr. Baratta also worked at Morgan Stanley in its mergers and acquisitions department.

Mr. Baratta graduated magna cum laude from Georgetown University.



David S. Blitzer is the Global Head of Blackstone's Tactical Opportunities group (Tac Opps), and a member of the firm's Management Committee. He is also involved in the Tac Opps Investment Committee. Tac Opps is Blackstone's opportunistic investment business which invests globally across asset classes and industries and seeks to identify and execute on attractive, differentiated investment opportunities.

Prior to launching Tac Opps, Mr. Blitzer had been involved in the execution of Blackstone investments across a variety of asset classes, including establishing and leading Blackstone's European private equity business. He joined the firm in 1991.

Mr. Blitzer is based in New York and graduated *magna cum laude* from the Wharton School of the University of Pennsylvania. Mr. Blitzer currently serves on the Boards of Dream, a youth development organization servicing over 2,200 inner city children, and the Riverdale Country School, the Advisory Board of the Mount Sinai Surgical Department, the Board of Overseers at the Wharton School and the Board of Trustees at the University of Pennsylvania.

Speaker Biographies (Cont'd)



Michael S. Chae is Blackstone's Chief Financial Officer and a member of the firm's Management Committee. Mr. Chae has management responsibility over the firm's global finance, treasury, technology and corporate development functions. Since joining Blackstone in 1997, Mr. Chae has served in a broad range of leadership roles including Head of International Private Equity, from 2012 through 2015, Head of Private Equity for Asia/Pacific, from 2011 through 2015, and overseeing Private Equity investments in various sectors and the investment process for Tactical Opportunities. Mr. Chae led or was involved in numerous Blackstone investments over that time period.

Before joining Blackstone, Mr. Chae worked at The Carlyle Group, L.P. and prior to that with Dillon, Read & Co.

Mr. Chae received an AB from Harvard College, an MPhil. in International Relations from Cambridge University and a JD from Yale Law School. He has served on numerous boards of private and publicly traded portfolio companies. Mr. Chae is President of the Board of Trustees of the Lawrenceville School and a member of the Council on Foreign Relations and the Board of Trustees of the Asia Society and the St. Bernard's School.



Kenneth A. Caplan is a Senior Managing Director and Global Co-Head of Blackstone Real Estate. Blackstone has the largest real estate platform in the world with \$119 billion in investor capital under management. Blackstone Real Estate is the industry leader in opportunistic, core plus and debt investing across the US, Europe and Asia.

Mr. Caplan most recently served as Global Chief Investment Officer of Blackstone Real Estate and prior to that as Head of Real Estate Europe. Since joining the firm in 1997, Mr. Caplan has been involved in over \$100 billion of real estate acquisitions and initiatives in the United States, Europe and Asia. These include major acquisitions such as Equity Office

Properties, Hilton Hotels, Logicor and GE Real Estate.

Before joining Blackstone, he was at Lazard Frères & Co. in the real estate investment banking group.

Mr. Caplan received an AB in Economics from Harvard College, where he graduated magna cum laude, was elected to Phi Beta Kappa and was a John Harvard Scholar. He currently serves on the Board of Trustees of Prep for Prep.

Speaker Biographies (Cont'd)



Kathleen McCarthy is a Senior Managing Director and Global Co-Head of Blackstone Real Estate. Blackstone has the largest real estate platform in the world with \$119 billion in investor capital under management. Blackstone Real Estate is the industry leader in opportunistic, core plus and debt investing across the U.S., Europe and Asia. Ms. McCarthy most recently served as Global Chief Operating Officer of Blackstone Real Estate where she was responsible for its day-to-day operations with a particular focus on its investors, capital raising and business development efforts across new investment products.

Before joining Blackstone in 2010, Ms. McCarthy worked at Goldman Sachs, where she was a Vice President focused on investments for the Real Estate Principal Investment Area. Ms. McCarthy began her career at Goldman Sachs in the Mergers & Acquisitions Group.

Ms. McCarthy received a BA with Distinction from Yale University. Ms. McCarthy serves on the Boards of City Harvest, the Real Estate Roundtable and the PREA Foundation.



John McCormick is the President and Chief Executive Officer of the Hedge Fund Solutions Group. Mr. McCormick is involved in overseeing the day-to-day activities of the group, including investment management, client relationships, product development, marketing, operations and administration.

Before joining Blackstone in 2005, Mr. McCormick was an Associate Principal at McKinsey & Company, where he worked on senior level strategy issues for a wide variety of financial services industry clients. Mr. McCormick began his career as an attorney with Davis Polk & Wardwell and has also served at the U.S. Department of the Treasury.

Mr. McCormick received a BA from Vassar College and a JD from Yale Law School.

Speaker Biographies (Cont'd)



Verdun (Vern) S. Perry is a Senior Managing Director and Co-Head of Strategic Partners, Blackstone's secondary fund of funds business, which it acquired from Credit Suisse in August 2013.

Mr. Perry joined Credit Suisse in November 2000 when it acquired Donaldson, Lufkin & Jenrette ("DLJ"), where he was an Associate in the Investment Banking Division before joining Strategic Partners the year it was founded. Mr. Perry sits on Strategic Partners' Investment Committees and his current responsibilities include fundraising, deal-sourcing, negotiating and executing secondary transactions and co-investments, as well as various post-purchase fund monitoring activities. Previously,

Mr. Perry worked in the strategic investments group at Bozell, Jacobs, Kenyon and Eckhardt, Inc. and in the Investment Banking Division at Morgan Stanley & Co.

Mr. Perry received a B.A. from Morehouse College, where he graduated *magna cum laude* and was elected Phi Beta Kappa, as well as an M.B.A. from Harvard Business School, where he was a Robert Toigo Foundation Fellow. Mr. Perry serves on the boards of The Blackstone Charitable Foundation and Sponsors for Educational Opportunity (SEO).



Donald (Dwight) Scott is a Senior Managing Director of Blackstone and President of GSO Capital Partners. Mr. Scott oversees the management of GSO and sits on the investment committees for GSO's energy funds, mezzanine funds and rescue lending funds. Prior to his current role, Mr. Scott managed the energy investing activity at GSO, where he remains active.

Before joining GSO Capital in 2005, Mr. Scott was an Executive Vice President and Chief Financial Officer of El Paso Corporation. Prior to joining El Paso, Mr. Scott served as a Managing Director in the energy investment banking practice of Donaldson, Lufkin & Jenrette. Mr. Scott

is currently a Director of TapStone Energy, LLC, FourPoint Energy, LLC, GEP Haynesville, LLC and Legacy Reserves LP. He is a member of the Board of Trustees of KIPP, Inc. and the Wall Street for McCombs Board.

Mr. Scott graduated from the University of North Carolina and the University of Texas' McCombs School of Business.

Speaker Biographies (Cont'd)



Joan Solotar is a Senior Managing Director at Blackstone, Head of Private Wealth Solutions and External Relations and serves on the Management Committee. Ms. Solotar oversees the firm's Private Wealth Solutions business, which delivers solutions to institutional and high net worth clients. Additionally, she manages global shareholder relations and public affairs.

Before joining Blackstone in 2007, Ms. Solotar was with Bank of America Securities where she was a Managing Director and Head of Equity Research. Prior to joining Bank of America, she was a consistently highly ranked Institutional Investor "All-America Research Team" financial

services analyst at Donaldson, Lufkin & Jenrette and Credit Suisse as a Managing Director.

Ms. Solotar Chairs the Board of Directors of Blackstone's Charitable Foundation. She is also Chairman of the Board of Trustees of the East Harlem Tutorial Program and the East Harlem Scholars Academies. She is the author of a Harvard Business Review article entitled "Truths for our Daughters," as well as "Truths from My Daughter."

Ms. Solotar received a BS in Management Information Systems from the State University of New York at Albany and an MBA in Finance from New York University.



Weston Tucker is a Managing Director in the External Relations Group, and is Head of Investor Relations for Blackstone. Mr. Tucker also serves as Head of Investor Relations for Blackstone Mortgage Trust, Blackstone's publicly traded commercial mortgage REIT. Since joining Blackstone in 2007, Mr. Tucker's primary responsibility has been managing Blackstone's interface with public shareholders and the equity analyst community.

Before joining Blackstone in 2007, Mr. Tucker was an equity research analyst for JPMorgan, covering the telecom and cable sectors. He began his career at AT&T, where he worked in a variety of finance roles

including investor relations and communications, as well as corporate development.

Mr. Tucker graduated *summa cum laude* with a BS in Business Administration from Ohio State University.