

The Timing of the Next Recession

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Introduction

Intellectual Diversity Is a Core Value

- ▶ Here at Blackstone, diversity of thought is prized as an indispensable strength. Views that are unpopular or otherwise out of consensus are welcomed, not discouraged. The rigorous exchange of ideas shapes every decision at Blackstone, and it's no different for us as the firm's strategists. We constantly discuss and challenge one another's interpretation of the world; we are stronger for it as thinkers, and the firm and our clients benefit from the continuous refinement of our views.
- ▶ This quarter, we are going to try something different by giving you a look behind the scenes. We will highlight the elements of the macroeconomic outlook in which we have differing opinions, especially on the timing of the next recession, and will lay out arguments for each side. We hope it stretches your thinking, and that you'll come away enriched from the discussion. Let the debate begin.

Joseph Zidle, Chief Investment Strategist
Byron R. Wien, Vice Chairman, Private Wealth Solutions

Topics We Will Discuss

- ▶ Timing of next recession
- ▶ Yield curve inversion
- ▶ Inflation
- ▶ Interest rates
- ▶ Equity returns over the next decade
- ▶ Top questions from our clients, including on Brexit and the 2020 election

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I. Ten Surprises and “Radical” Asset Allocation

The Ten Surprises of 2019

These surprises were announced Thursday, January 3, 2019. The definition of a surprise is an event that the average investment professional would assign a one out of three chance of taking place, but which I believe is probable, having a better than 50% chance of happening

1. The weakening world economy encourages the Federal Reserve to stop raising the federal funds rate during the year. Inflation remains subdued and the 10-year Treasury yield stays below 3.5%. The yield curve remains positive.
2. Partly because of no further rate increases by the Federal Reserve and more attractive valuations as a result of the market decline at the end of 2018, the S&P 500 gains 15% for the year. Rallies and corrections occur but improved earnings enable equities to move higher in a reasonably benign interest rate environment.
3. Traditional drivers of GDP growth, capital spending and housing, make only modest gains in 2019. The expansion continues, however, because of consumer and government spending. A recession before 2021 seems unlikely.
4. The better tone in the financial markets discourages precious metal investors. Gold drops to \$1,000 as the equity markets in the United States and elsewhere improve.
5. The profit outlook for emerging markets brightens and investor interest intensifies because the price earnings ratio is attractive compared to developed markets and historical levels. Continuous expansion of the middle class in the emerging markets provides the consumer buying thrust for earnings growth. China leads and the Shanghai composite rises 25%. The Brazil equity market also comes to life under the country's new conservative leadership.

The Ten Surprises of 2019 (Cont'd)

6. March 29 comes and goes and there is no Brexit deal. Parliament fails to approve one and Theresa May, arguing that a change in leadership won't help the situation, remains in office. A second referendum is held and the U.K. votes to remain.
7. The dollar stabilizes at year-end 2018 levels and stays there throughout the year. Because of concern about the economy, the Federal Reserve stops shrinking its balance sheet, which is interpreted negatively by currency traders. The flow of foreign capital into United States assets slows because of a softer monetary policy and a lack of need for new capital for business expansion.
8. The Mueller investigation results in indictments against members of the Trump Organization closest to the president but the evidence doesn't support any direct action against Trump himself. Nevertheless, an exodus of Trump's most trusted advisors results in a crisis in confidence that the administration has the people and the process to accomplish important goals.
9. Congress, however, with a Democratic majority, gets more done than expected, particularly on trade policy. Progress is made in preserving important parts of the Affordable Care Act and immigration policy. A federal infrastructure program to be implemented in 2020 is announced.
10. Growth stocks continue to provide leadership in the U.S. equity market. Technology and biotech do well as a result of continued strong earnings. Value stocks other than energy-related businesses disappoint because of the slowing economy.

“Radical” Asset Allocation

Decrease US allocation by 5%, increase cash allocation by 5%

Asset Class	Allocation	Note
Global Large Cap Multinationals	5%	Fair value in terms of yield and multiple
Other US Long Only	10%	Growing downside risk
European Long Only	5%	Slowing growth
Emerging Market Equities	10%	Relative growth attractive, dollar stabilizes
Japanese Equities	5%	Better opportunities elsewhere
Hedge Funds (all strategies)	10%	Selected strategies attractive
Private Equity	10%	Competition intense for deals
Real Estate	10%	Still finding opportunities
Gold	0%	No change
Natural Resources and Agricultural Commodities	5%	World standard of living rising
Non-conventional High Yield Fixed Income (Mezzanine, Leveraged Loans, Emerging Market Debt)	15%	Still some value in selective categories, willing to take credit risk over duration risk
Cash	15%	Increasing cash for tactical opportunities
Total	100%	

Note: As detailed in the “Disclaimers” section, the above reflects the personal views of Joseph Zidle, Managing Director and Byron Wien, Vice Chairman in the Private Wealth Solutions Group, and does not necessarily reflect the view of Blackstone itself.

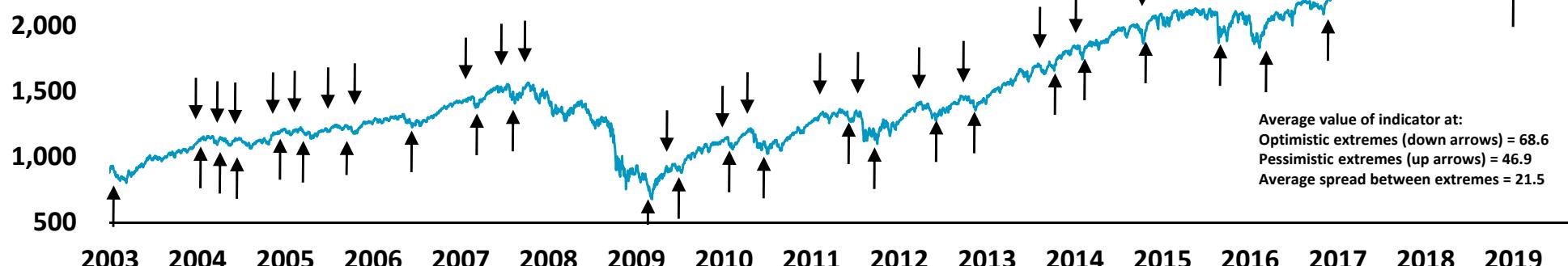
NDR Crowd Sentiment Poll (7/31/2002 – 9/24/2019)

S&P 500 Composite Index

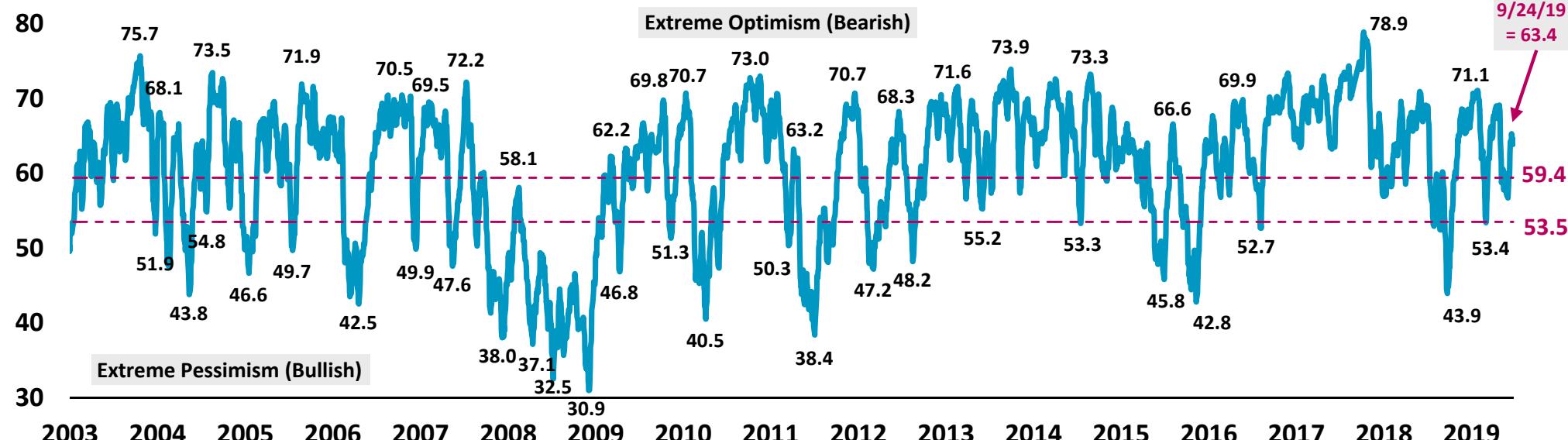
Extremes generated when sentiment reading:
Rises above 61.5% = Extreme Optimism
Declines below 55.5% = Extreme Pessimism

Sentiment must reverse by 10 percentage points to signal an extreme in addition to the above extreme levels reached

S&P 500 Index Performance		
Full History: 12/1/1995–9/24/2019		
NDR Crowd Sentiment Poll is:	% Gain/Annum	% of Time
Above 66.0	-3.38	25.51
57.0 – 66.0 From Above	1.27	18.26
57.0 – 66.0 From Below	20.51	19.20
Below 57.0	10.89	36.57
<i>Buy/Hold = 6.88% Gain/Annum</i>		



NDR Crowd Sentiment Poll



II. US Growth Rolled Over

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Recession Checklist Monitor

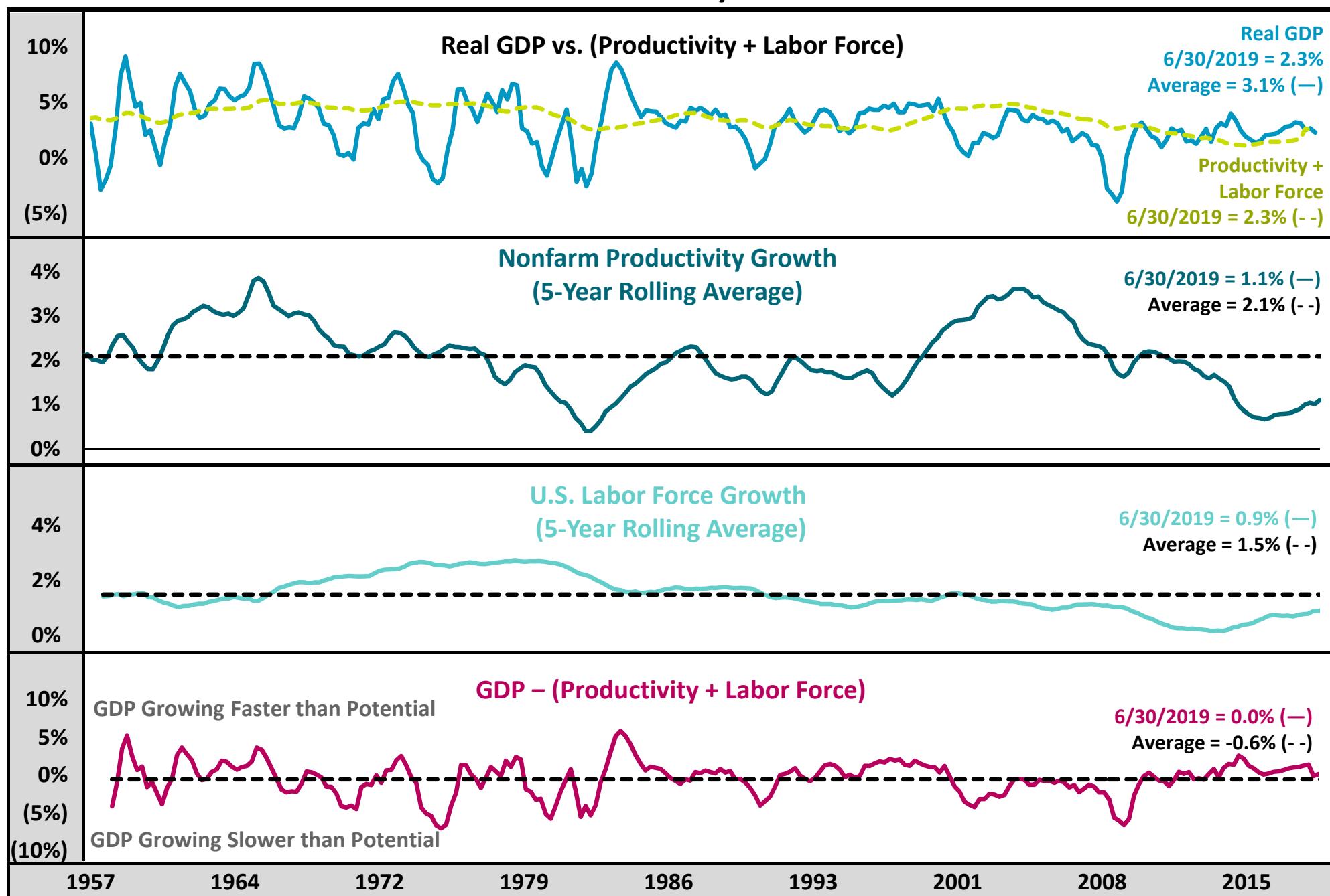
Primary and secondary recession indicators are mixed

	Indicator	Note	Tech Bubble	Housing Bubble	Current
Primary Indicators (Signals)	Average Hourly Earnings Growth	<ul style="list-style-type: none"> Wage growth of +4% y/o/y creates inflation concern Currently 3.5% growth and growing slowly⁽¹⁾ 	✓	✓	✗
	Leading Economic Indicators (LEIs)	<ul style="list-style-type: none"> Negative LEI growth precedes economic contraction LEIs rolled over; growth remains positive but is declining⁽²⁾ 	✓	✓	✓
	Yield Curve: 10Y/2Y Spread	<ul style="list-style-type: none"> 10Y/2Y spread inverted on closing basis on August 26th Inversion of 10Y/2Y precedes recession by avg. of 20 months Other parts of the curve, including 10Y/3M spread, have been inverted by significant amount and for significant period of time 	✓	✓	✓
Secondary Indicators (Necessary Conditions)	Indicator	Note	Tech Bubble	Housing Bubble	Current
	Investor Sentiment	<ul style="list-style-type: none"> Euphoric sentiment leads to speculative buying Reflected by wild price swings or extreme investor bullishness Investors are currently skewed towards optimism, but not euphoric⁽³⁾ 	✓	✓	✗
	Consumer Confidence	<ul style="list-style-type: none"> The Conference Board Consumer Confidence Expectations Index less the Present Situations Index reaches a cyclical trough before recessions Indicates consumers are less confident about future growth prospects Indicator appears to have hit cyclical trough in early 2019⁽⁴⁾ 	✓	✓	✓
	Unemployment	<ul style="list-style-type: none"> There has never been a recession with jobless claims falling Claims trough on average 15 months before recession⁽⁵⁾ On average, claims rise by 66,000 by start of recession 	✓	✓	✗
Corporate Earnings	<ul style="list-style-type: none"> Never a recession with corporate profits rising Corporate profits have been flat for two quarters, at risk of contraction⁽⁶⁾ Earnings recessions (negative for at least 2 consecutive quarters) coincide with economic recessions 57% of the time 	✓	✓	✗	

Source: Blackstone Investment Strategy and Strategas Research Partners, as of 9/30/19.

(1) Federal Reserve, as of 8/31/19. Average hourly earnings for production and nonsupervisory employees. (2) Conference Board US Leading Index, as of 8/31/19. (3) NDR Crowd Sentiment Poll, as of 9/24/19. (4) Conference Board, as of 8/31/19. (5) Bureau of Labor Statistics, based on four-week moving average of initial claims, seasonally adjusted. Represents the period 1/1/67 through 9/30/19. (6) I/B/E/S data from Refinitiv, based on estimates for the S&P 500, as of 9/10/19.

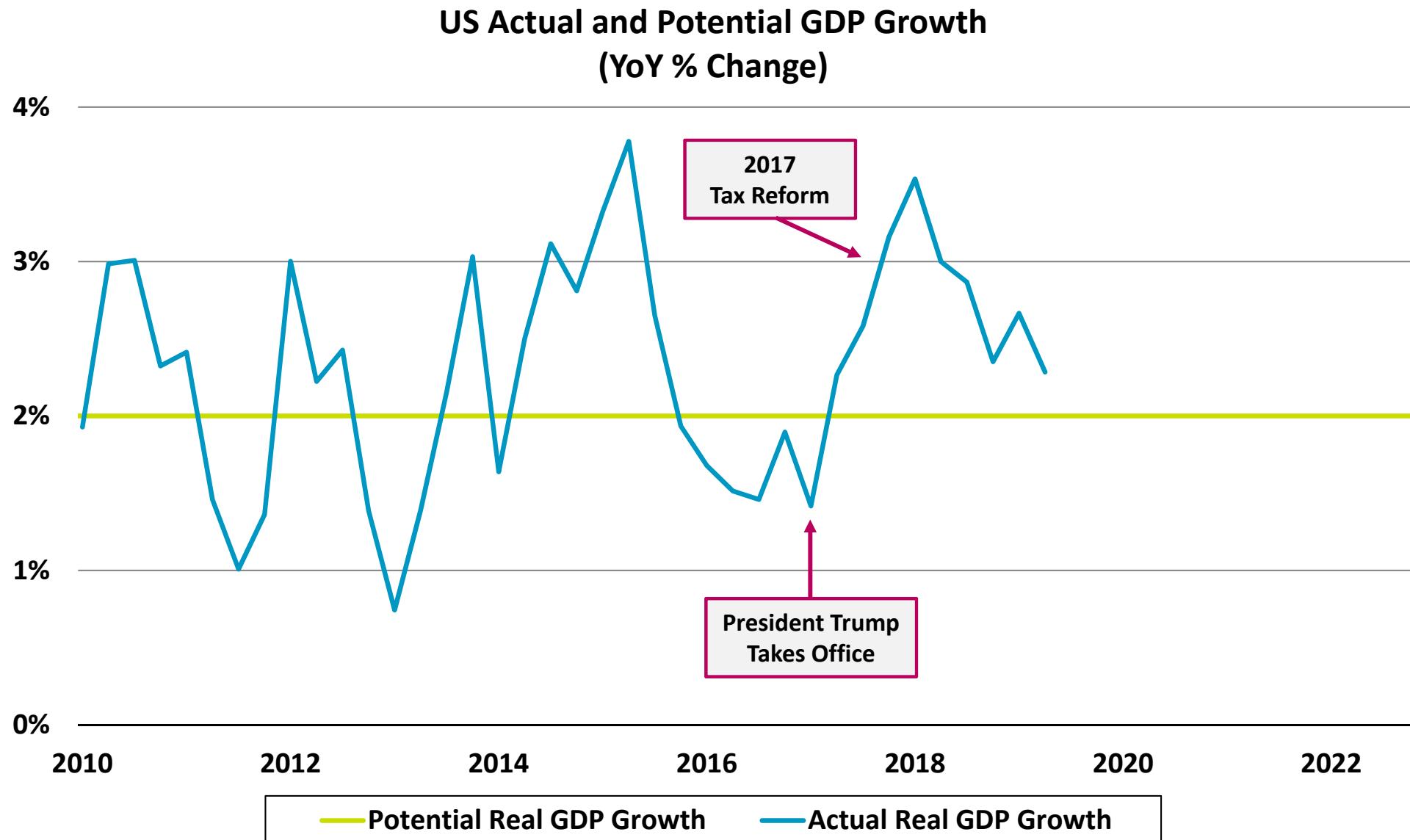
GDP Growth Is the Sum of Growth in Productivity and Labor Force



Source: Ned Davis Research, Bureau of Labor Statistics and Blackstone Investment Strategy, as of 6/30/19. All percentages are year-over-year growth rates.

US Potential Growth Is 2%

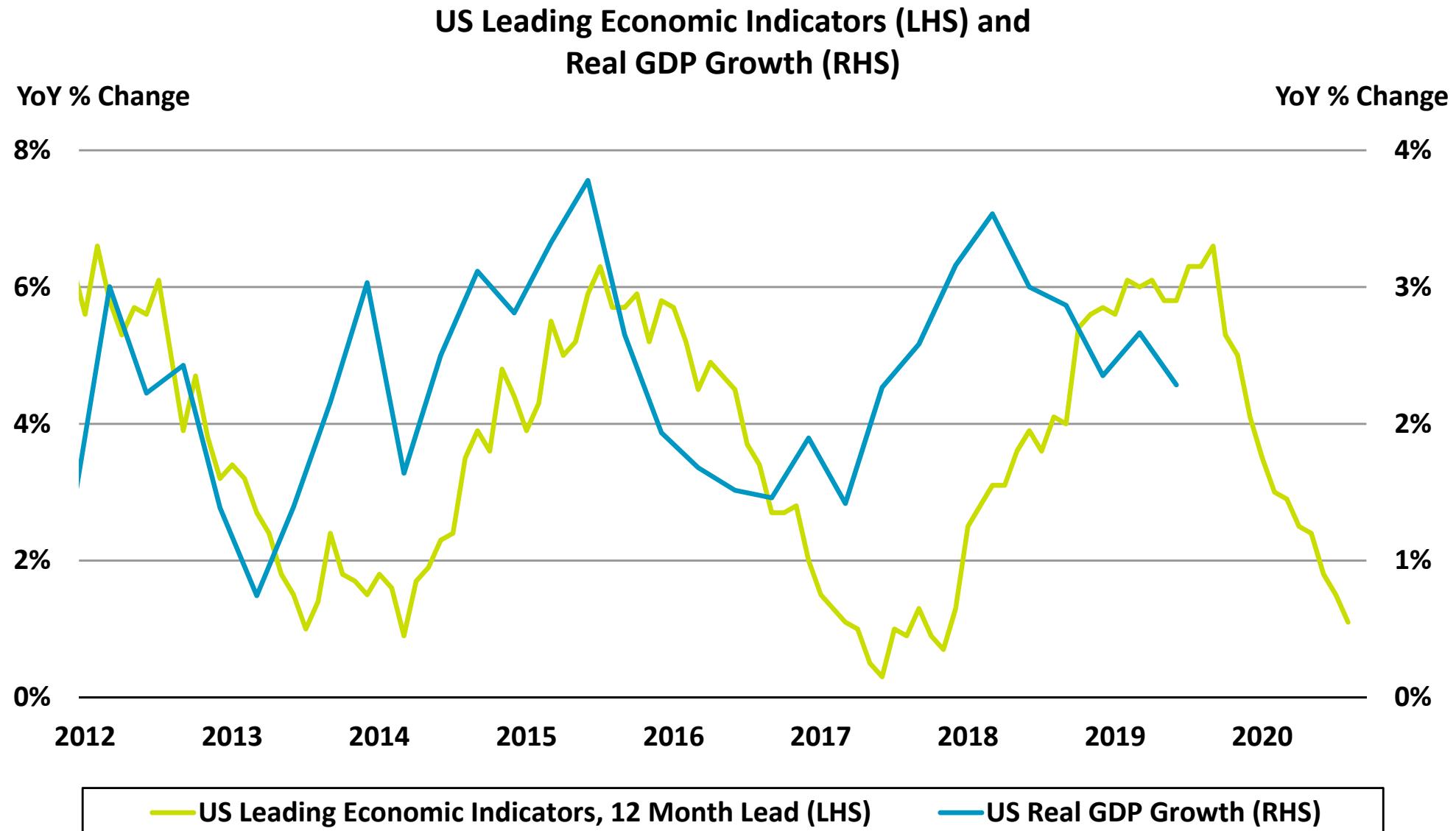
Growth slowing to potential, as effects of the 2017 tax reform wear off



Source: CBO and Federal Reserve, as of 6/30/19. Data after this date represent estimates. Real potential GDP is the CBO's estimate of the output the economy would produce with a high rate of use of its capital and labor resources. Real potential GDP of 2% is the average of CBO's estimates from 2002-2022.

Leading Indicators Point to Further Slowing

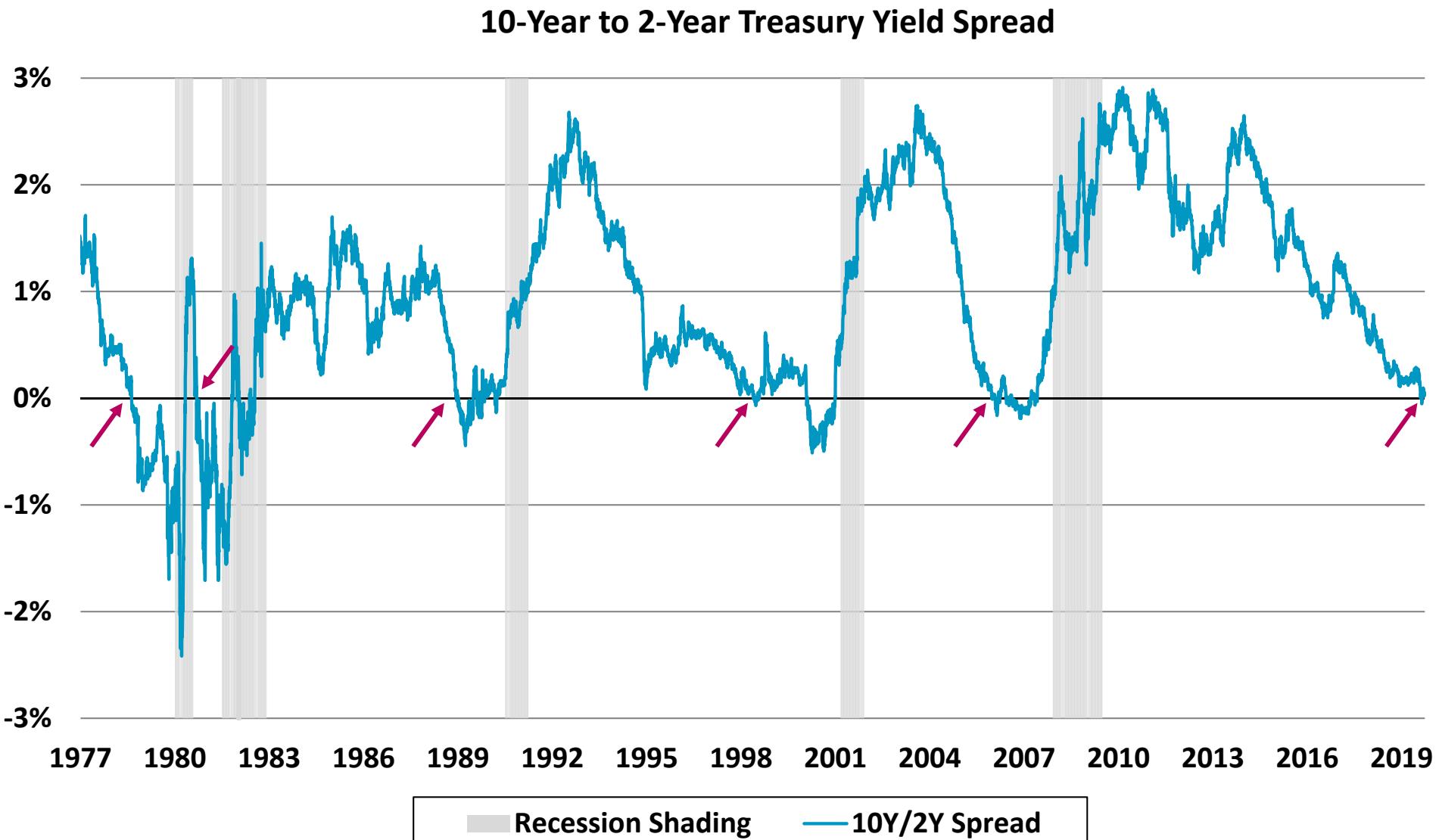
US leading economic indicators continue to decline



Source: Bureau of Economic Analysis, Conference Board and Bloomberg. Leading economic indicator data are monthly as of 8/31/19 (lead by 12 months); GDP data are quarterly as of 6/30/19.

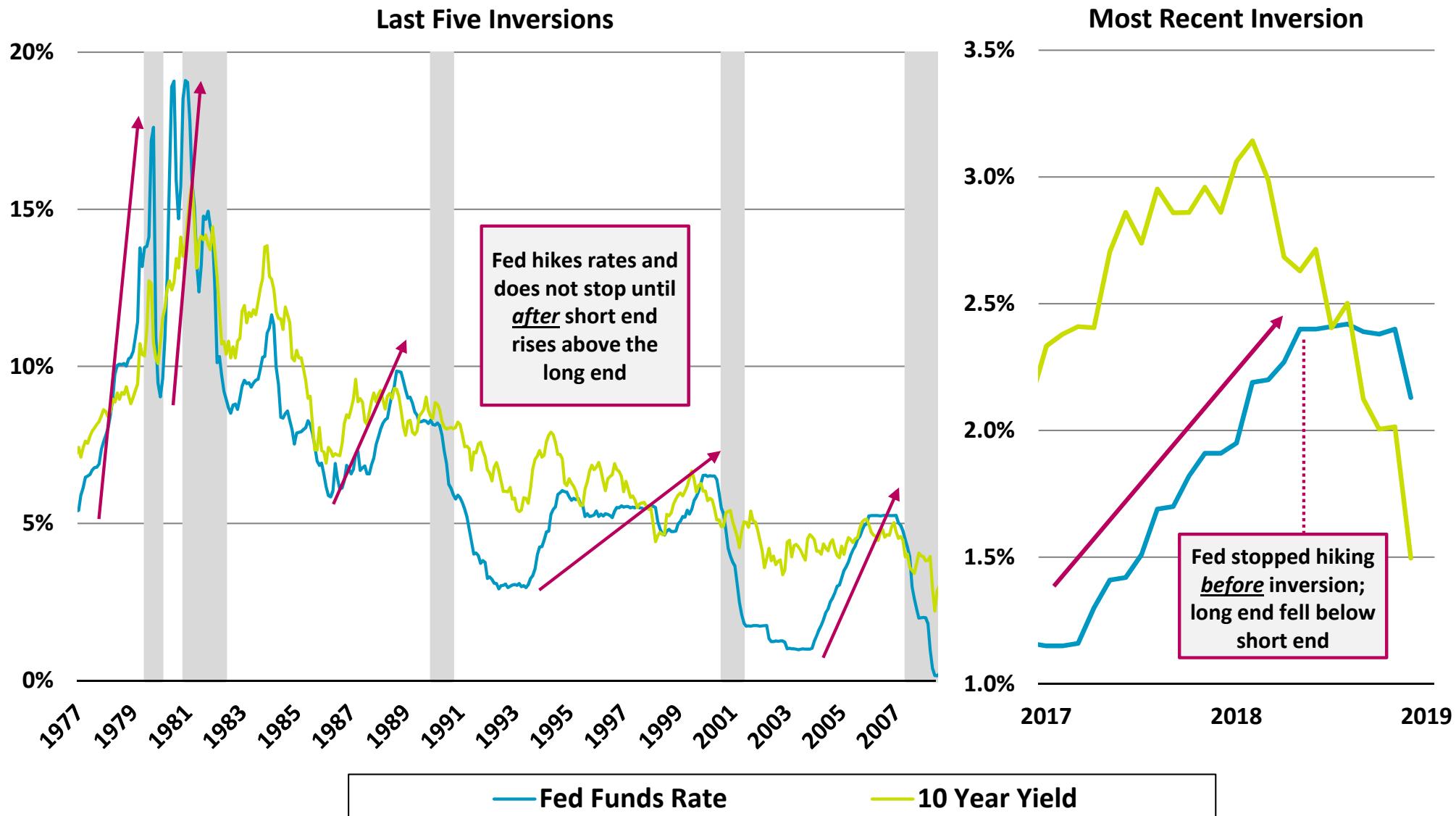
Most Reliable Recession Signal Is Flashing

10Y/2Y spread inverted before each of the past five recessions



But the Way It Inverted Is “Different This Time”

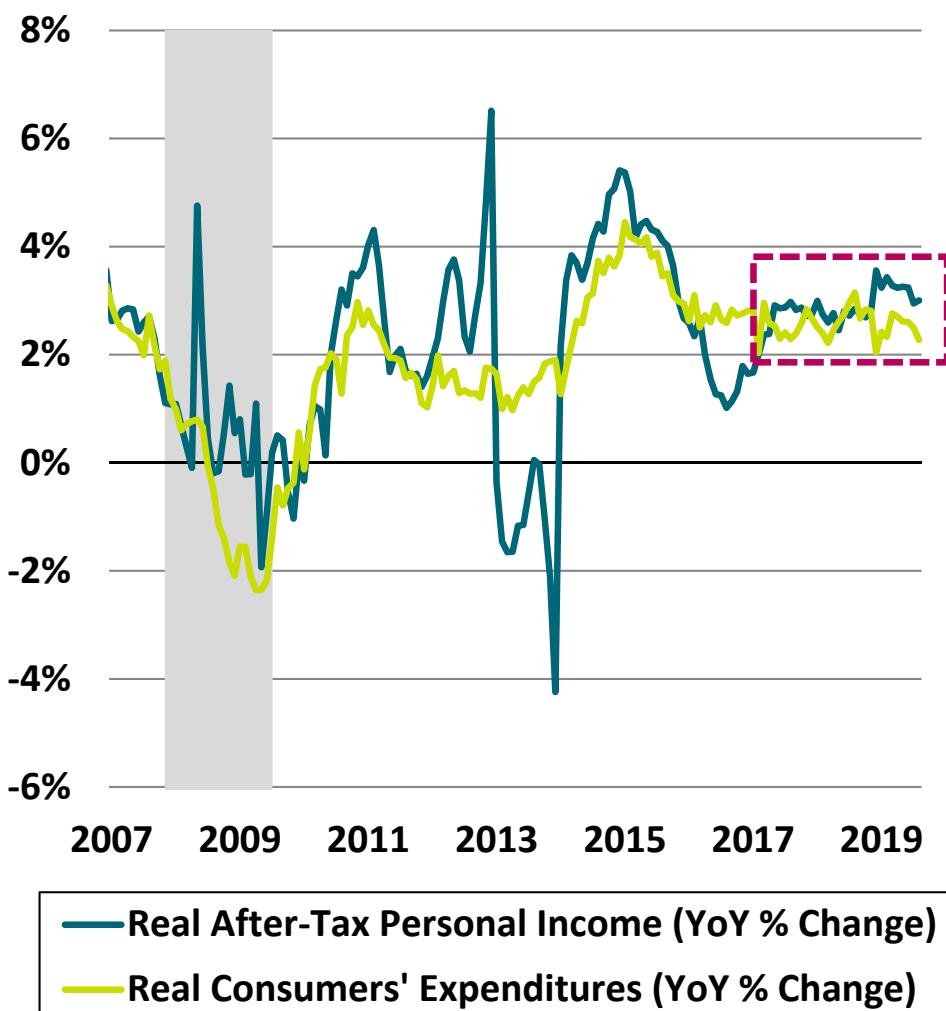
Most recent inversion caused by long end falling, not short end rising



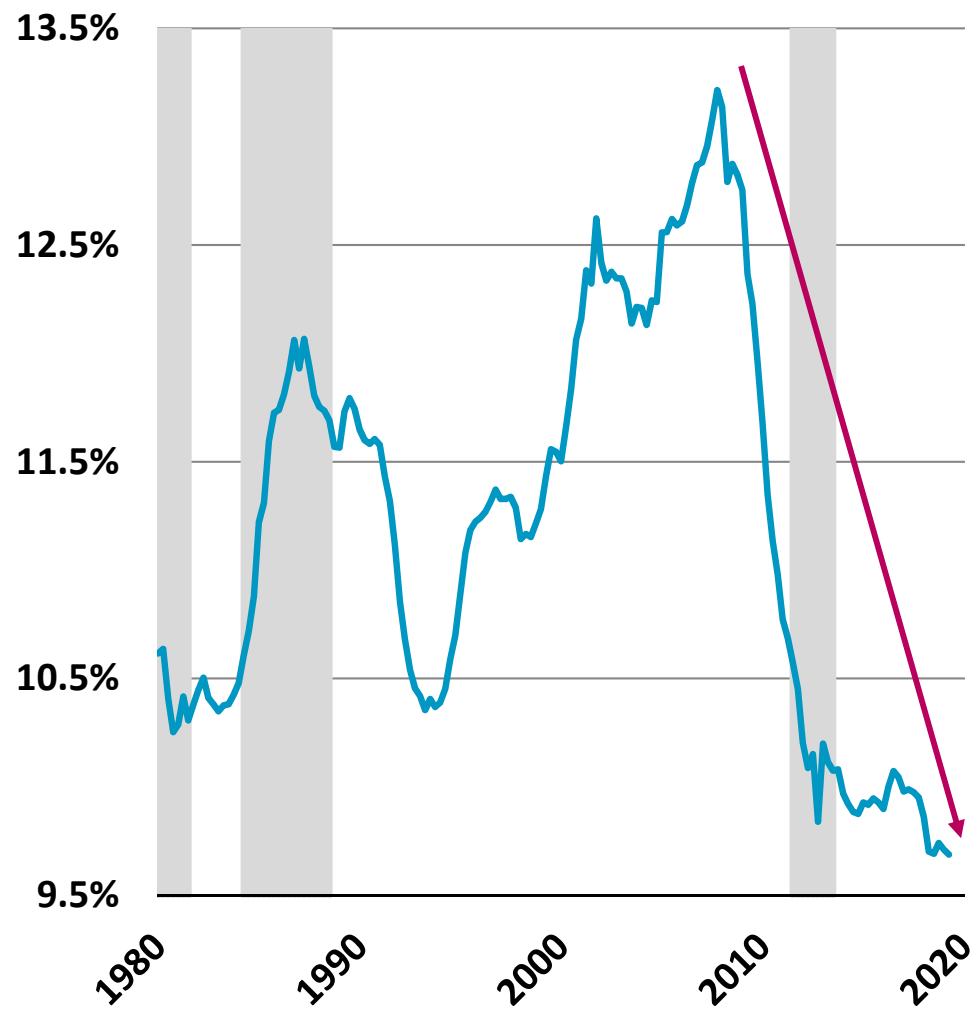
Consumers Comprise 70% of the US Economy

Consumer income and spending continue to grow, as debt burden remains low

**Real Consumer Income
and Expenditures⁽¹⁾**



**Household Debt Payments as %
of Disposable Personal Income⁽²⁾**



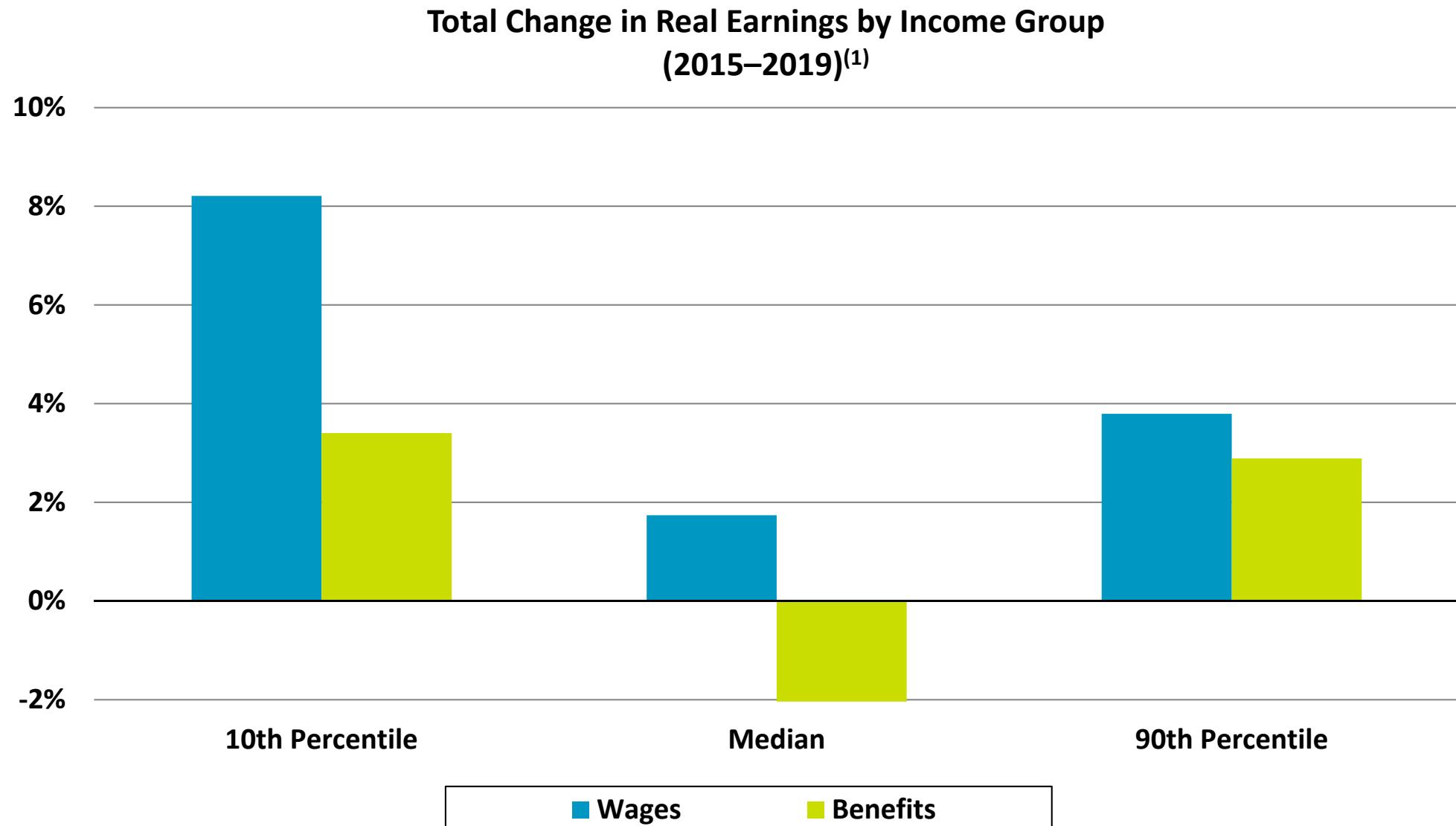
Source: Federal Reserve.

(1) As of 8/31/19.

(2) As of 6/30/19.

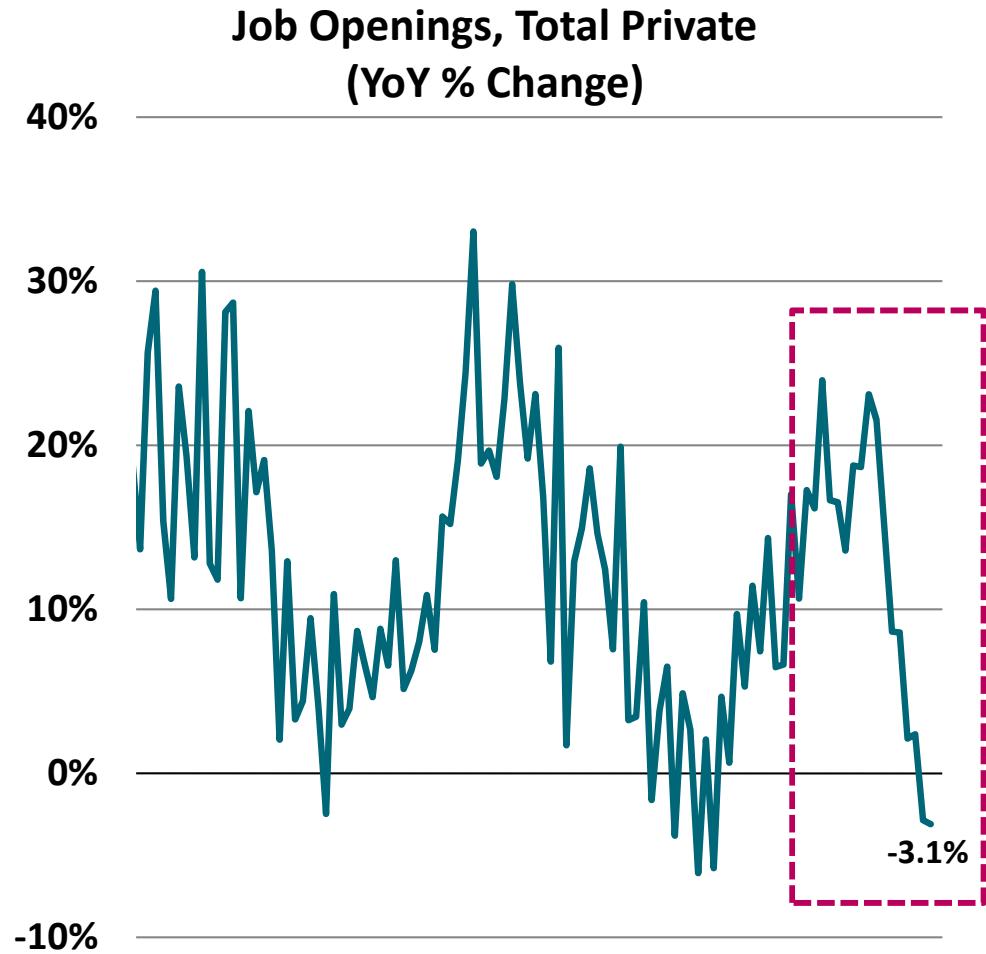
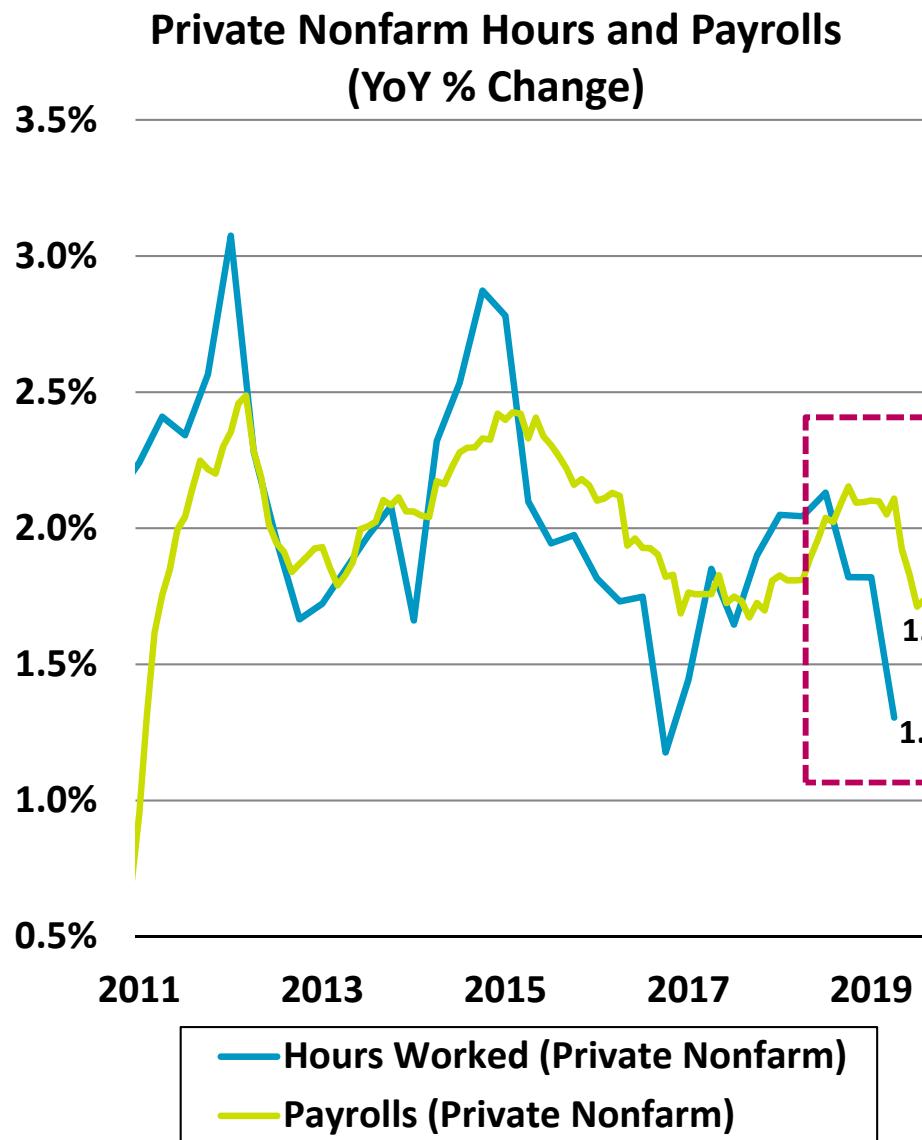
Wage Growth Benefitting Low-Income Workers

Lowest percentile of earners have had 8.2% increase in wages since 2015



But Cracks Starting to Show

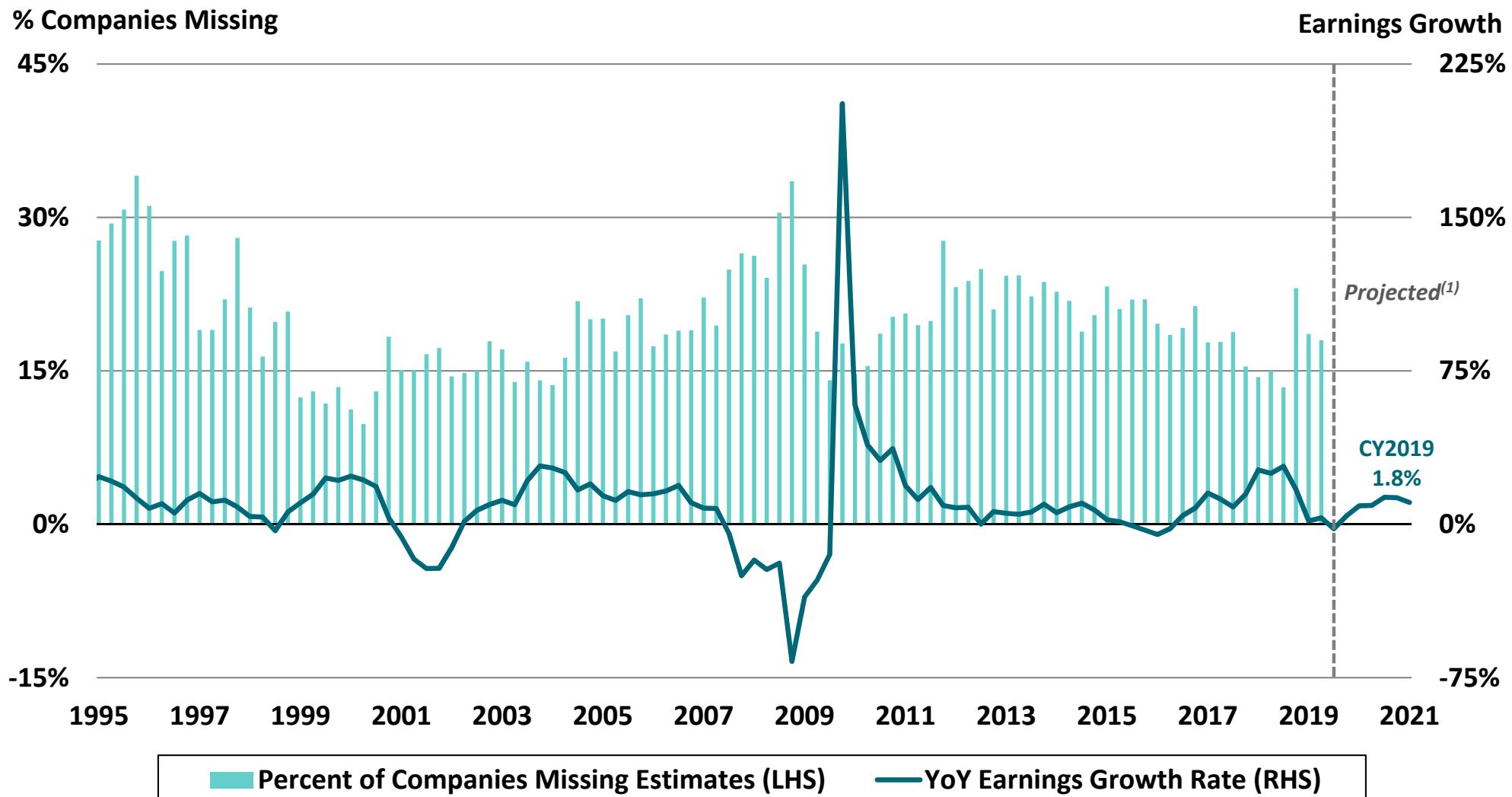
Growth in hours worked, payrolls, and job openings are all trending down



S&P 500 Earnings Expectations

Narrowly avoided an earnings recession in 2019, poised to rebound in 2020

Quarterly Historical S&P 500 Data
(1995–2020F)



Dividend Discount Model⁽¹⁾

1-Year EPS(\$)	10 Year Treasury Yield												
	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%	4.00%
152	7,340	5,409	4,282	3,544	3,023	2,635	2,336	2,097	1,903	1,742	1,606	1,489	1,389
154	7,437	5,480	4,338	3,590	3,062	2,670	2,366	2,125	1,928	1,765	1,627	1,509	1,407
156	7,534	5,551	4,395	3,637	3,102	2,704	2,397	2,152	1,953	1,788	1,648	1,529	1,425
158	7,630	5,622	4,451	3,684	3,142	2,739	2,428	2,180	1,978	1,811	1,669	1,548	1,444
160	7,727	5,693	4,507	3,730	3,182	2,774	2,459	2,208	2,003	1,833	1,690	1,568	1,462
162	7,823	5,765	4,564	3,777	3,221	2,808	2,489	2,235	2,028	1,856	1,711	1,587	1,480
164	7,920	5,836	4,620	3,823	3,261	2,843	2,520	2,263	2,053	1,879	1,732	1,607	1,498
166	8,017	5,907	4,676	3,870	3,301	2,878	2,551	2,290	2,078	1,902	1,754	1,627	1,517
168	8,113	5,978	4,733	3,917	3,341	2,912	2,581	2,318	2,103	1,925	1,775	1,646	1,535
170	8,210	6,049	4,789	3,963	3,380	2,947	2,612	2,346	2,128	1,948	1,796	1,666	1,553
172	8,306	6,120	4,845	4,010	3,420	2,982	2,643	2,373	2,153	1,971	1,817	1,685	1,571
174	8,403	6,192	4,902	4,057	3,460	3,016	2,674	2,401	2,179	1,994	1,838	1,705	1,590
176	8,499	6,263	4,958	4,103	3,500	3,051	2,704	2,428	2,204	2,017	1,859	1,725	1,608
178	8,596	6,334	5,014	4,150	3,540	3,086	2,735	2,456	2,229	2,040	1,880	1,744	1,626
180	8,693	6,405	5,071	4,196	3,579	3,120	2,766	2,484	2,254	2,063	1,902	1,764	1,645
182	8,789	6,476	5,127	4,243	3,619	3,155	2,797	2,511	2,279	2,086	1,923	1,783	1,663

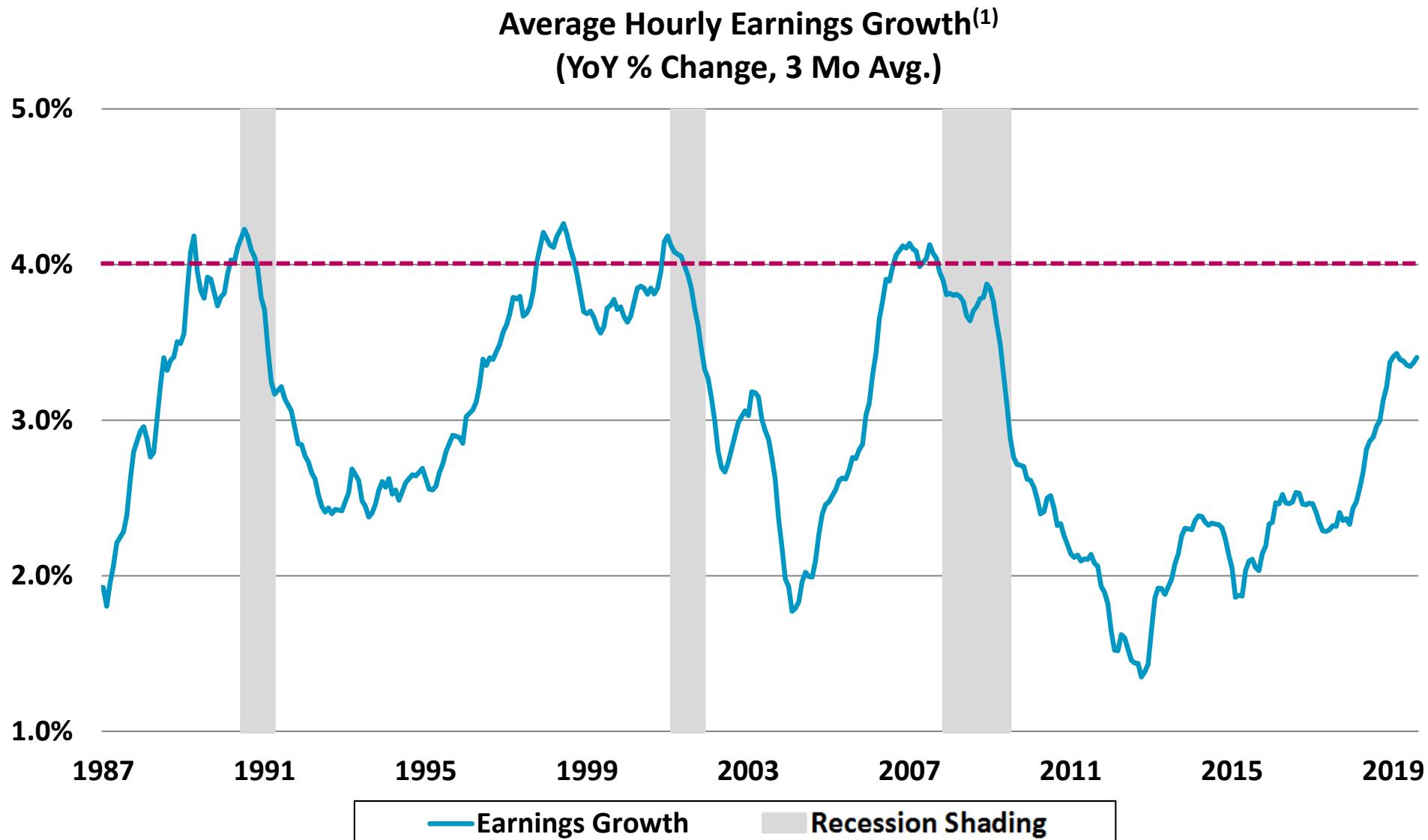
Source: Blackstone Investment Strategy, as of 9/30/19.

(1) Note: Assumes that S&P 500 Earnings Per Share start the period increasing/decreasing to level indicated in first column, before increasing/decreasing linearly over 2 years to a 4% nominal growth rate and remaining there in perpetuity. Further assumes dividend payout ratio remains at prior year's level of 34% and equity risk premium is a constant 3.7%.

III. Inflation and Implications for Fed Actions

Wages Growing at Fastest Levels since 2009

Strong labor markets should lead to further gains in wage growth



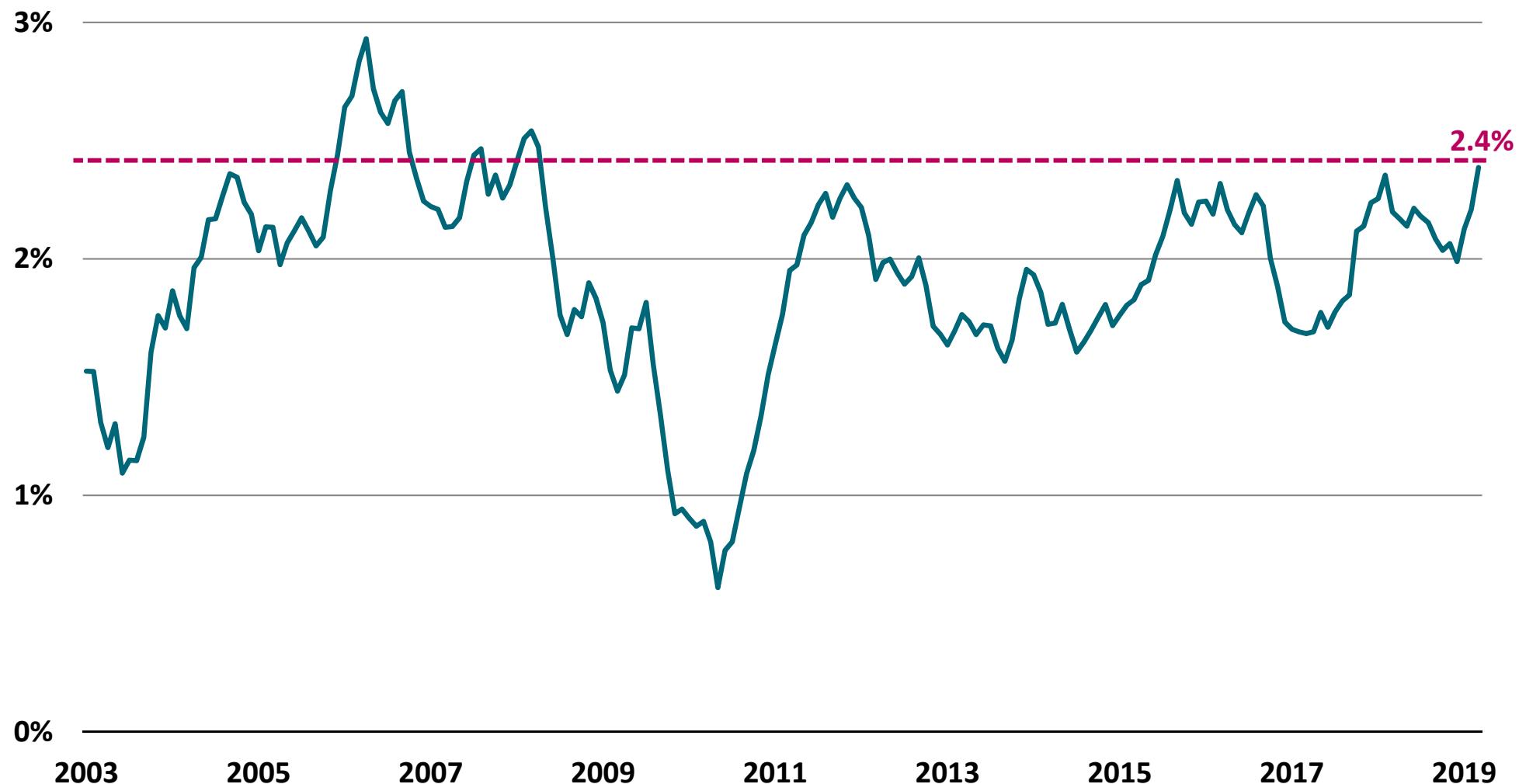
Source: Bureau of Labor Statistics, as of 8/31/19.

(1) Average hourly earnings growth represents 3-month average of year-over-year growth for total private production and nonsupervisory employees.

Core Inflation Surprised to the Upside

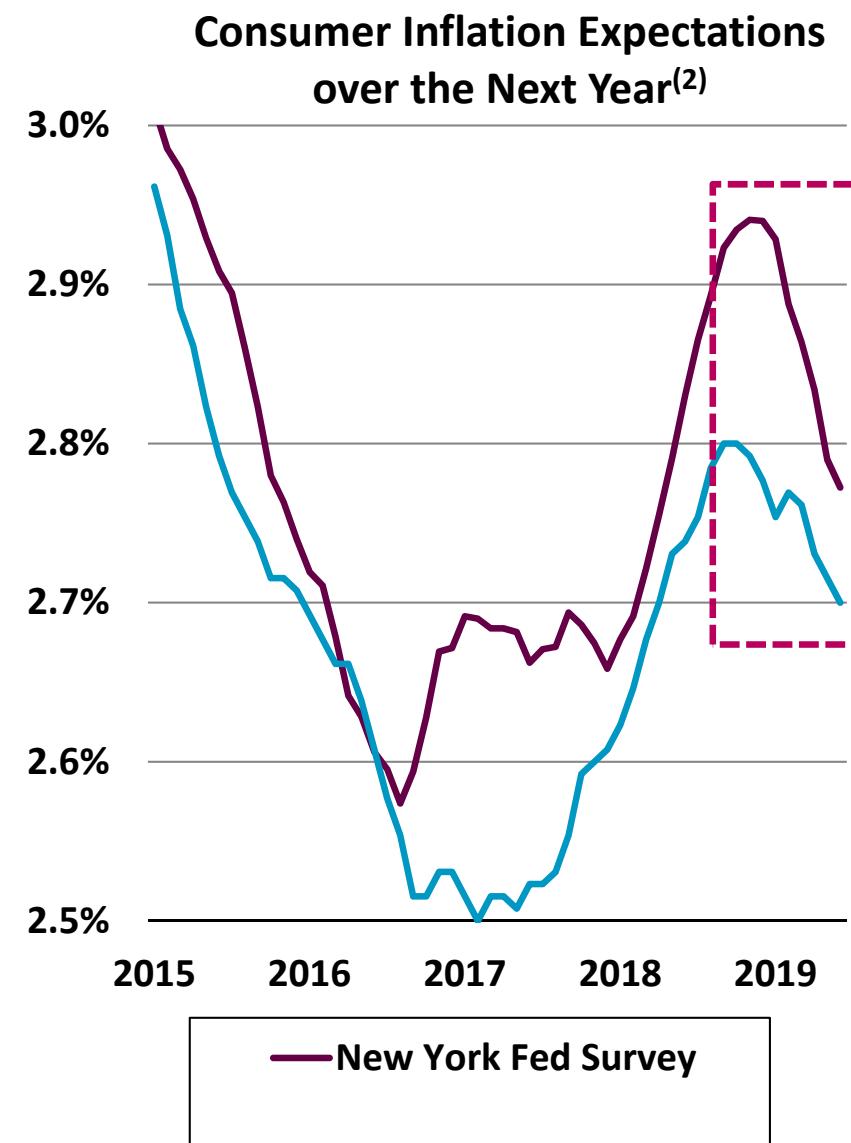
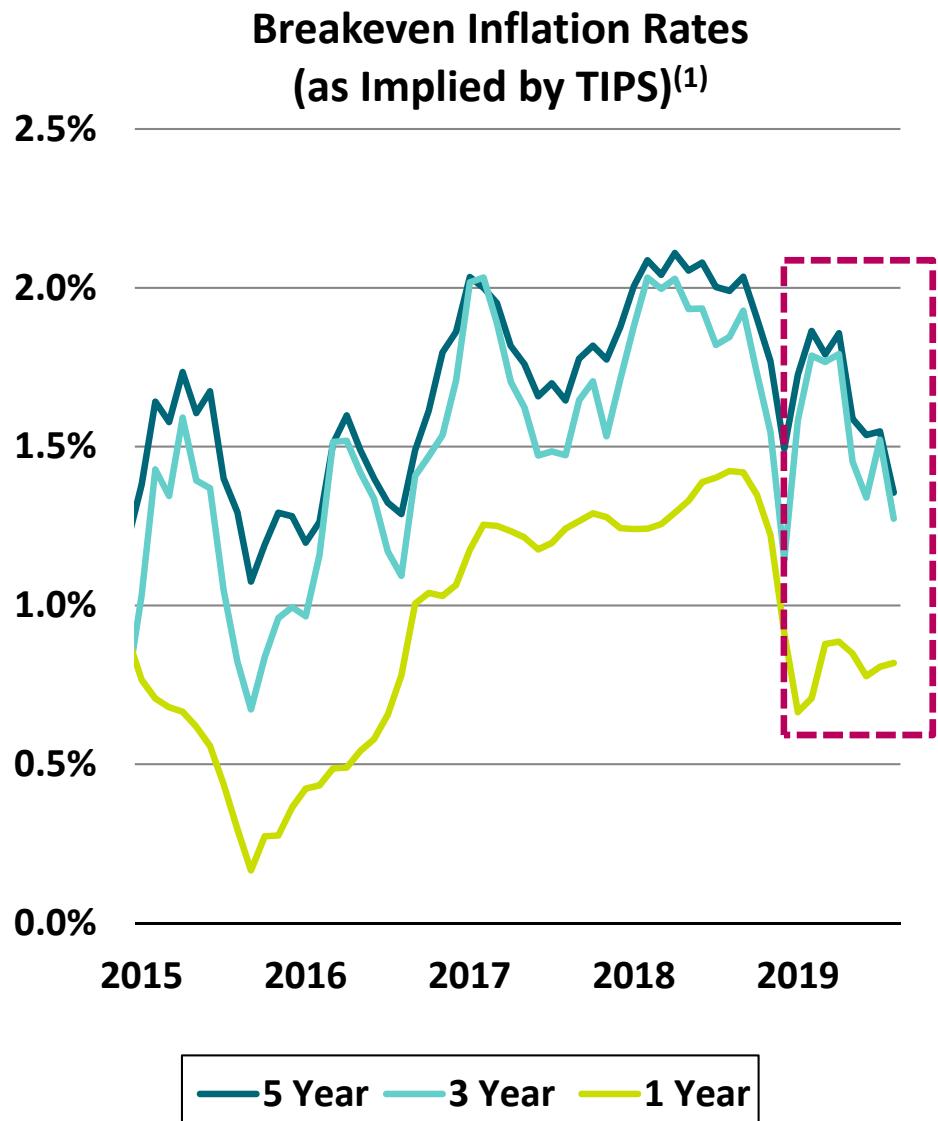
Core inflation grew by the most this cycle, highest since 2008

Core CPI (YoY % Change)



But Inflation Gains May Be Temporary

Markets and consumers think that US inflation growth will slow

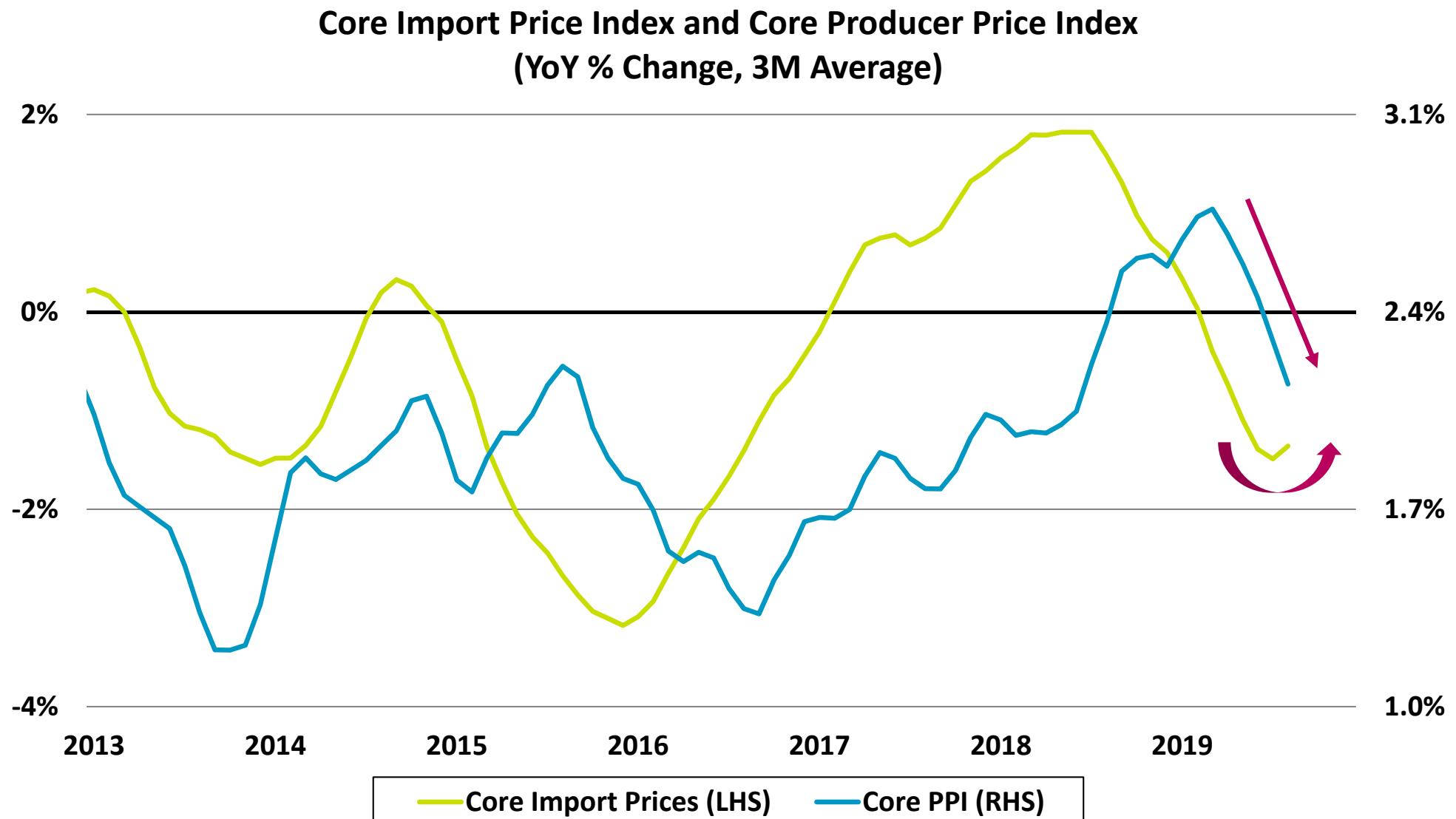


(1) Source: Bloomberg, as of 8/31/19. The 1 Year breakeven represents 12 month rolling average for smoothing.

(2) Source: University of Michigan and New York Federal Reserve, as of 8/31/19. Represents 12 month rolling average.

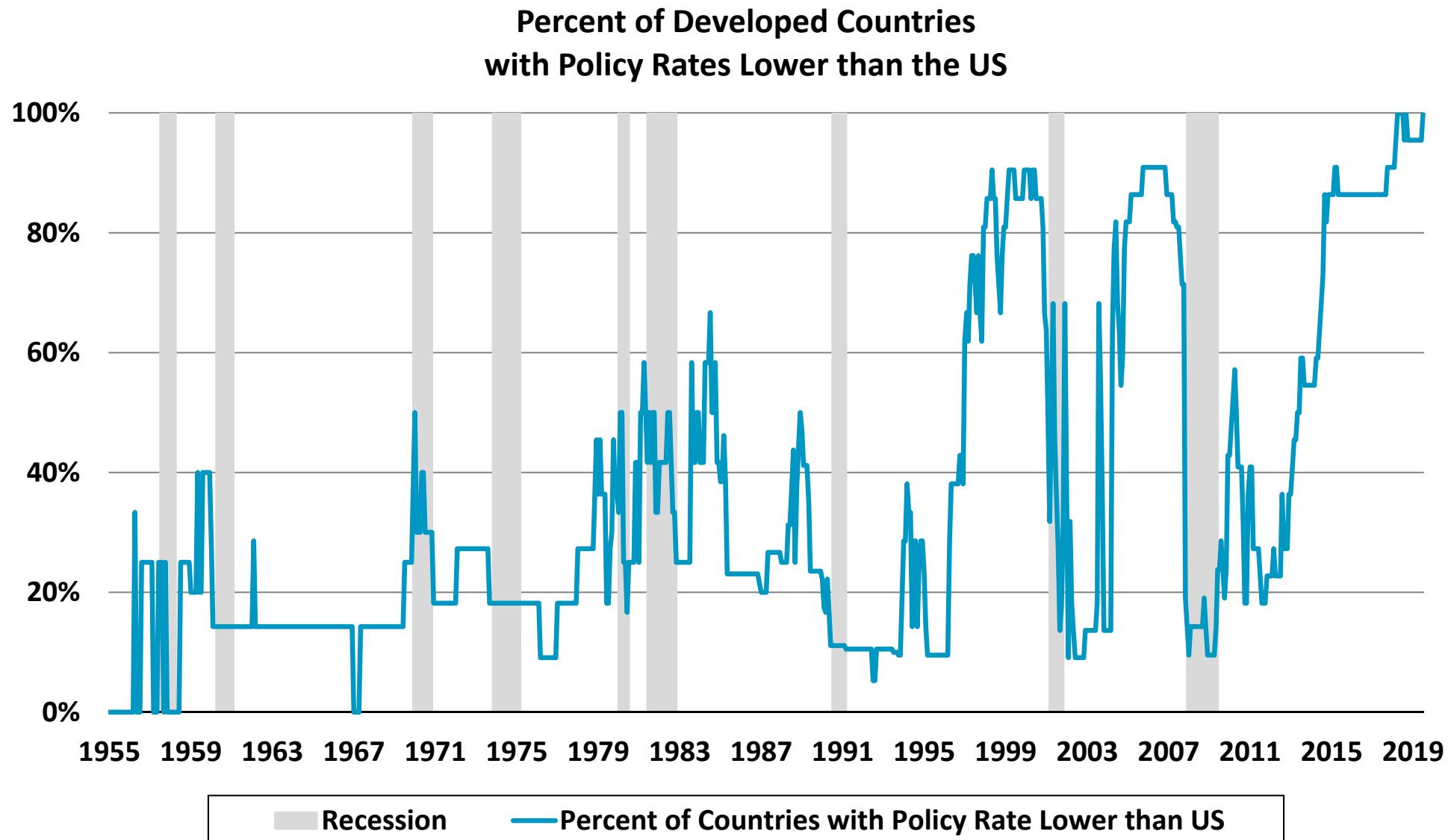
Other Key Measures of Inflation Are Negative

Core price measures are declining; import prices may have troughed



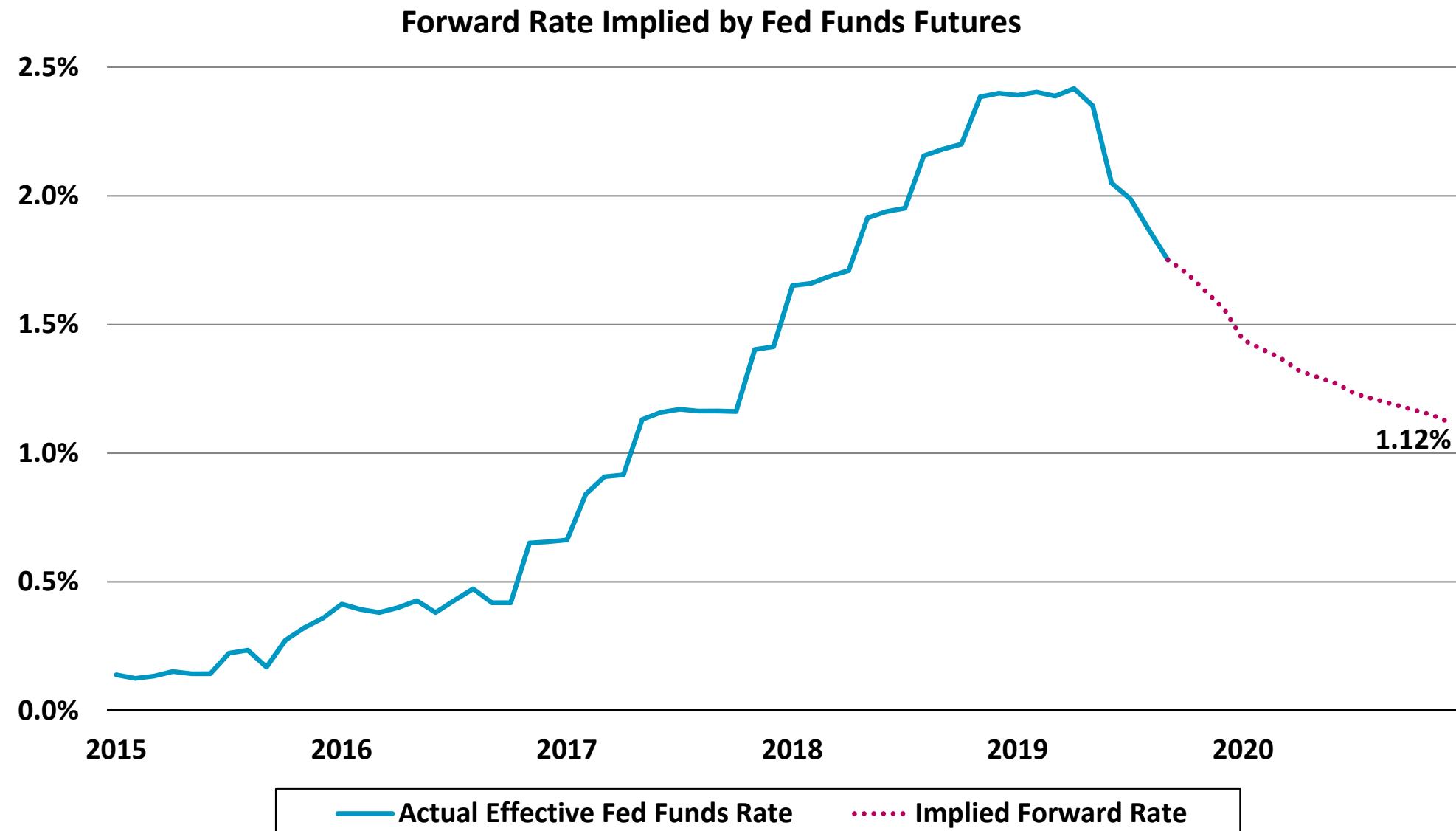
US Rates a Global Outlier

US rates are highest in the world – markets are saying they are too high



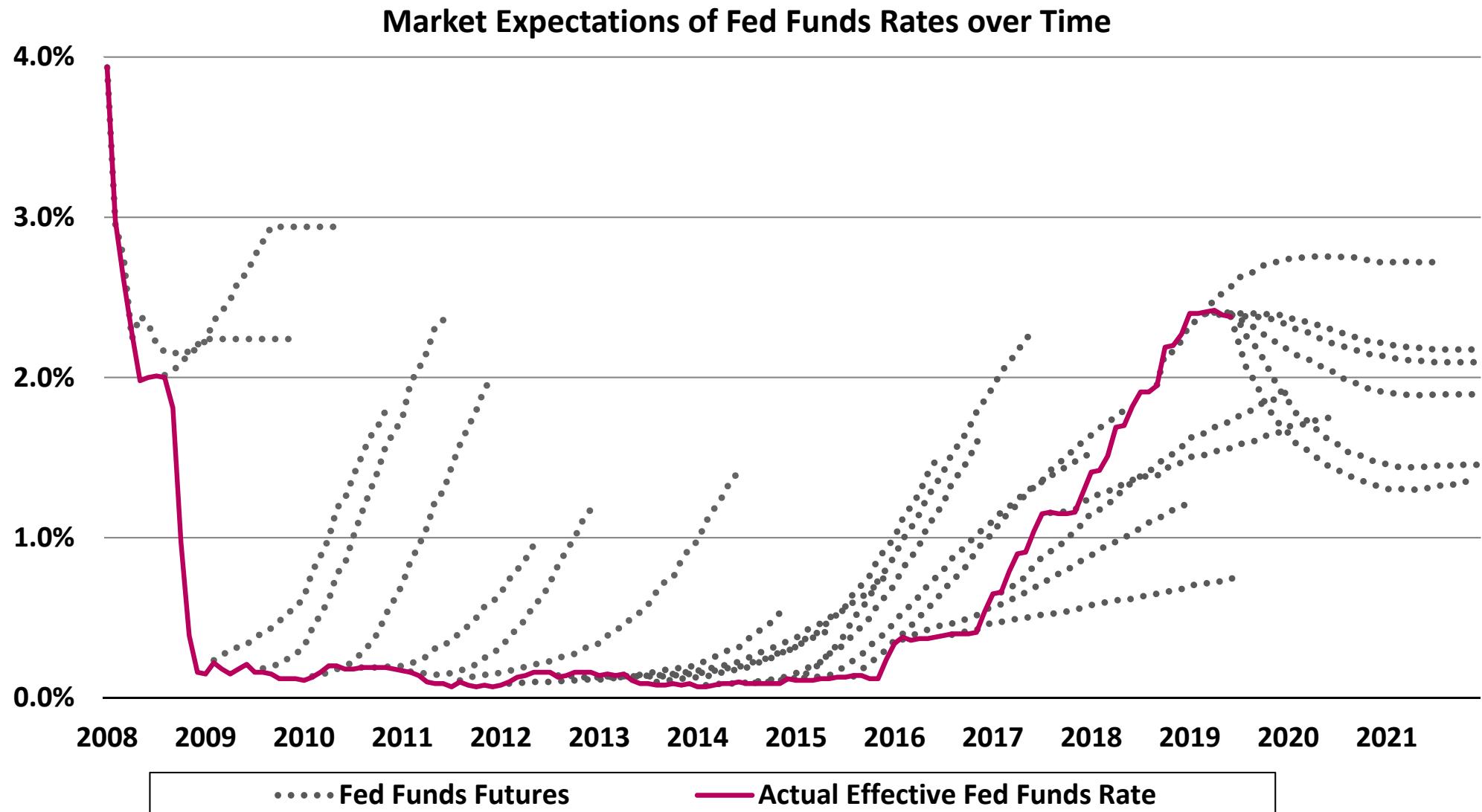
Markets Have High Expectations for Fed Cuts

Markets pricing in at least two more rate cuts through the end of 2020



But Markets Have Poor Track Record

Markets frequently get it wrong when it comes to future path of Fed moves



IV. Global Economic Outlook is Dimming

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Near-Term Global Growth Slowing

Growth forecasts for 2019 and 2020 have been further revised down

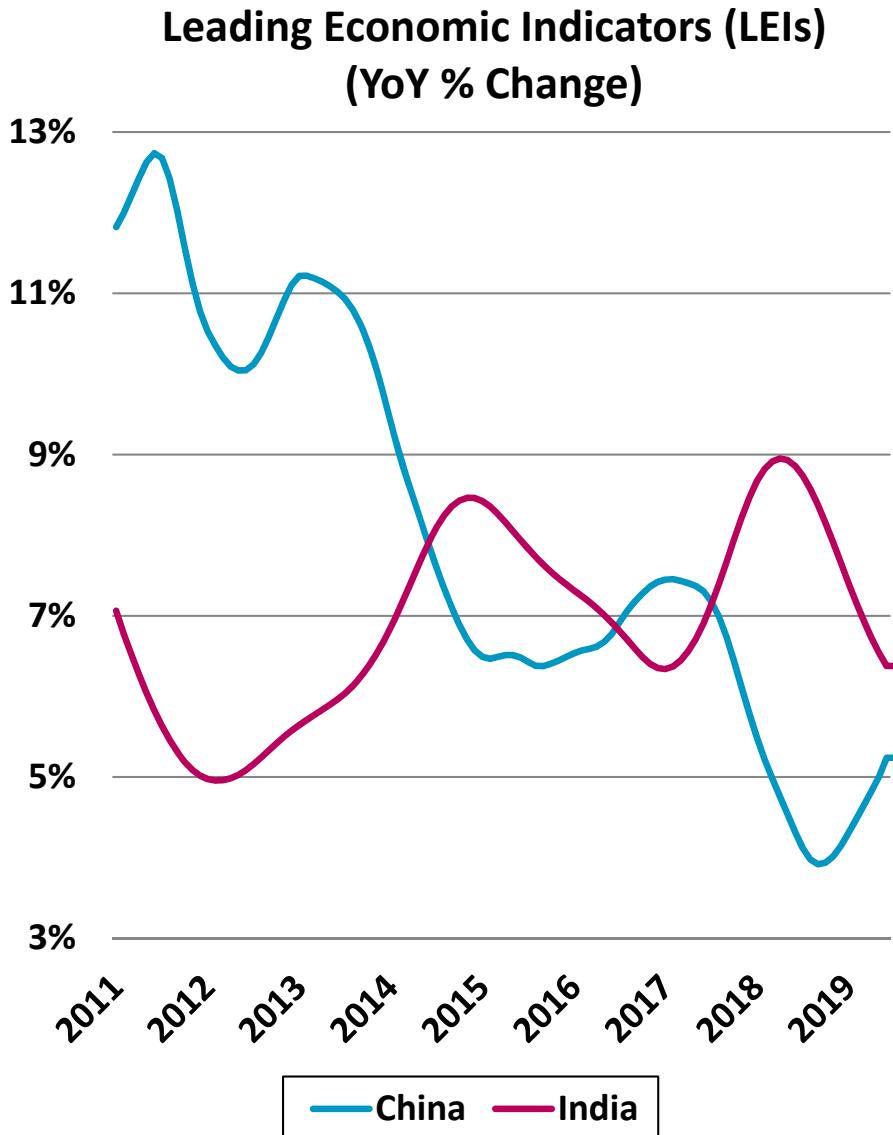
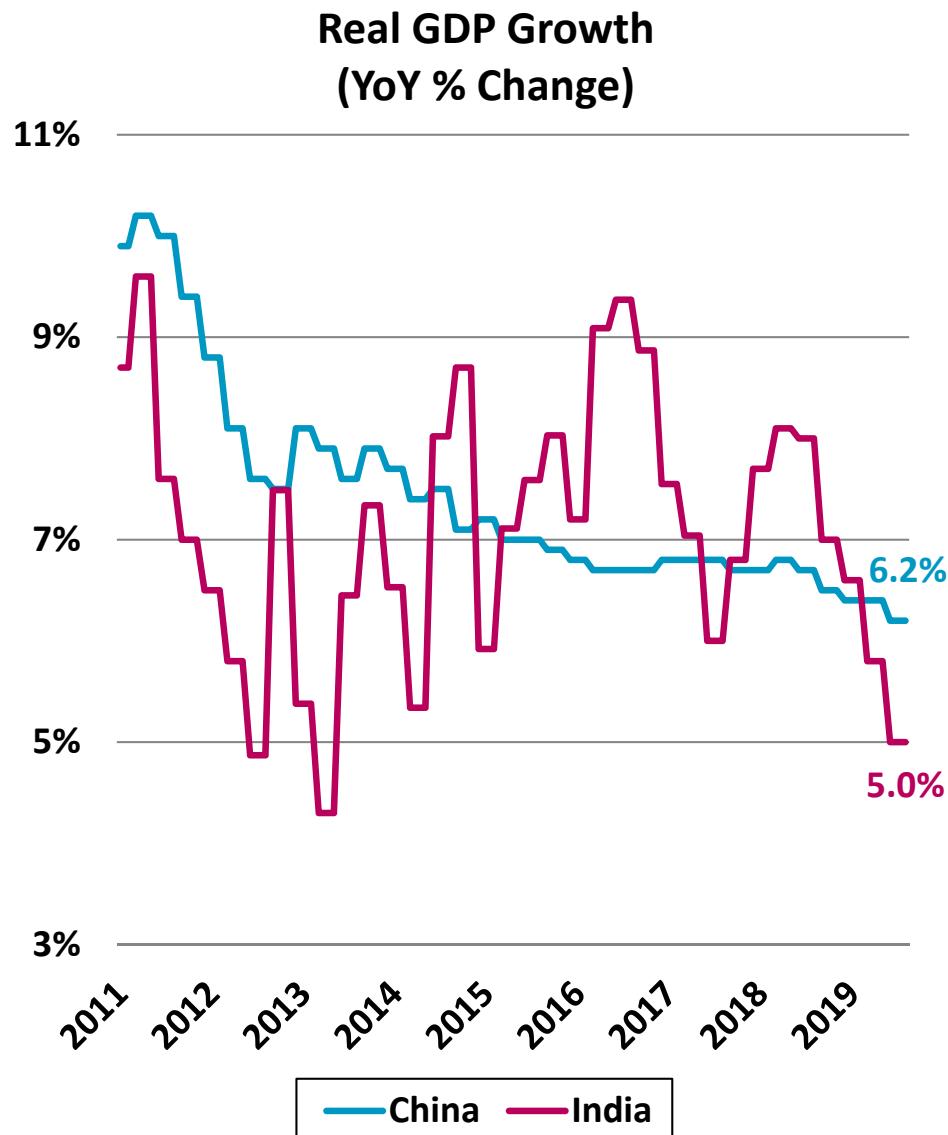
	Real GDP Growth (YoY % Change)						
	Actual			Forecast			
	2018	2019	2020		2018	2019	2020
World	3.6	2.9 	3.0 	G20	3.8	3.1 	3.2 
Australia	2.7	1.7 	2.0 	Argentina	-2.5	-2.7 	-1.8 
Canada	1.9	1.5 	1.6 	Brazil	1.1	0.8 	1.7 
Euro Area	1.9	1.1 	1.0 	China	6.6	6.1 	5.7 
Germany	1.5	0.5 	0.6 	India	6.8	5.9 	6.3 
France	1.7	1.3 	1.2 	Indonesia	5.2	5.0 	5.0 
Italy	0.7	0.0 	0.4 	Mexico	2.0	0.5 	1.5 
Japan	0.8	1.0 	0.6 	Russia	2.3	0.9 	1.6 
South Korea	2.7	2.1 	2.3 	Saudi Arabia	2.2	1.5 	1.5 
UK	1.4	1.0 	0.9 	South Africa	0.8	0.5 	1.1 
US	2.9	2.4 	2.0 	Turkey	2.8	-0.3 	1.6 

Arrows indicate direction of revisions since May 2019:

 Downward  Upward  No revision

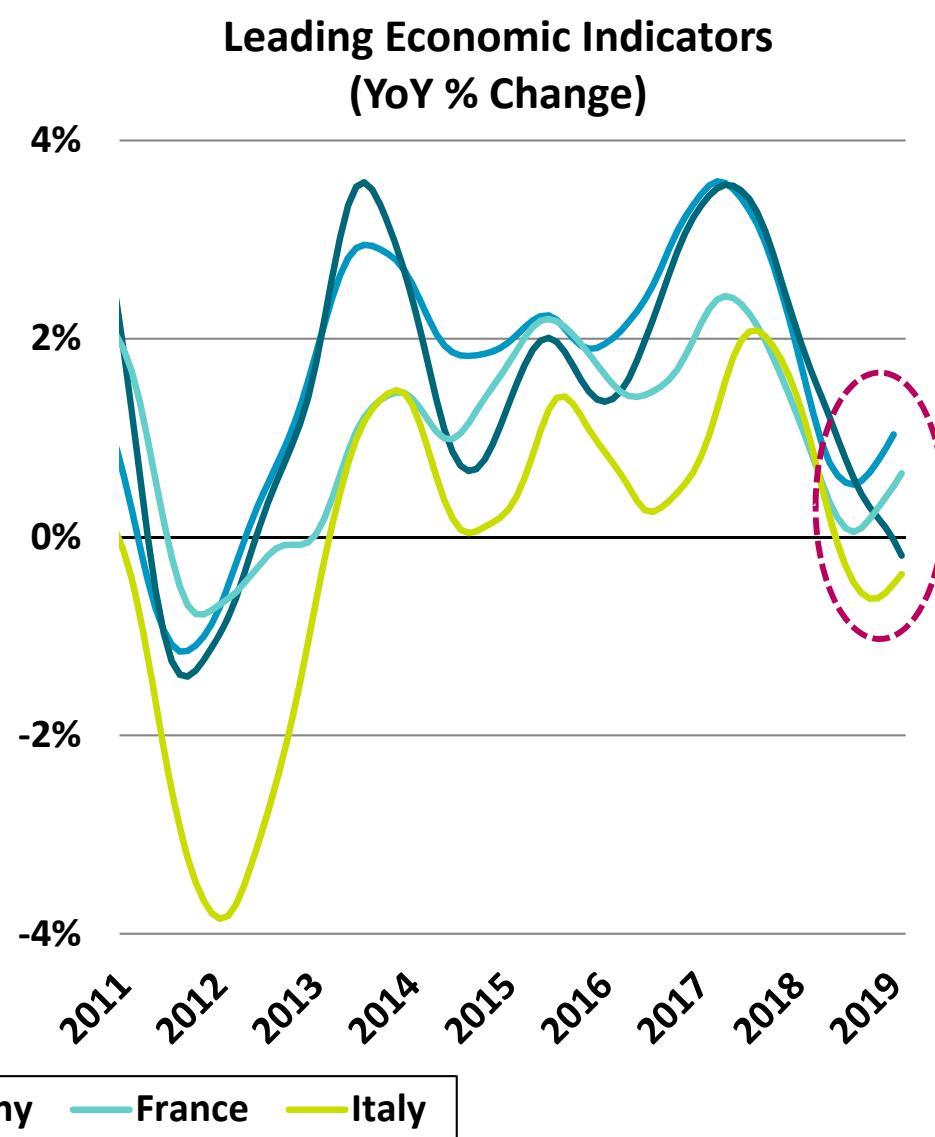
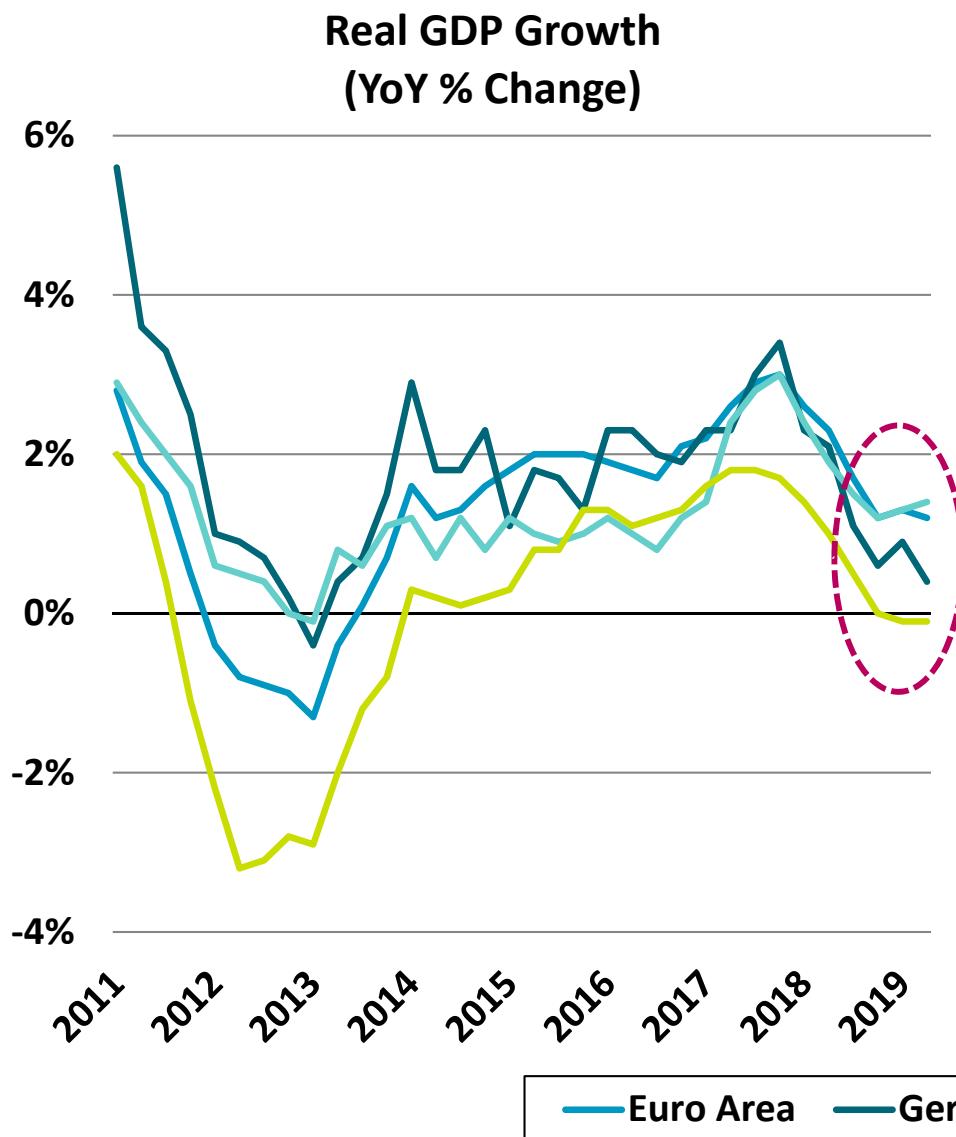
India No Longer the Fastest-Growing Major Economy

Growth in India and China slowed significantly, LEIs are mixed



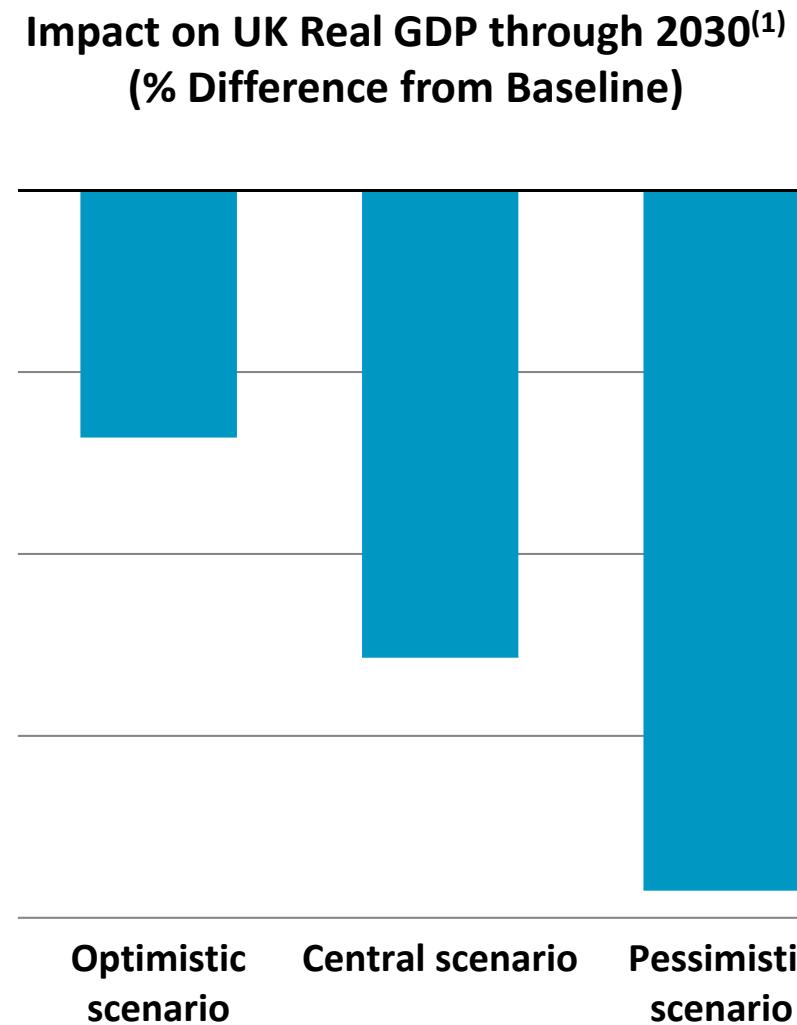
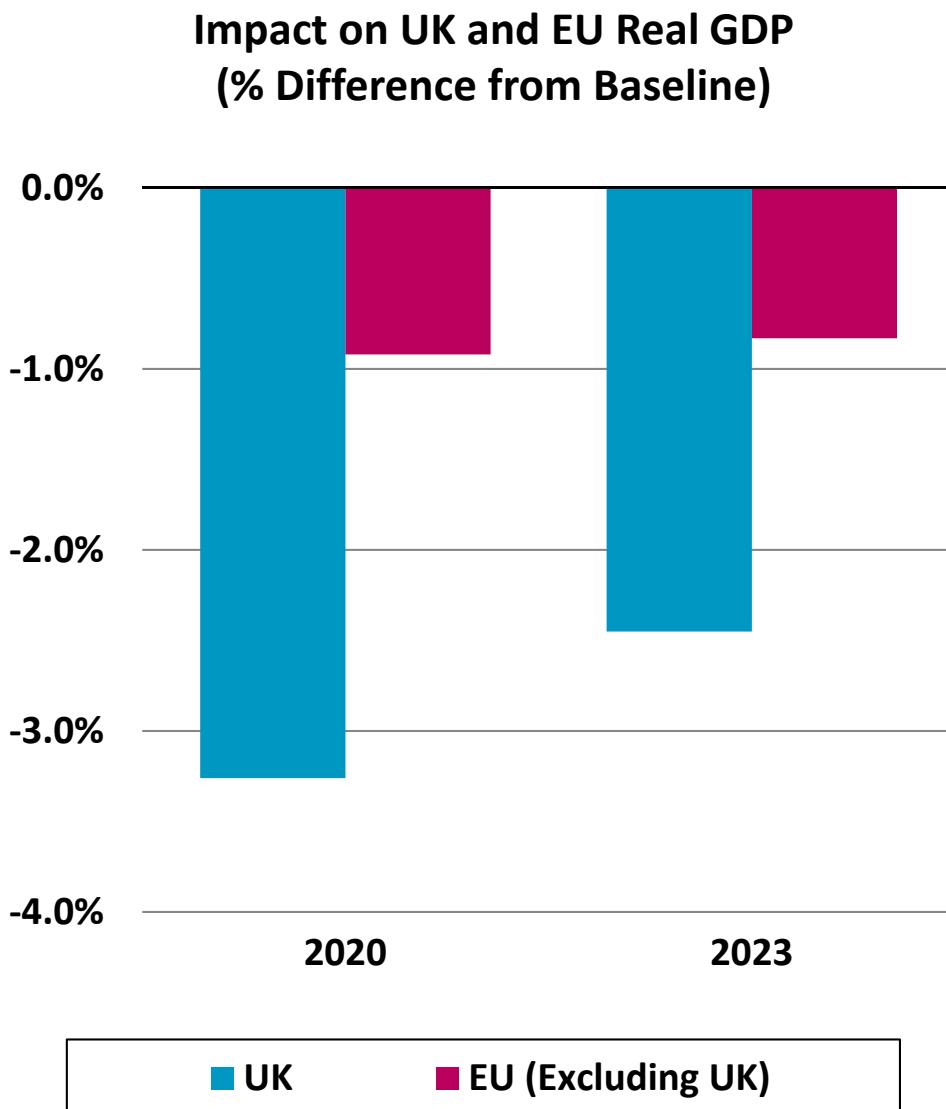
Europe and “Big Three” Economies

GDP growth mixed, leading indicators turning up for all but Germany



No-Deal Brexit Would Be Costly

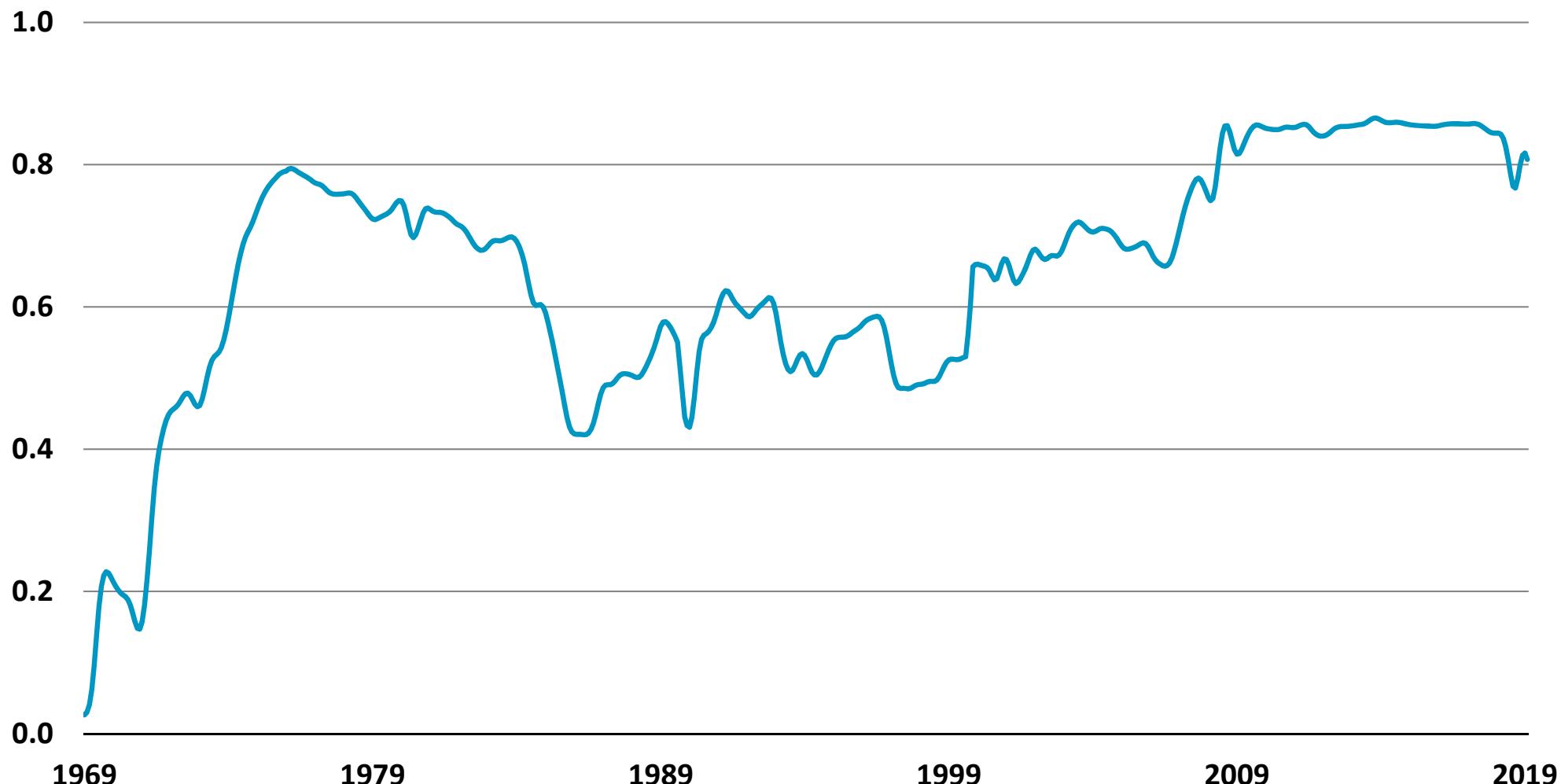
Without an agreement, UK GDP growth would be 2.5% lower through 2023



For Better or Worse, US and World in This Together

US economic indicators more highly correlated to world economy than ever

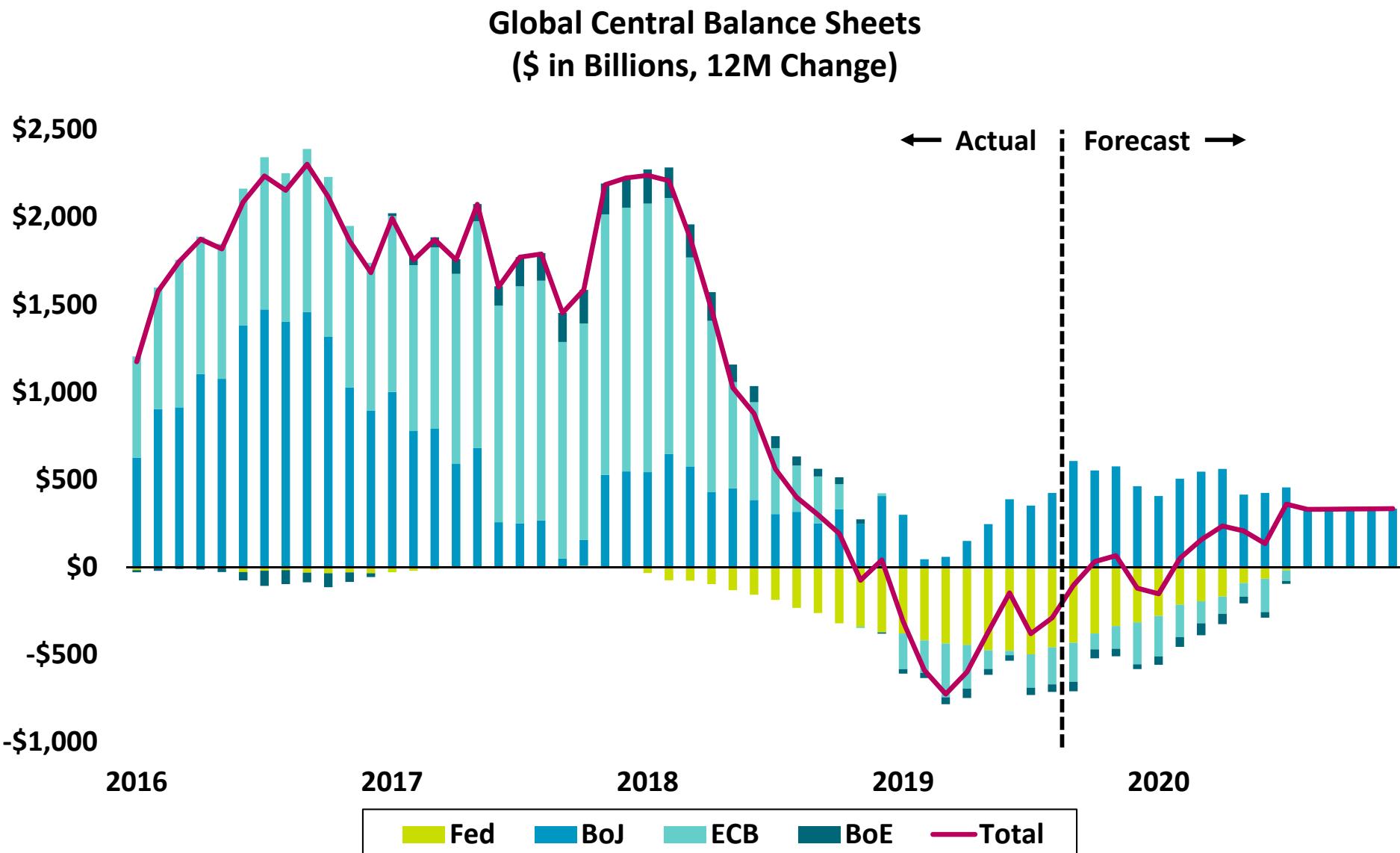
Correlation between US and World Leading Indicators
(10-Year Rolling Correlation)



Source: OECD and Bianco Research, as of 6/30/19. Represents the rolling 10-year correlation between US and world average composite leading indicators.

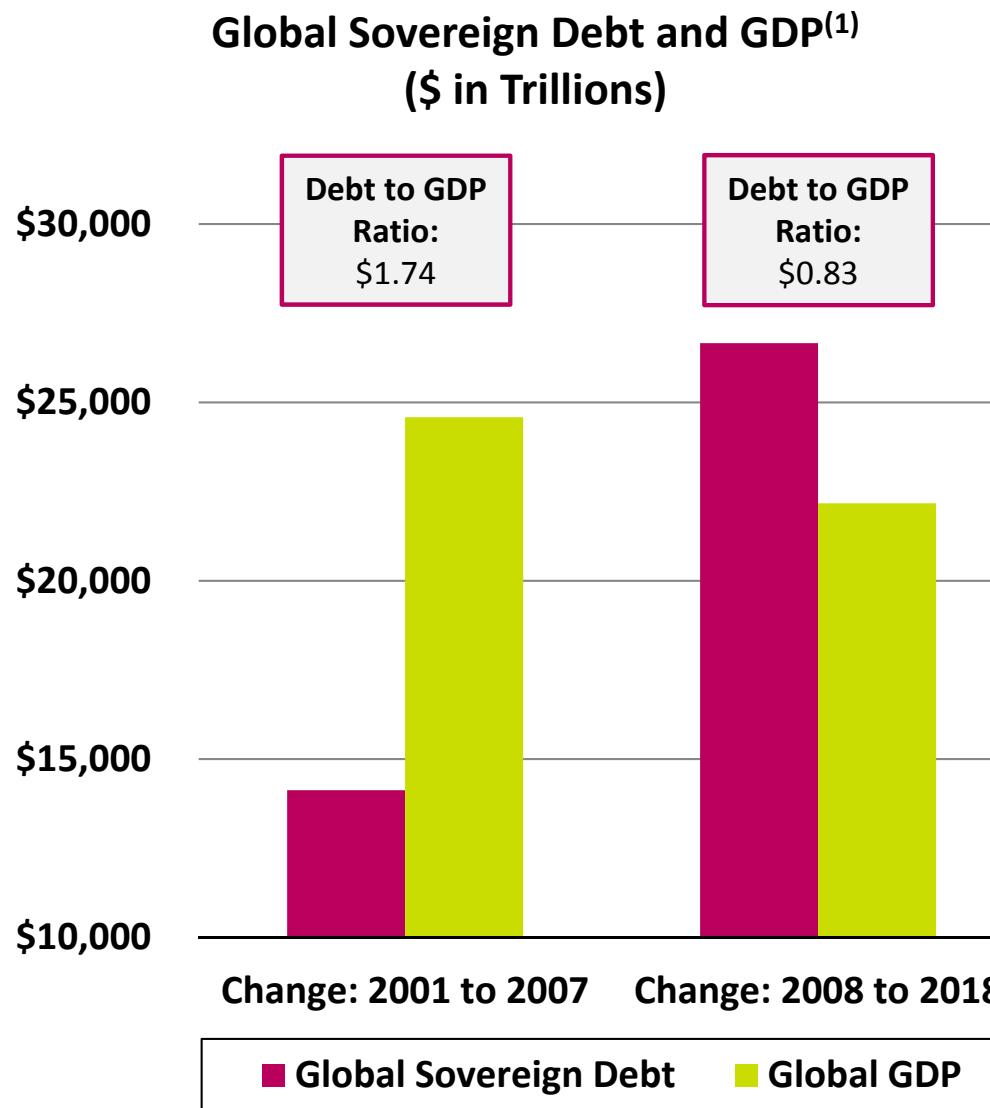
Shift in Monetary Policy

Central banks are easing monetary policy as a response to slowing growth

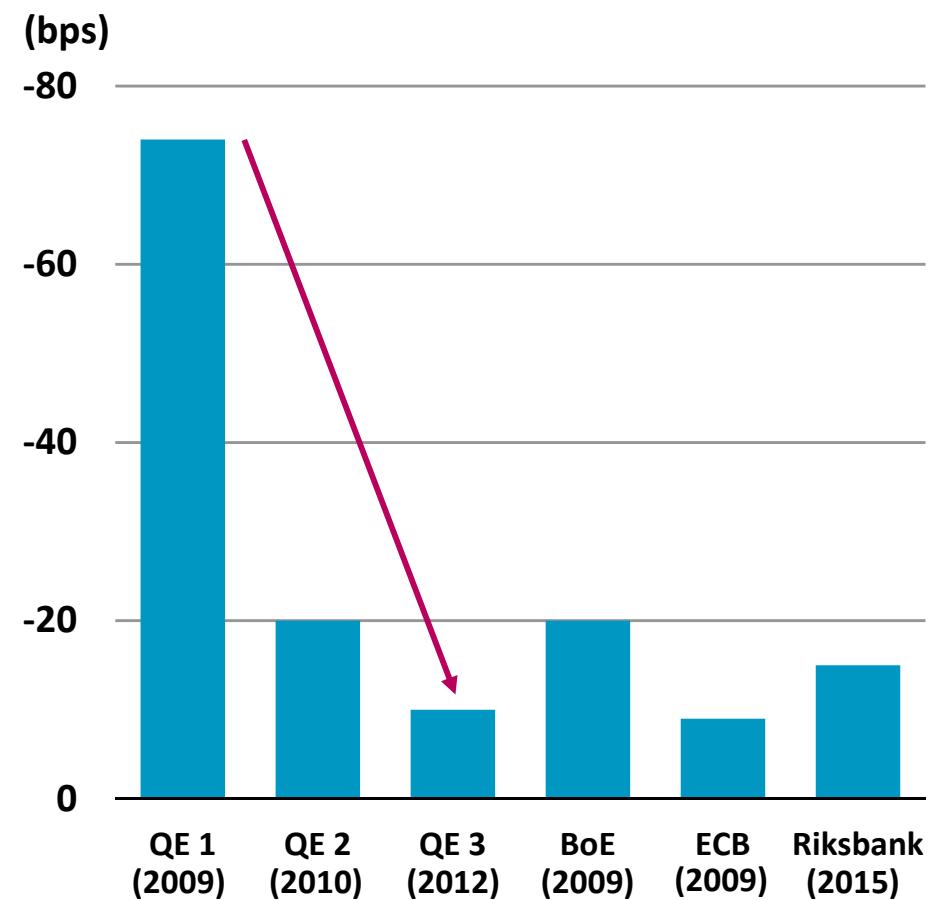


But Effectiveness of Quantitative Easing Decreasing

QE likely to have less marginal impact than it did in the past



Estimated Impact of QE on Long-Term Interest Rates⁽²⁾



(1) Bank for International Settlements and World Bank, as of 12/31/18. Global sovereign debt represents credit to general government from all sectors at market value (USD.) Global GDP represents market value in current USD.

(2) Source: World Bank, Ayhan Kose, Various Authors and DB Global Research. Represents the average of academic studies on the impact of QE on long-term interest rates.

V. Trade Remains the Biggest Threat

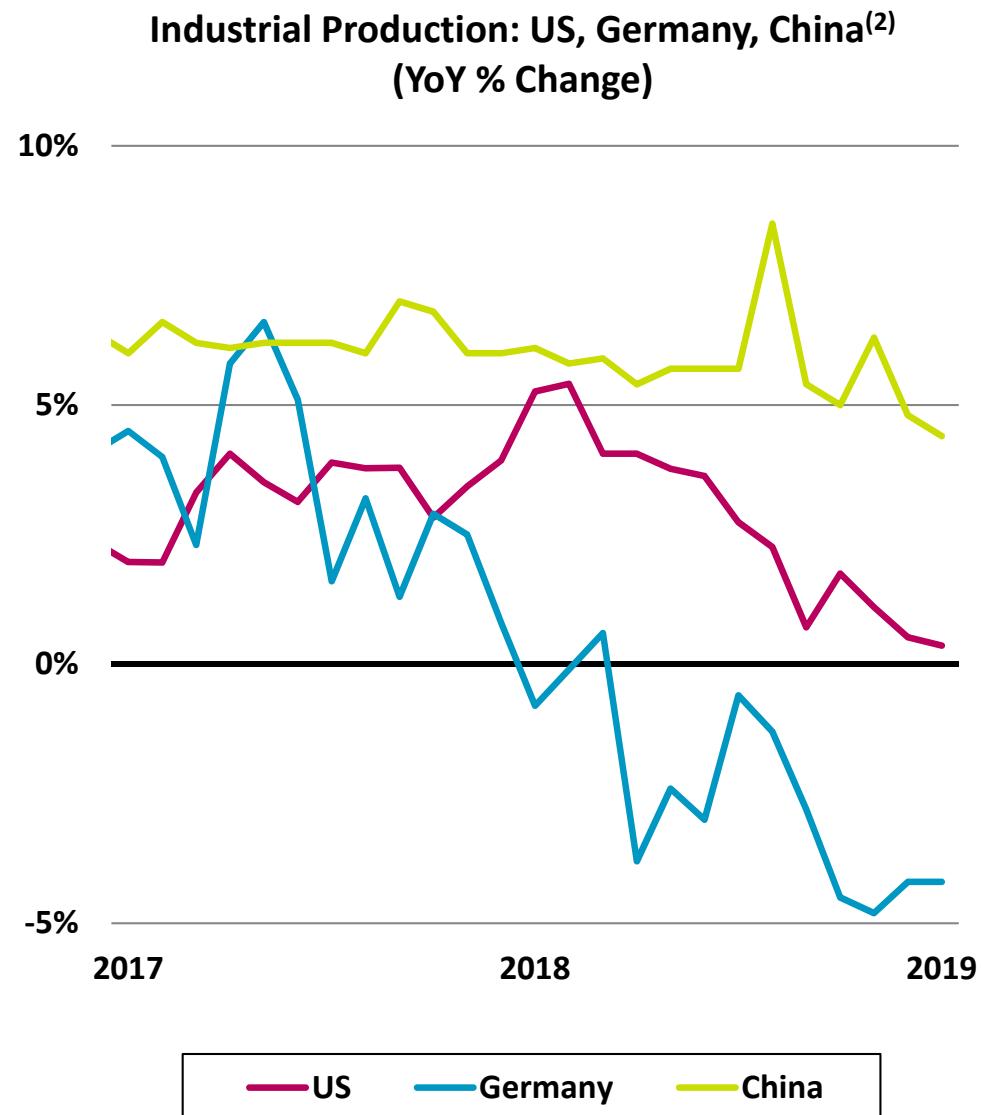
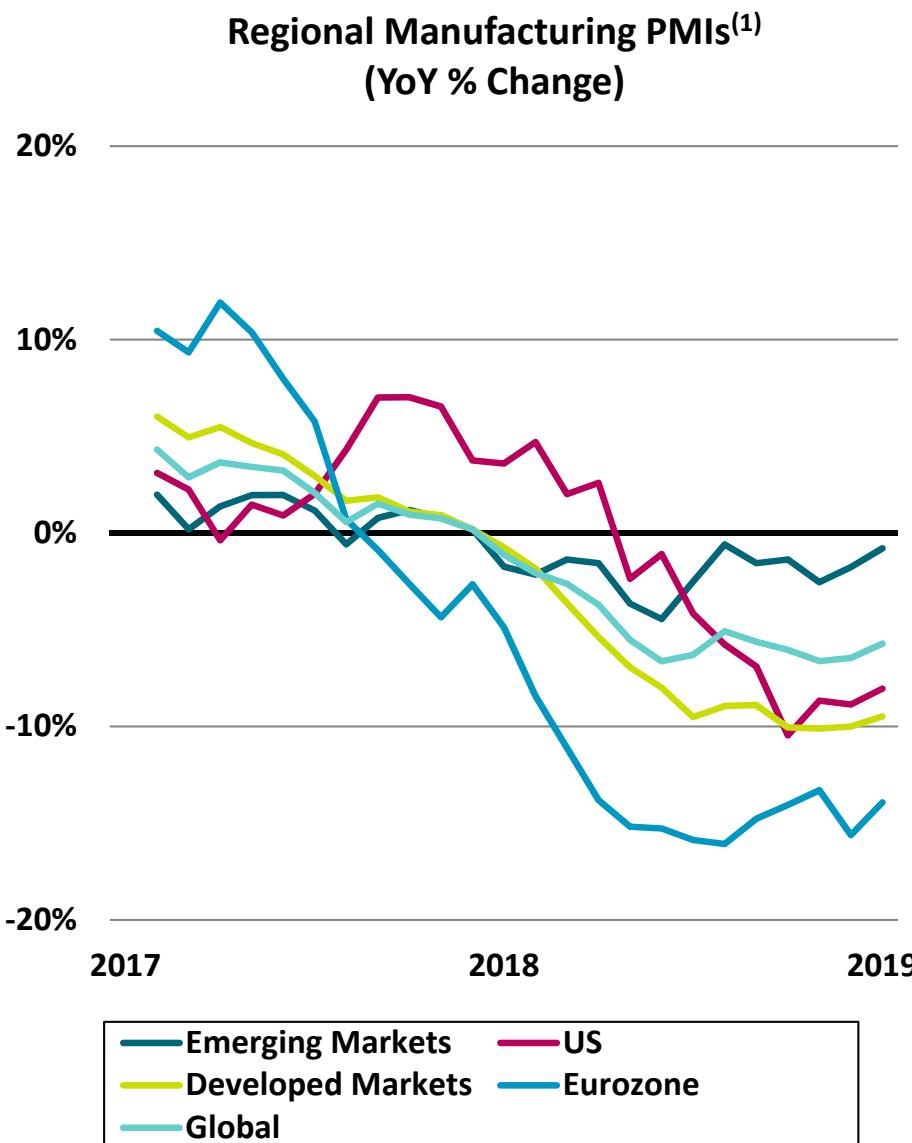
Decline of International Trade

World trade volumes are contracting, with further declines expected



Global Manufacturing PMIs and Industrial Production

PMIs are all negative, may have troughed; industrial production declining

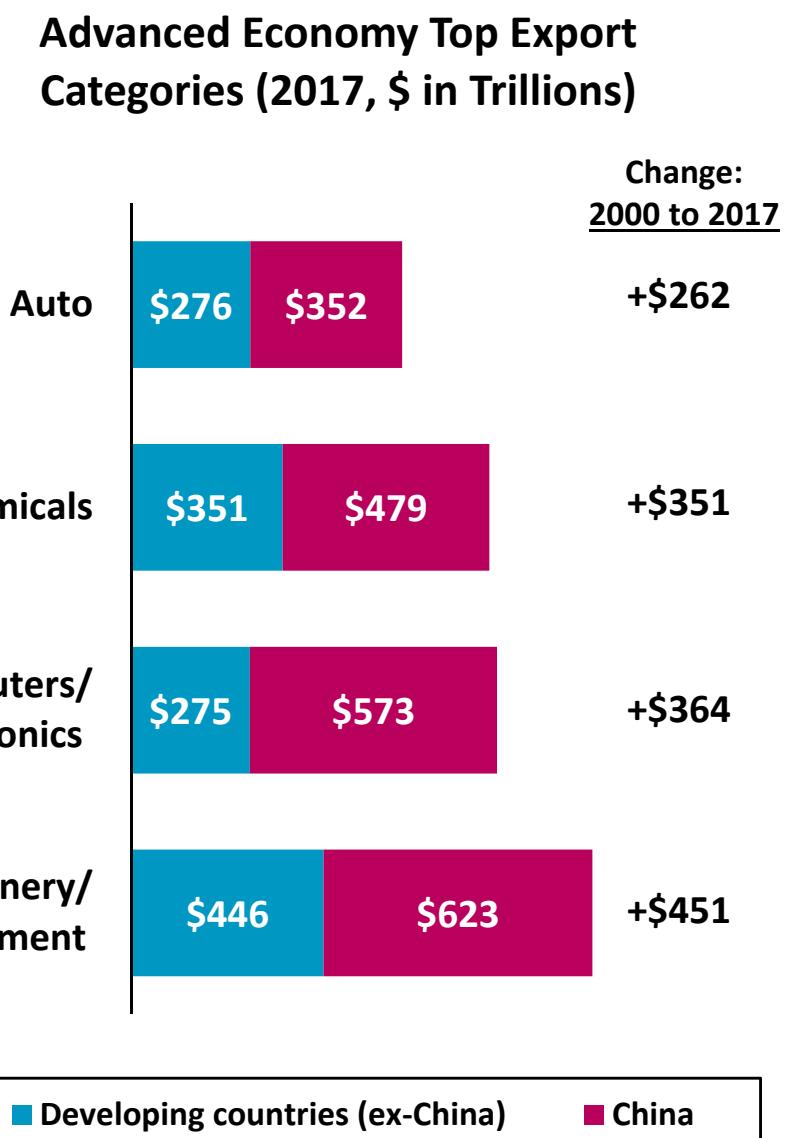
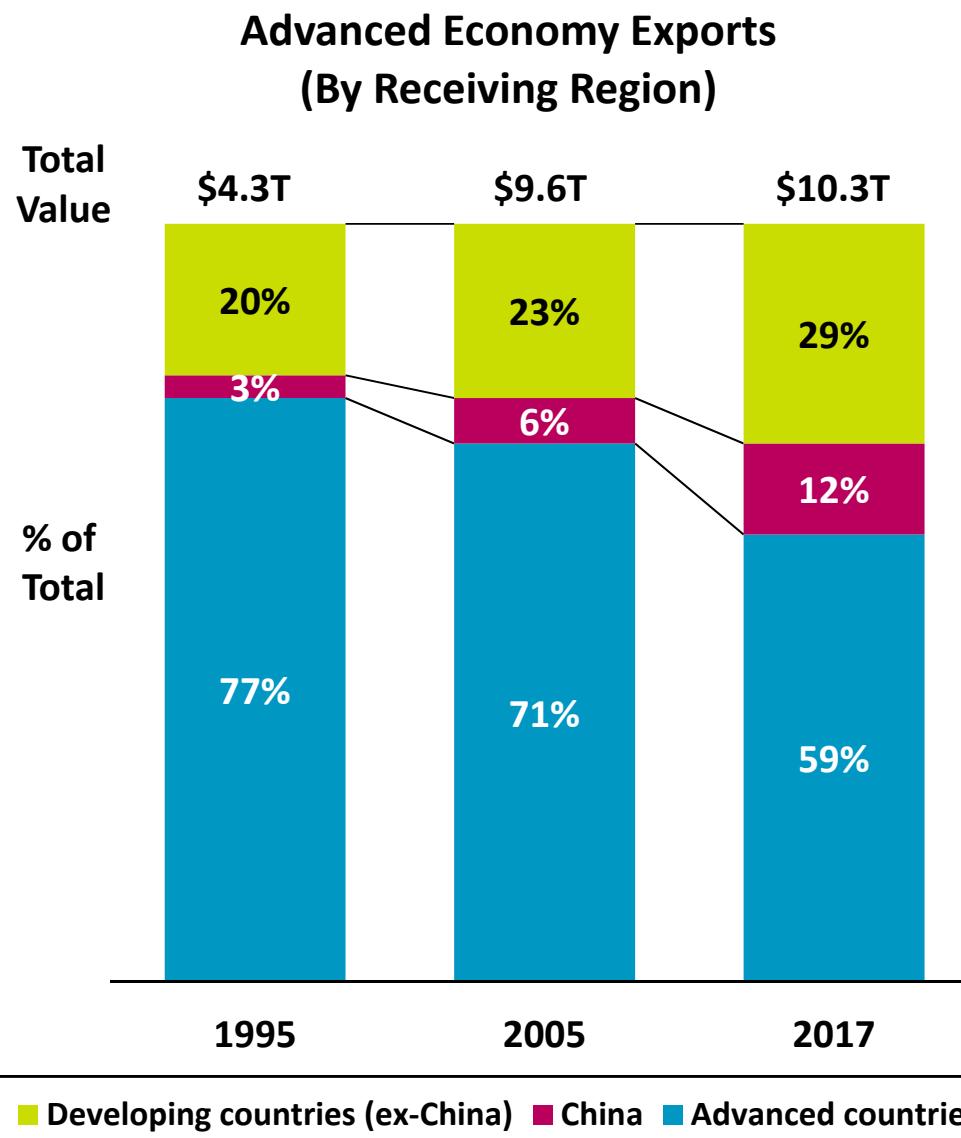


(1) Bloomberg and Markit, as of 8/31/19.

(2) Federal Reserve, German Federal Statistical Office and National Bureau of Statistics of China. US and China data as of 8/31/19, Germany as of 7/31/19. China data represent the change in "value added of industry."

Customers, Not Just Producers

China and EM have become increasingly important source of demand for DM economies

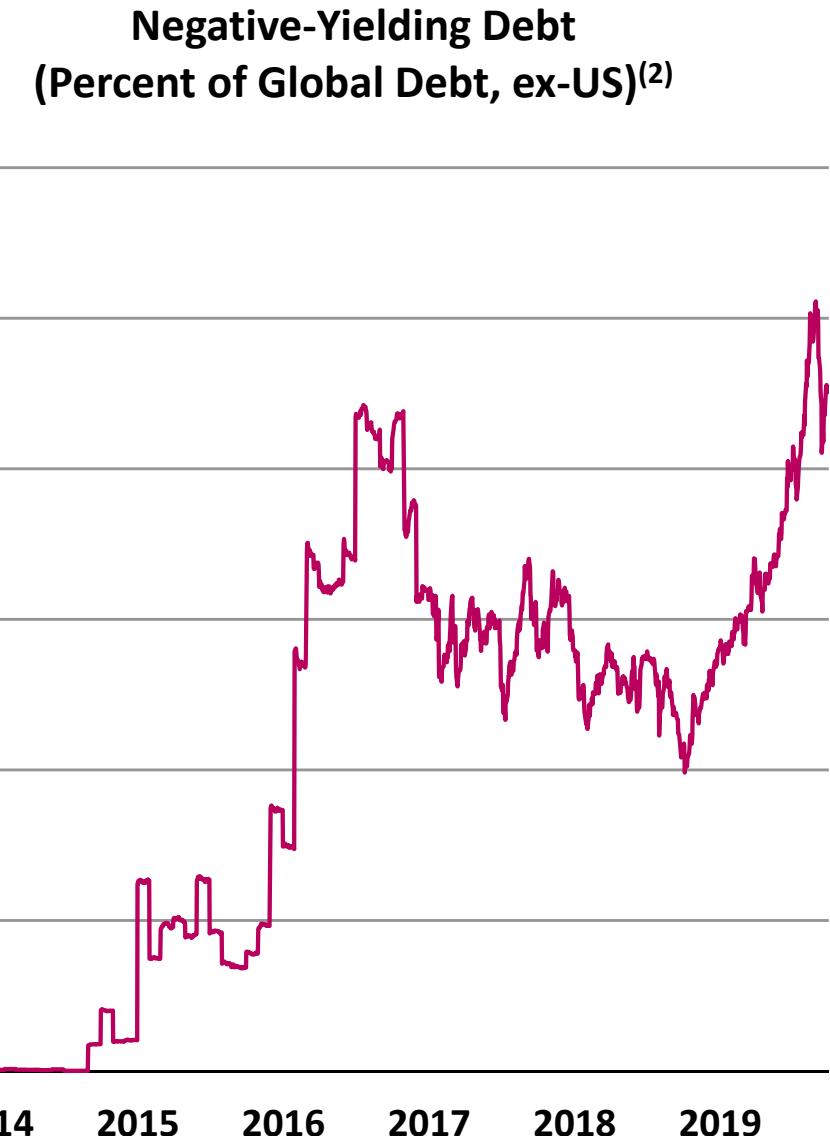
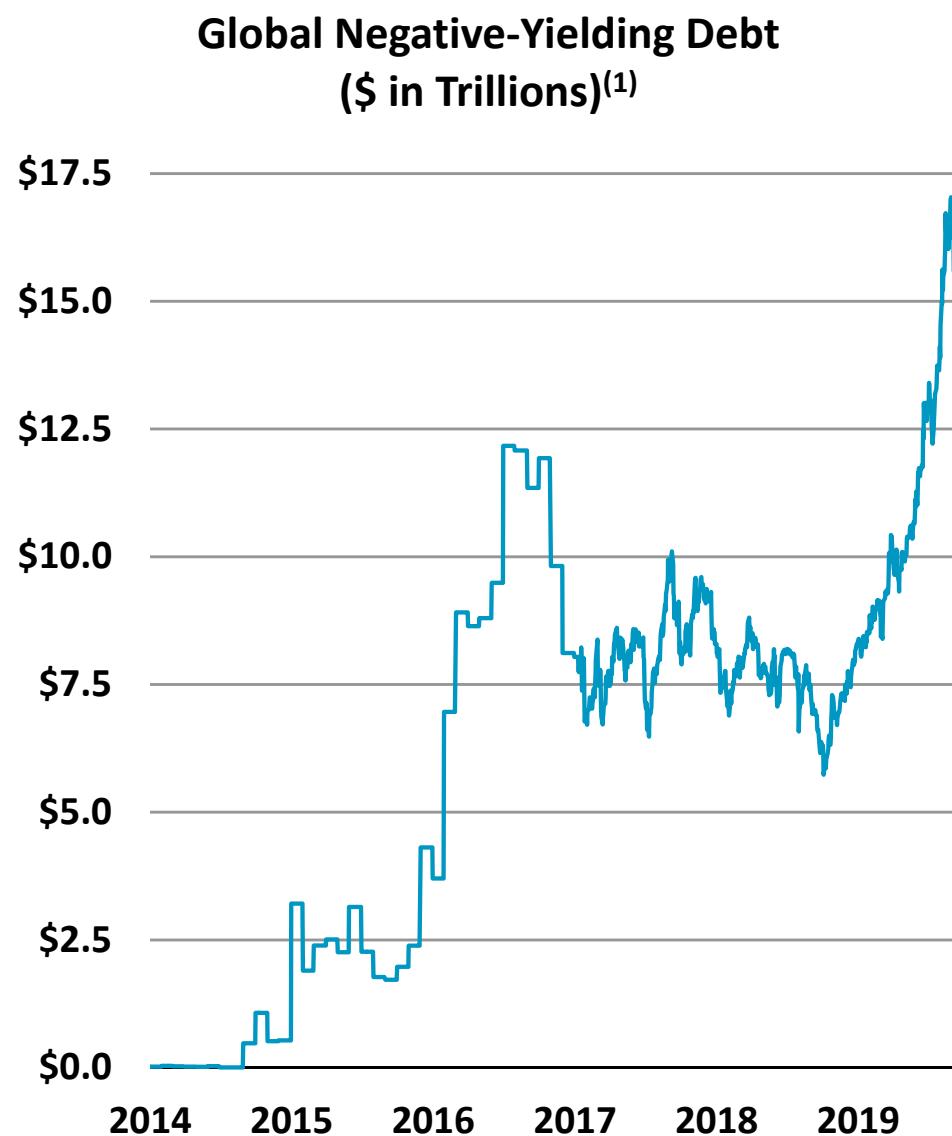


VI. Bubble in the Bond Markets

Blackstone

Negative-Yielding Debt Ballooning

Over \$15T of debt with negative yields, comprising 45% of global debt, ex-US

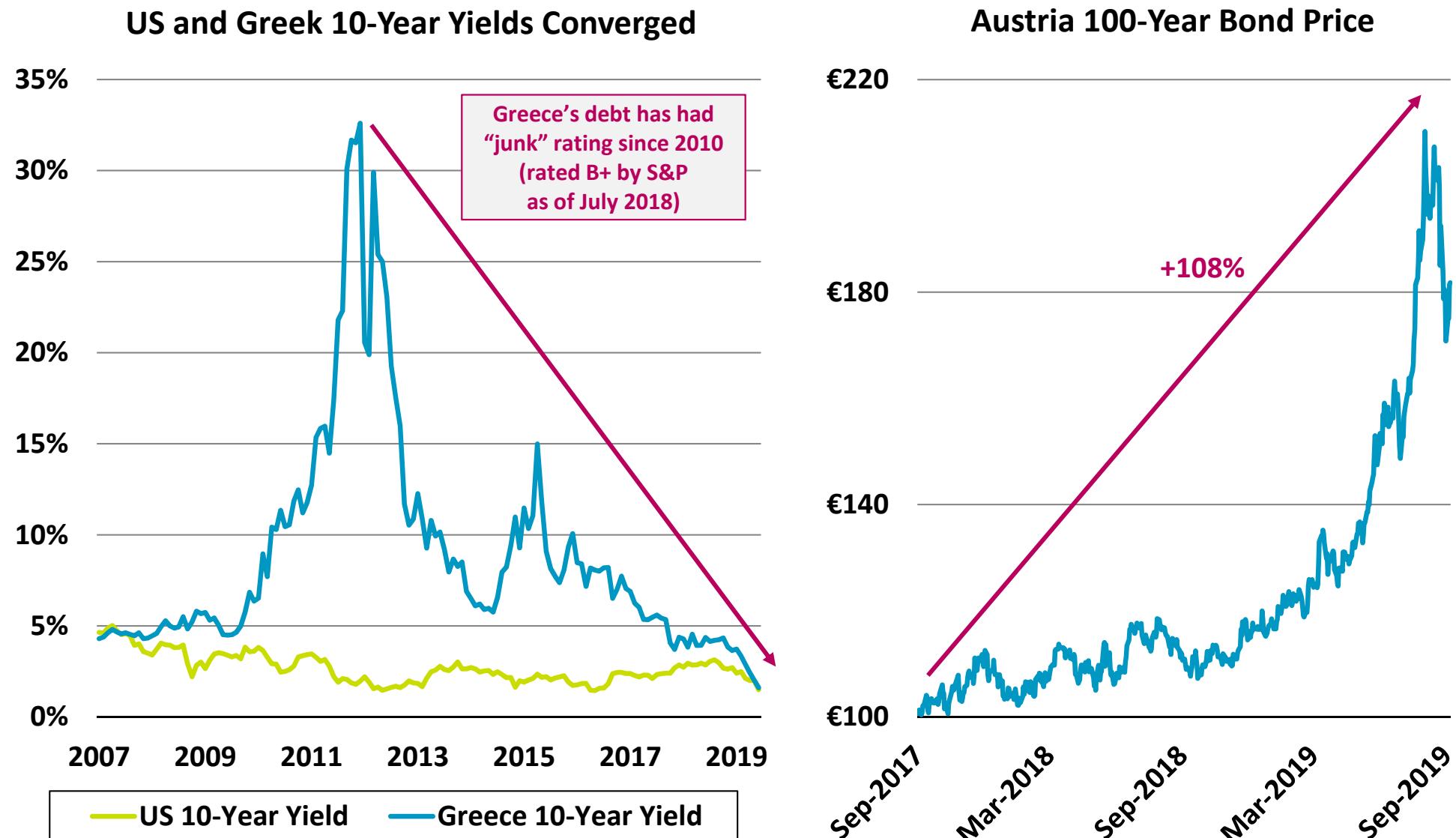


(1) Source: Bloomberg, as of 9/30/19. Represents the Bloomberg Barclays Global Aggregate Negative-Yielding Index.

(2) Source: Bloomberg, as of 9/30/19. Represents the negative-yielding portion of the Bloomberg Barclays Global Aggregate Bond Index, less the Bloomberg Barclays US Aggregate Bond Index.

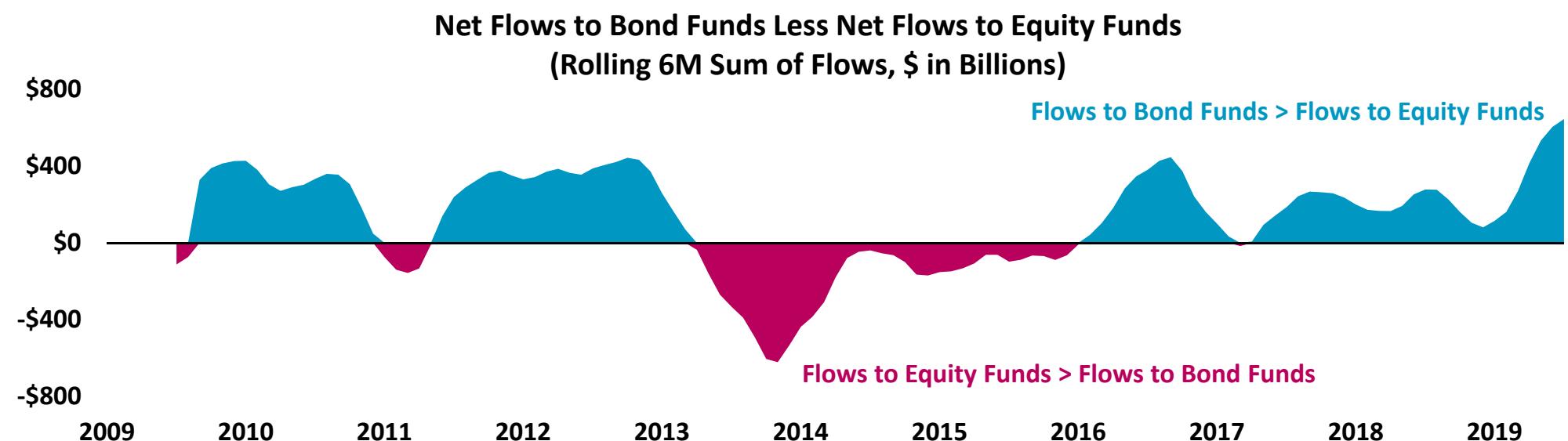
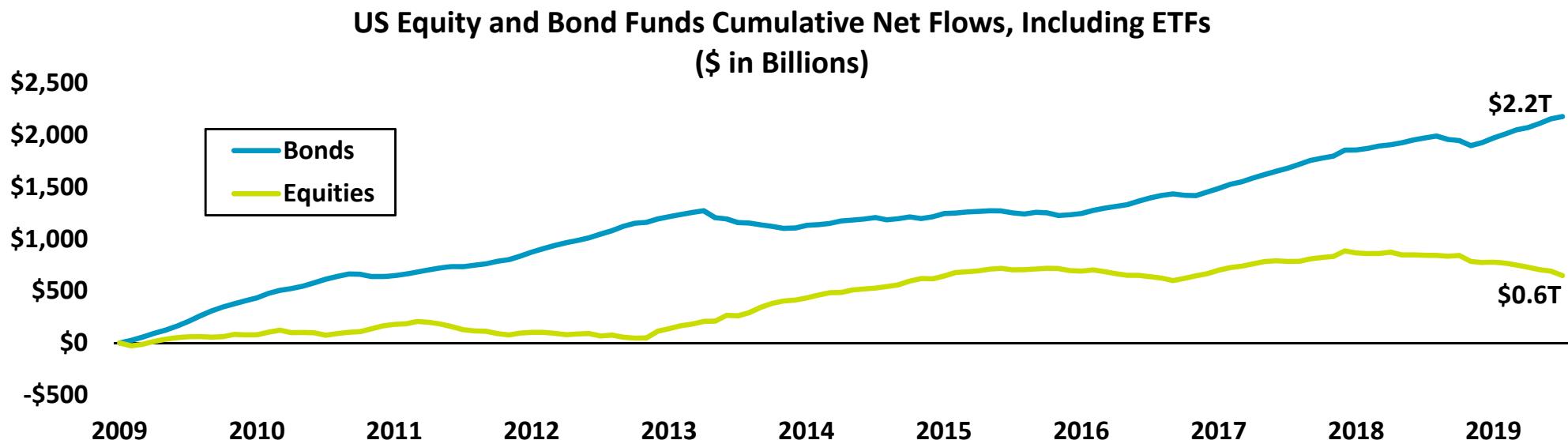
Demand Abounds for Risky Sovereign Debt

Investors snatching up sovereign debt, regardless of principal or duration risk



Massive Bond Fund Inflows

Investors are shifting from equity to bond funds at the fastest rate this cycle



VII. Long-Term Trends to Consider

President Trump Needs a Deal Politically

For the past 100 years, no President has lost reelection if economy expanding

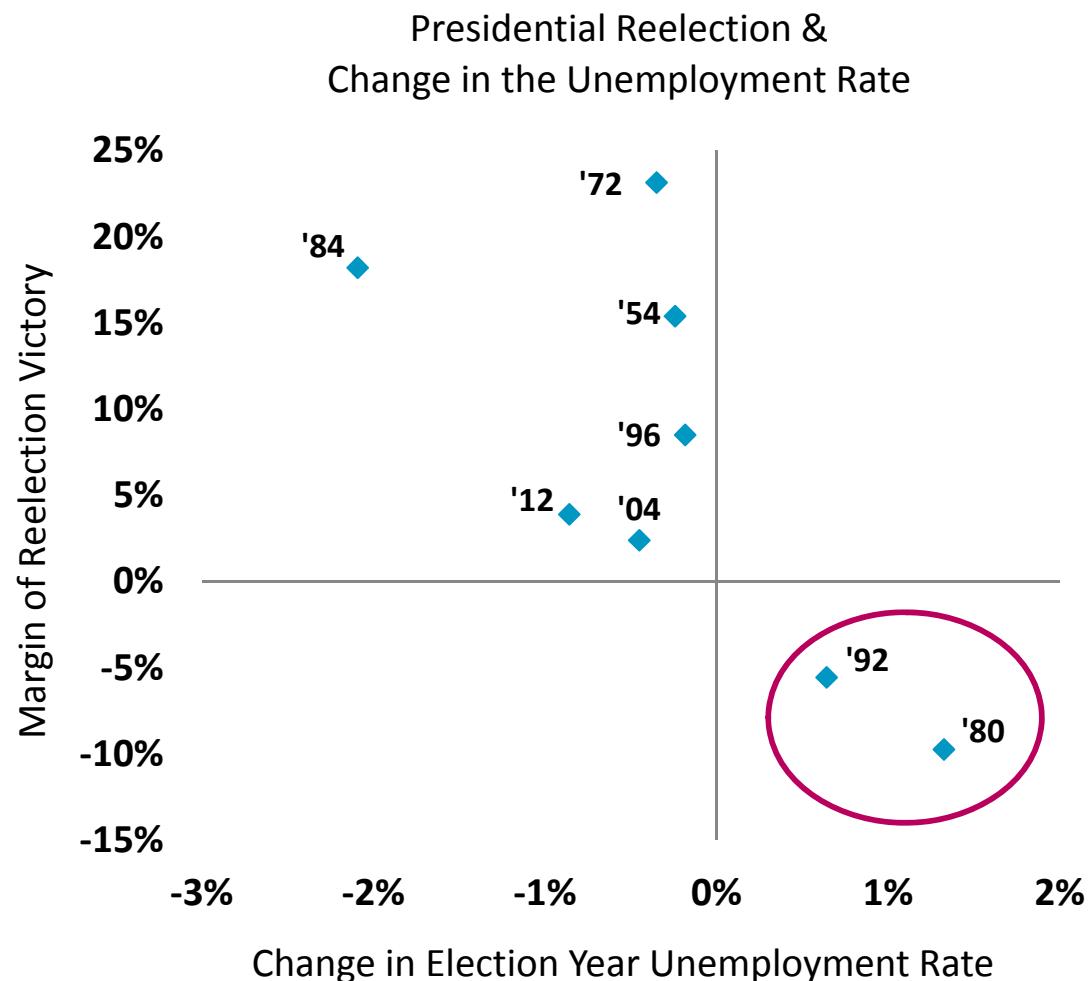
No Recession Two Years before Re-Election

President	Recession?	Re-Elected?
Obama	No	Yes
Bush II	No	Yes
Clinton	No	Yes
Reagan	No	Yes
Nixon	No	Yes
LBJ	No	Yes
Eisenhower	No	Yes
Truman	No	Yes
FDR	No	Yes
FDR	No	Yes
FDR	No	Yes
Wilson	No	Yes

Recession Two Years before Re-Election

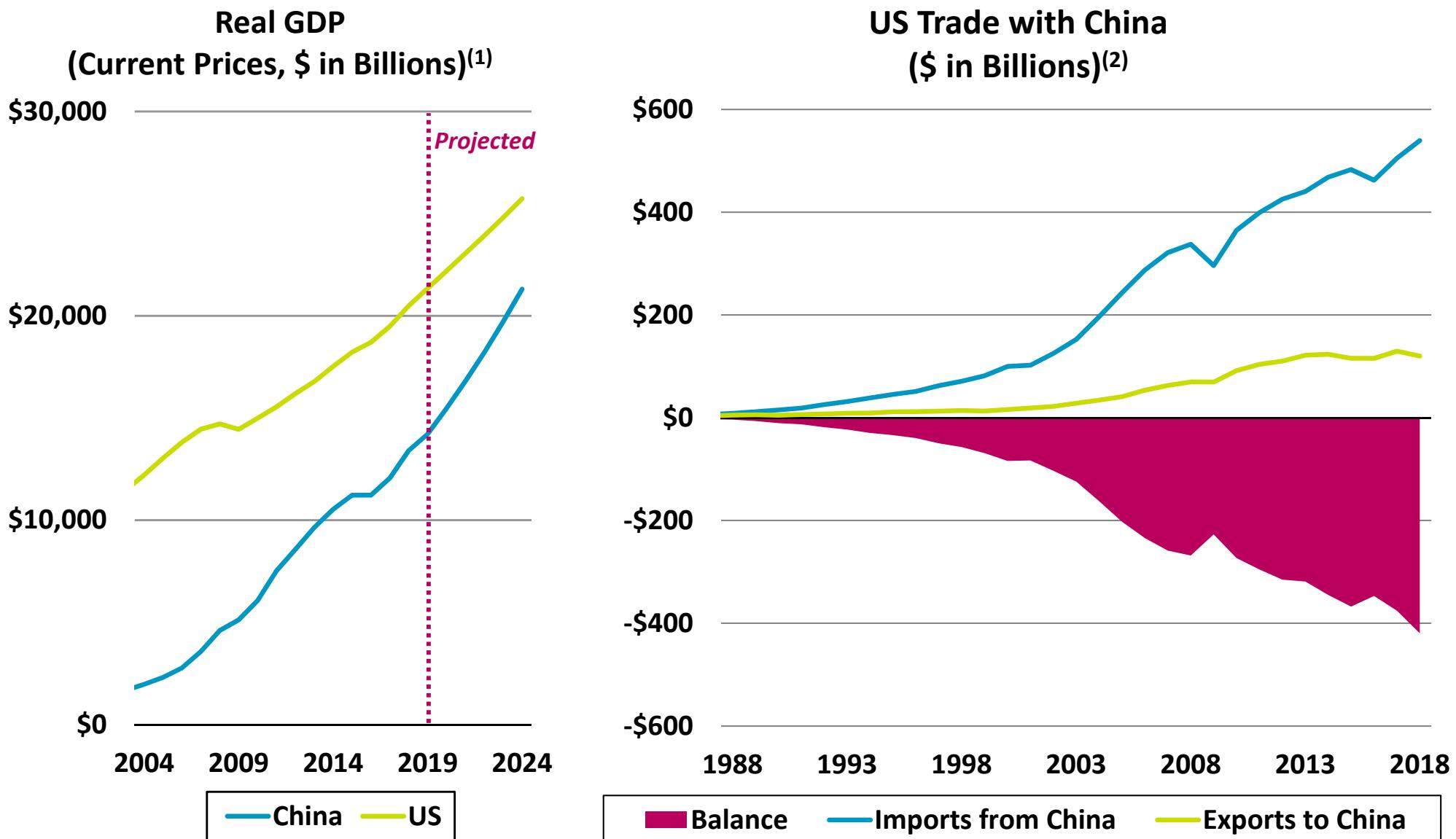
President	Recession?	Re-Elected?
Bush I	Yes	No
Carter	Yes	No
Ford	Yes	No
Hoover	Yes	No
Coolidge	Yes	Yes
Taft	Yes	No

Since WWII, Only Presidents with Rising Unemployment Rates Lose Reelection



Trade War with China

China's growth has been largely fueled by trade with the US



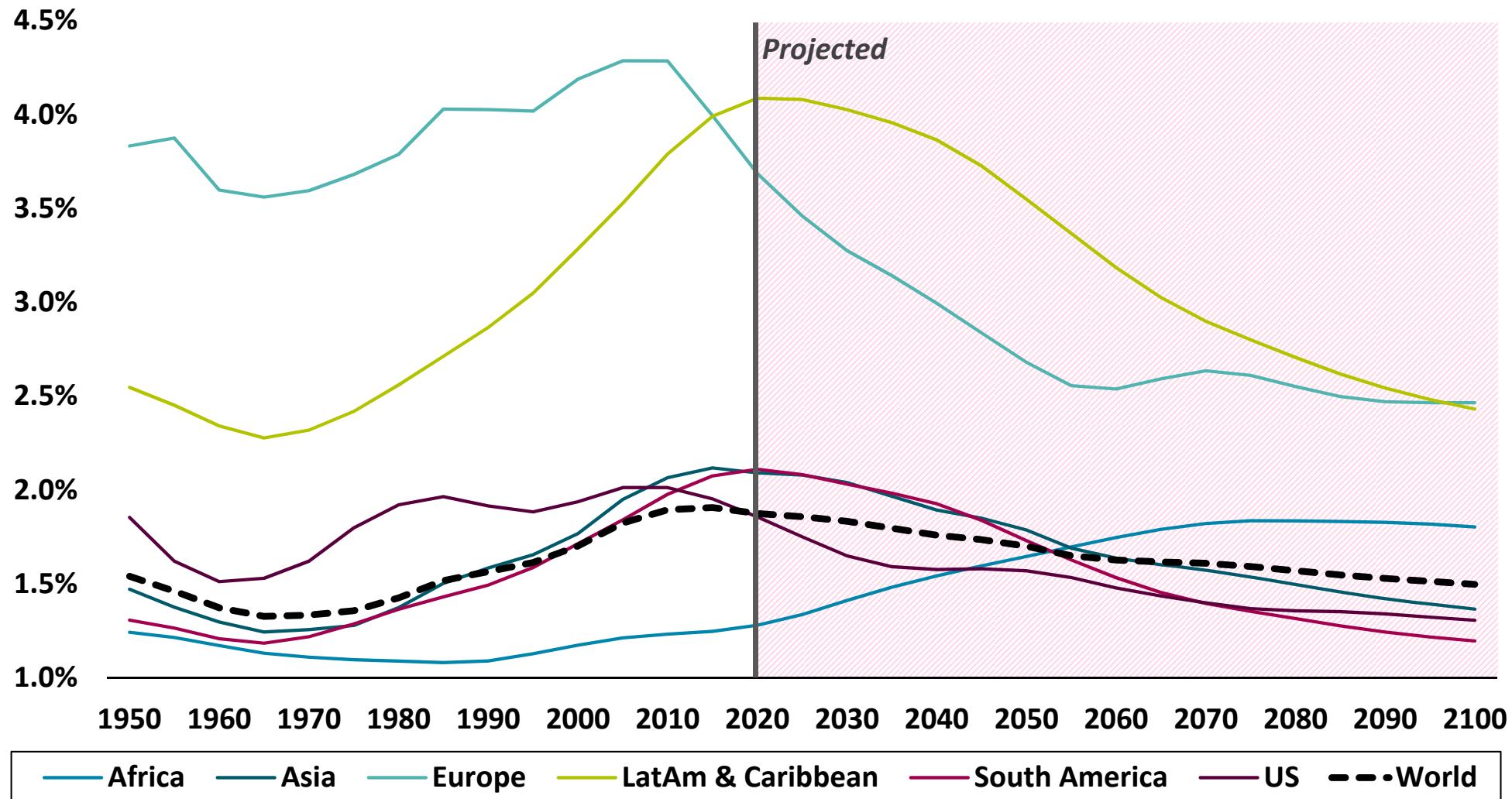
(1) Source: IMF, as of July 2019. Data for 2019 and beyond are projections.

(2) Source: US Census Bureau, as of 12/31/18. Represents US dollars at nominal value, not seasonally adjusted.

Global Demographic Trends: Working Age Populations

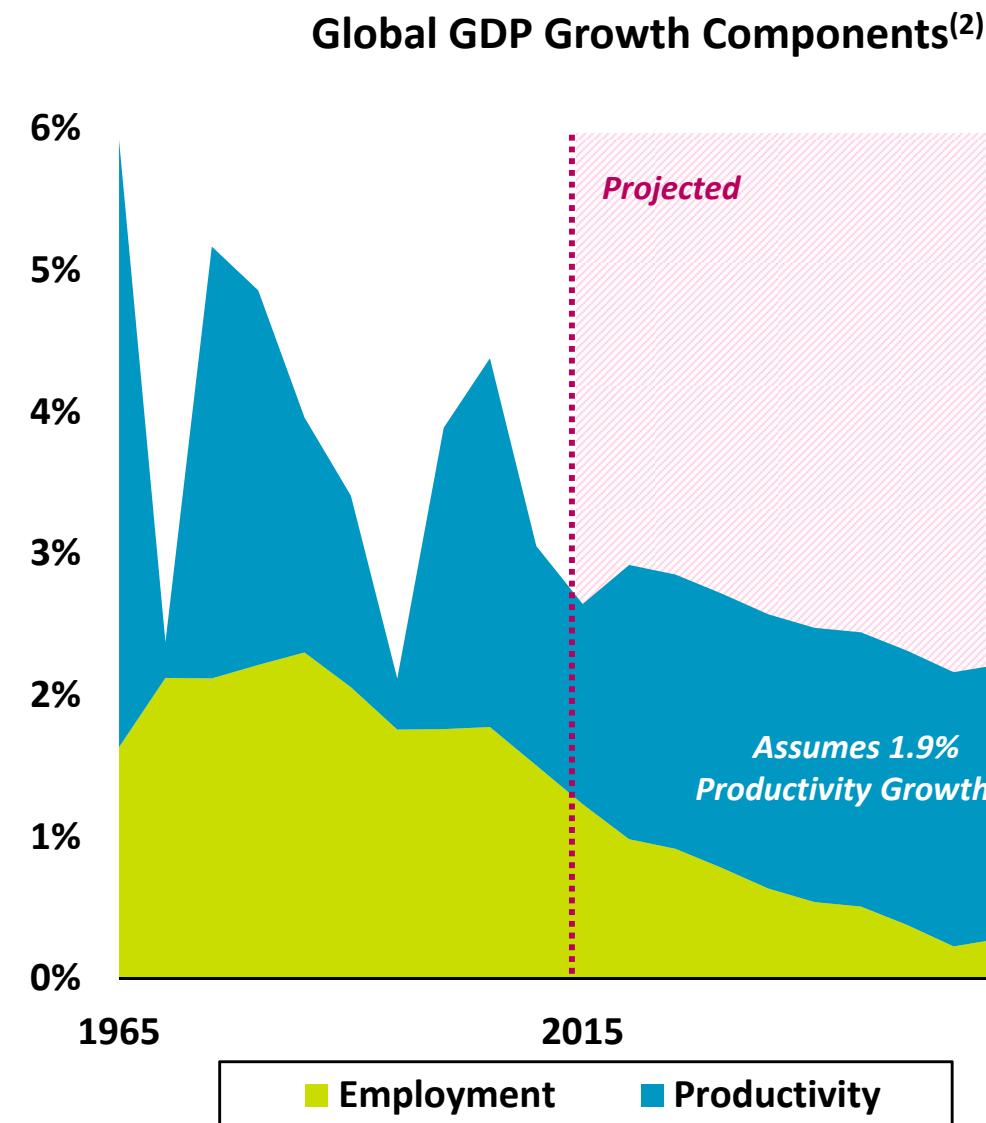
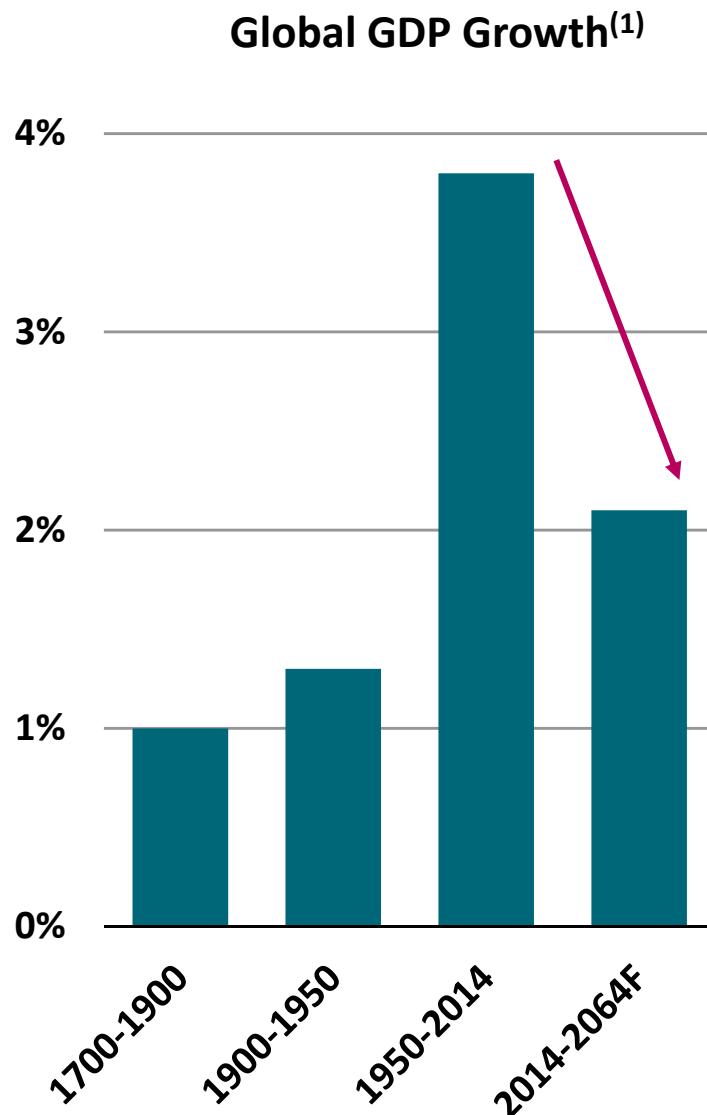
Working age populations ratios estimated to decline across the world

Working Age Population Ratio⁽¹⁾



Secular, Long-Term Slowdown in Global Growth

With labor force declining, productivity must pick up the slack



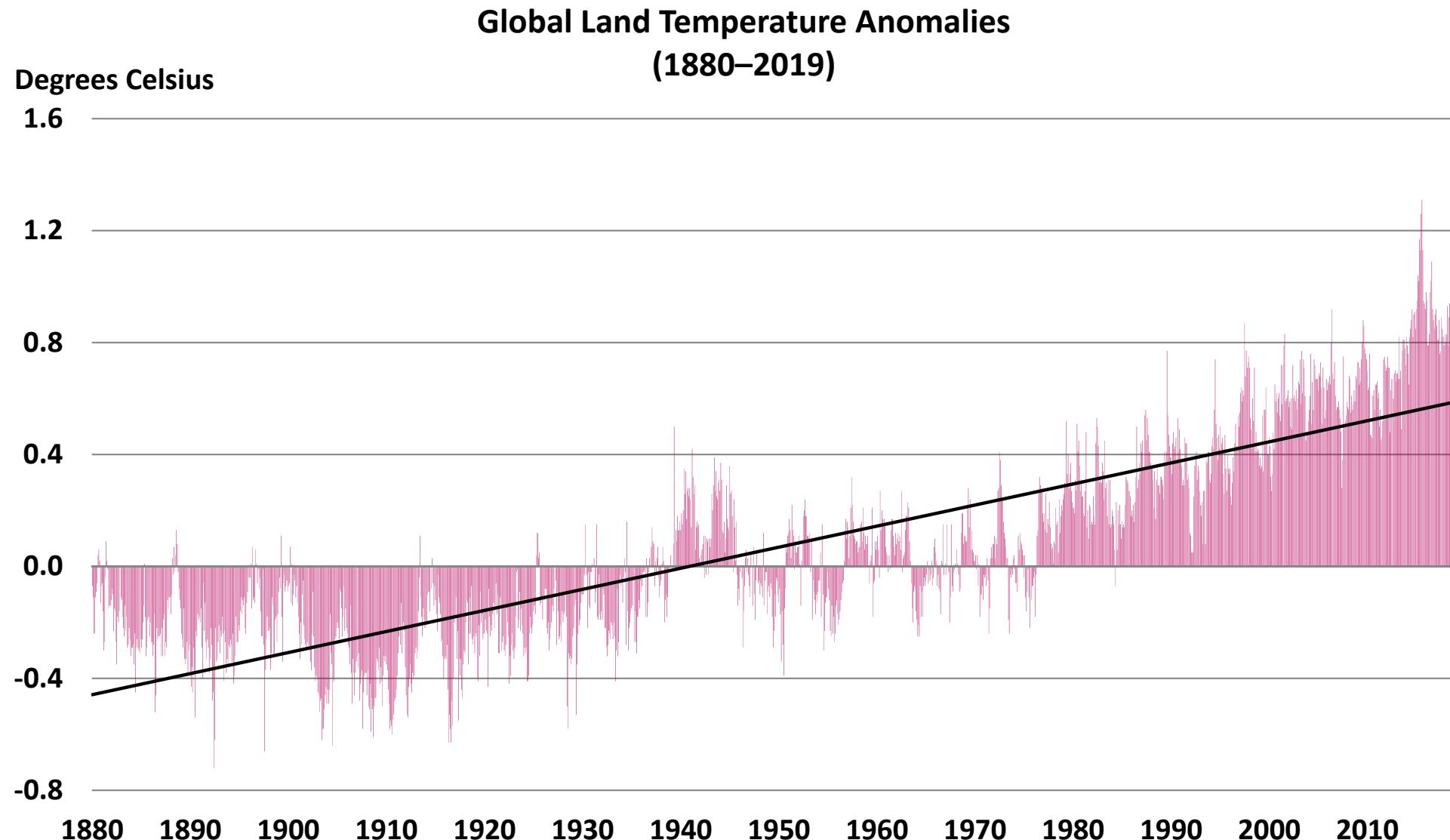
(1) Source: McKinsey Global Institute, as of January 2015. GDP growth represents compound annual growth rates (CAGR).

(2) Source: Blackstone analysis of data from The Conference Board and United Nations Population Division, as of April 2019 and August 2019, respectively. "Employment" represents growth in working age population. "Productivity" represents growth in labor productivity per hour worked. Based on CAGR at 5-year intervals from 1960-2015.

(3) Estimates for 2015-2065 assume 1.9% productivity growth (the average from 1965-2015). Credit for chart concept to McKinsey Global Institute.

Warming Climate Also a Challenge

Temperatures across the world are steadily rising, with no sign of slowing

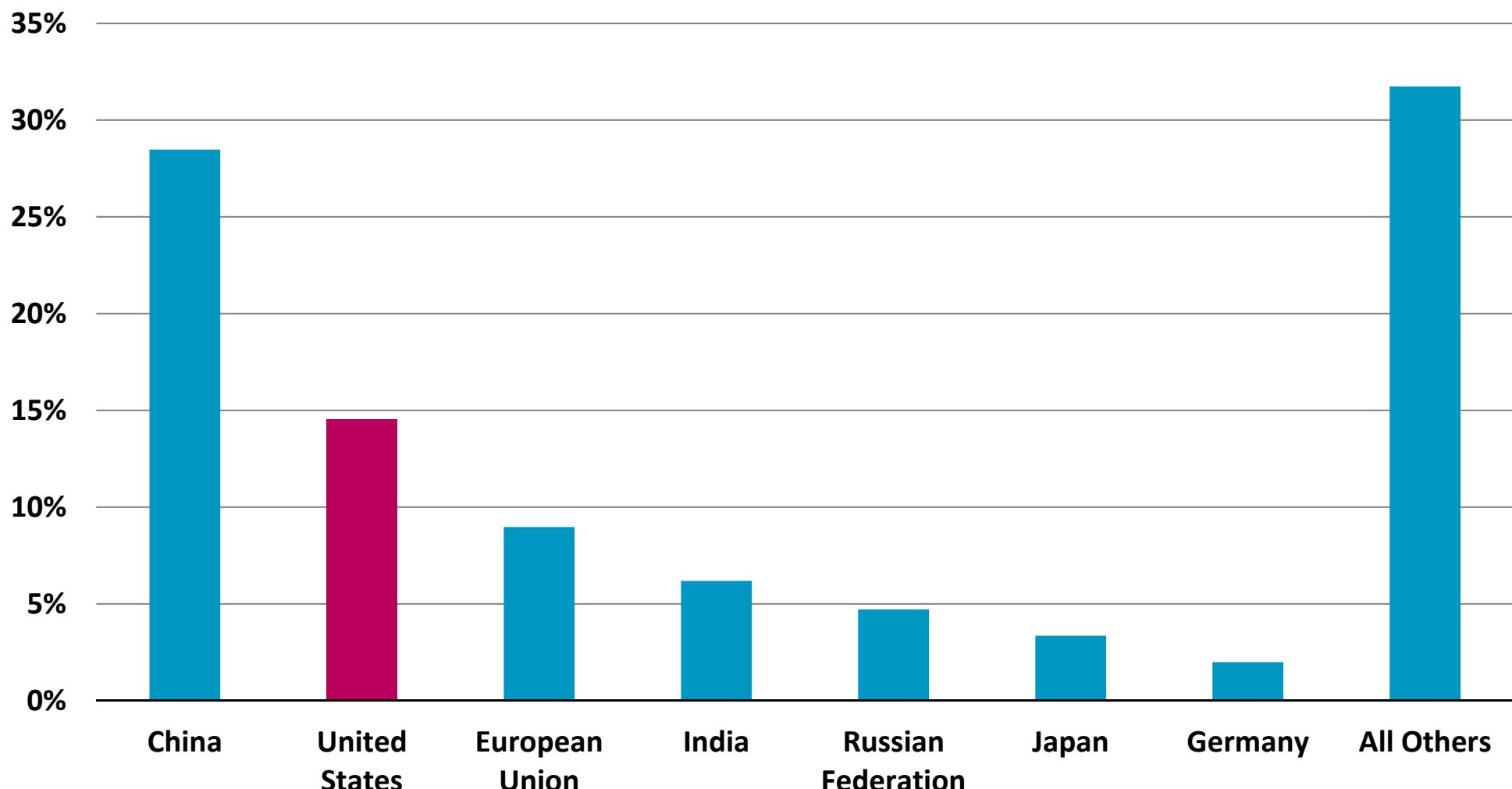


Source: NOAA, as of 8/31/19. Compares the average temperature of land for a given month to the long-term average temperature for the same month over the 20th century. A reading above the long-term average indicates that the temperature in a given month is warmer than the long-term average, and vice versa for readings below the long-term average.

US Accounts for Nearly 15% of Global CO² Emissions

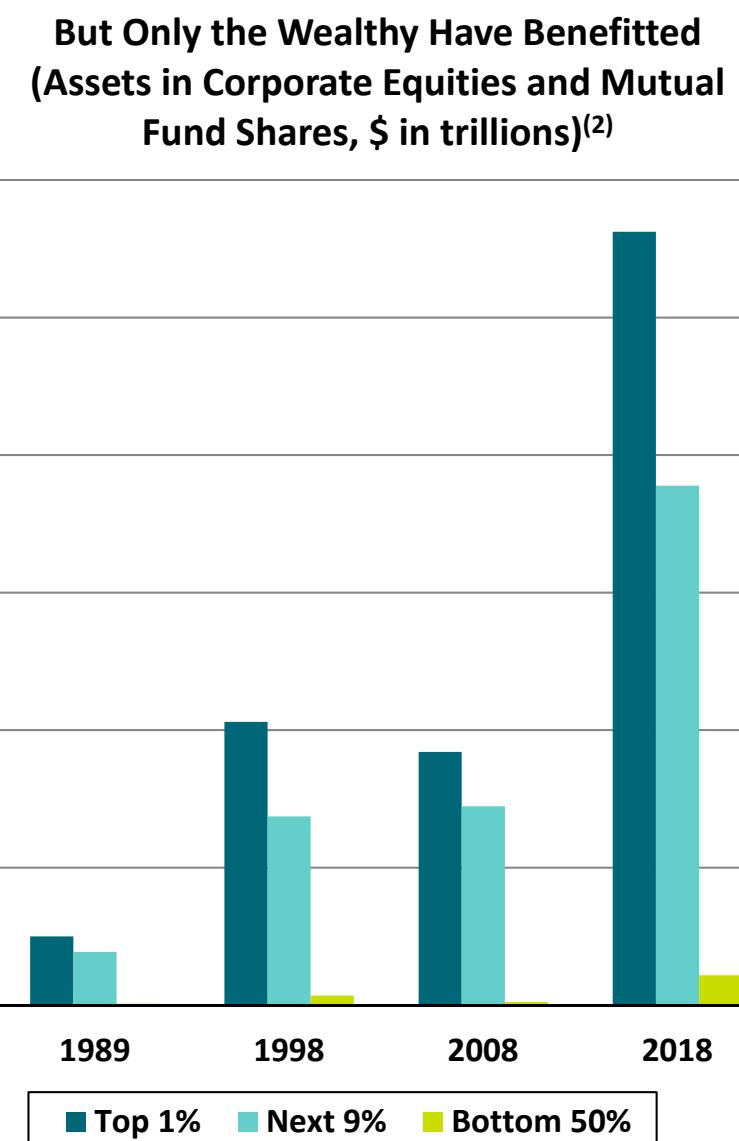
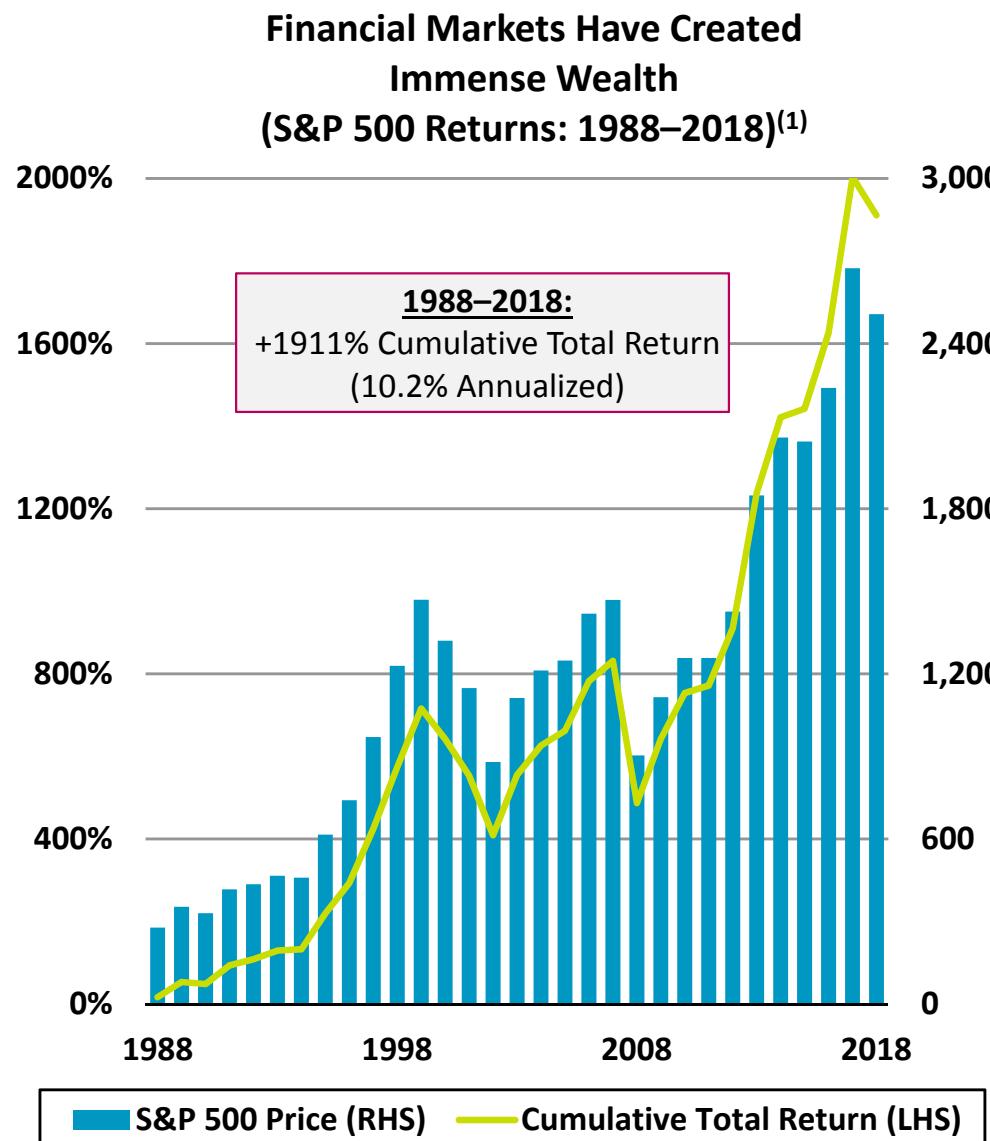
Even if the US eliminated all CO² emissions – it would remain a problem

Share of World CO² Emissions by Country



Wealth Inequality Has Gotten Worse

Financial market gains have mostly accrued to the top 10%

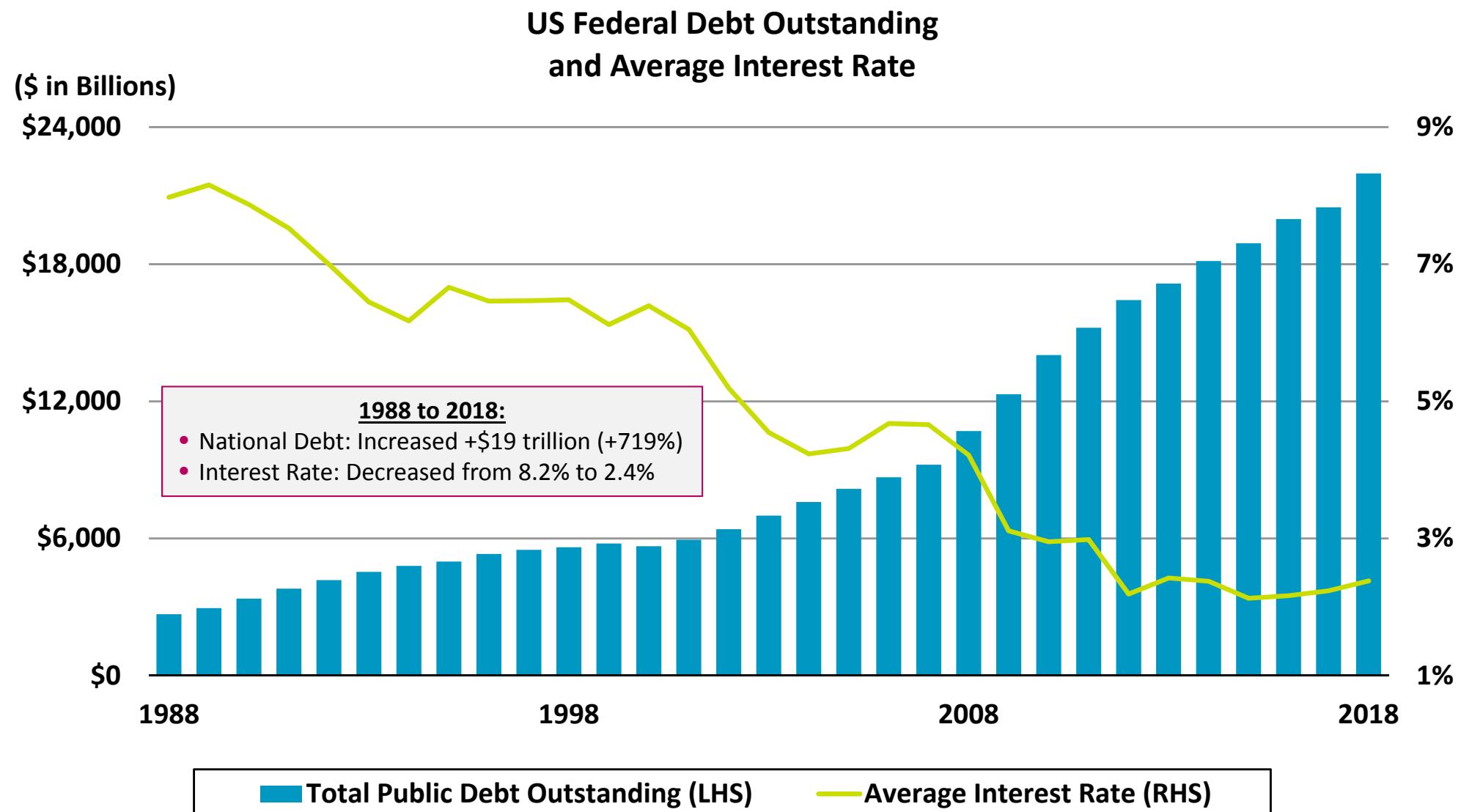


(1) Source: Bloomberg, represents total return index gross dividends for the period 1/1/1988 through 12/31/2018.

(2) Source: Federal Reserve Survey of Consumer Finances and Financial Accounts of the United States, as of 12/31/18. Percentiles represent wealth percentile groups.

Debt Hasn't Been a Problem Because of Declining Interest Rates

Debt increased \$19 trillion from 1988 to 2018 while rates fell from 8.2% to 2.4%



VIII.Byron's Life's Lessons

Blackstone

Byron's Life's Lessons

Here are some of the lessons I have learned in my first 80 years. I hope to continue to practice them in the next 80

1. Concentrate on finding a big idea that will make an impact on the people you want to influence. The Ten Surprises, which I started doing in 1986, has been a defining product. People all over the world are aware of it and identify me with it. What they seem to like about it is that I put myself at risk by going on record with these events which I believe are probable and hold myself accountable at year-end. If you want to be successful and live a long, stimulating life, keep yourself at risk intellectually all the time.
2. Network intensely. Luck plays a big role in life, and there is no better way to increase your luck than by knowing as many people as possible. Nurture your network by sending articles, books and emails to people to show you're thinking about them. Write op-eds and thought pieces for major publications. Organize discussion groups to bring your thoughtful friends together.
3. When you meet someone new, treat that person as a friend. Assume he or she is a winner and will become a positive force in your life. Most people wait for others to prove their value. Give them the benefit of the doubt from the start. Occasionally you will be disappointed, but your network will broaden rapidly if you follow this path.
4. Read all the time. Don't just do it because you're curious about something, read actively. Have a point of view before you start a book or article and see if what you think is confirmed or refuted by the author. If you do that, you will read faster and comprehend more.
5. Get enough sleep. Seven hours will do until you're sixty, eight from sixty to seventy, nine thereafter, which might include eight hours at night and a one-hour afternoon nap.
6. Evolve. Try to think of your life in phases so you can avoid a burn-out. Do the numbers crunching in the early phase of your career. Try developing concepts later on. Stay at risk throughout the process.

Byron's Life's Lessons (Cont'd)

7. Travel extensively. Try to get everywhere before you wear out. Attempt to meet local interesting people where you travel and keep in contact with them throughout your life. See them when you return to a place.
8. When meeting someone new, try to find out what formative experience occurred in their lives before they were seventeen. It is my belief that some important event in everyone's youth has an influence on everything that occurs afterwards.
9. On philanthropy my approach is to try to relieve pain rather than spread joy. Music, theatre and art museums have many affluent supporters, give the best parties and can add to your social luster in a community. They don't need you. Social services, hospitals and educational institutions can make the world a better place and help the disadvantaged make their way toward the American dream.
10. Younger people are naturally insecure and tend to overplay their accomplishments. Most people don't become comfortable with who they are until they're in their 40's. By that time they can underplay their achievements and become a nicer, more likeable person. Try to get to that point as soon as you can.
11. Take the time to give those who work for you a pat on the back when they do good work. Most people are so focused on the next challenge that they fail to thank the people who support them. It is important to do this. It motivates and inspires people and encourages them to perform at a higher level.
12. When someone extends a kindness to you write them a handwritten note, not an e-mail. Handwritten notes make an impact and are not quickly forgotten.
13. At the beginning of every year think of ways you can do your job better than you have ever done it before. Write them down and look at what you have set out for yourself when the year is over.
14. The hard way is always the right way. Never take shortcuts, except when driving home from the Hamptons. Short-cuts can be construed as sloppiness, a career killer.

Byron's Life's Lessons (Cont'd)

15. Don't try to be better than your competitors, try to be different. There is always going to be someone smarter than you, but there may not be someone who is more imaginative.
16. When seeking a career as you come out of school or making a job change, always take the job that looks like it will be the most enjoyable. If it pays the most, you're lucky. If it doesn't, take it anyway. I took a severe pay cut to take each of the two best jobs I've ever had, and they both turned out to be exceptionally rewarding financially.
17. There is a perfect job out there for everyone. Most people never find it. Keep looking. The goal of life is to be a happy person and the right job is essential to that.
18. When your children are grown or if you have no children, always find someone younger to mentor. It is very satisfying to help someone steer through life's obstacles, and you'll be surprised at how much you will learn in the process.
19. Every year try doing something you have never done before that is totally out of your comfort zone. It could be running a marathon, attending a conference that interests you on an off-beat subject that will be populated by people very different from your usual circle of associates and friends or traveling to an obscure destination alone. This will add to the essential process of self-discovery.
20. Never retire. If you work forever, you can live forever. I know there is an abundance of biological evidence against this theory, but I'm going with it anyway.

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