

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549  
**FORM 10-K**

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022  
OR  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM  
TO

Commission File Number: 001-33551



**Blackstone Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20-8875684**  
(I.R.S. Employer  
Identification No.)

345 Park Avenue  
New York, New York 10154  
(Address of principal executive offices)(Zip Code)  
(212) 583-5000  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Common Stock

Trading Symbol(s)  
BX

Name of each exchange on which registered  
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of June 30, 2022, the aggregate market value of the shares of common stock held by non-affiliates of the registrant was \$63.7 billion.

As of February 17, 2023, there were 706,369,856 shares of common stock of the registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

---

## [Table of Contents](#)

### Table of Contents

|  | <u>Page</u> |
|--|-------------|
| <b><a href="#">Part I.</a></b>   |             |
| Item 1. <a href="#">Business</a>   | 8           |
| Item 1A. <a href="#">Risk Factors</a>  | 25          |
| Item 1B. <a href="#">Unresolved Staff Comments</a>   | 84          |
| Item 2. <a href="#">Properties</a>   | 84          |
| Item 3. <a href="#">Legal Proceedings</a>  | 84          |
| Item 4. <a href="#">Mine Safety Disclosures</a>  | 84          |
| <b><a href="#">Part II.</a></b>  |             |
| Item 5. <a href="#">Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a> | 85          |
| Item 6. <a href="#">(Reserved)</a>   | 86          |
| Item 7. <a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>                        | 86          |
| Item 7A. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>  | 148         |
| Item 8. <a href="#">Financial Statements and Supplementary Data</a>  | 152         |
| Item 8A. <a href="#">Unaudited Supplemental Presentation of Statements of Financial Condition</a>                                    | 225         |
| Item 9. <a href="#">Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</a>                         | 227         |
| Item 9A. <a href="#">Controls and Procedures</a>   | 227         |
| Item 9B. <a href="#">Other Information</a>   | 228         |
| Item 9C. <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>   | 228         |
| <b><a href="#">Part III.</a></b>   |             |
| Item 10. <a href="#">Directors, Executive Officers and Corporate Governance</a>  | 229         |
| Item 11. <a href="#">Executive Compensation</a>  | 236         |
| Item 12. <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>              | 258         |
| Item 13. <a href="#">Certain Relationships and Related Transactions, and Director Independence</a>                                   | 262         |
| Item 14. <a href="#">Principal Accountant Fees and Services</a>  | 268         |
| <b><a href="#">Part IV.</a></b>  |             |
| Item 15. <a href="#">Exhibits and Financial Statement Schedules</a>  | 269         |
| Item 16. <a href="#">Form 10-K Summary</a>   | 285         |
| <a href="#">Signatures</a>   | 286         |

---

## [Table of Contents](#)

### **Forward-Looking Statements**

This report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, which reflect our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. 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,” “scheduled,” “estimates,” “anticipates,” “opportunity,” “leads,” “forecast” 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. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in this report, as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission (“SEC”), which are accessible on the SEC’s website at [www.sec.gov](http://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 report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

### **Risk Factor Summary**

The following is only a summary of the principal risks that may materially adversely affect our business, financial condition, results of operations and cash flows. The following should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth more fully in “Part I. Item 1A. Risk Factors.”

#### ***Risks Related to Our Business***

- Our business could be adversely affected by difficult market and economic conditions, including an economic slowdown, as well as geopolitical conditions or other global events, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our operating results and financial prospects and condition.
- An increase in interest rates and other changes in the financial markets could negatively impact the values of certain assets or investments and the ability of our funds and their portfolio companies to access the capital markets on attractive terms, which could adversely affect investment and realization opportunities.
- Another pandemic or global health crisis like the COVID-19 pandemic may adversely impact our performance and results of operations.
- A decline in the pace or size of investments made by, or poor performance of, our funds may adversely affect our revenues and obligate us to repay Performance Allocations previously paid to us, and could adversely affect our ability to raise capital.
- Our revenue, earnings, net income and cash flow can all vary materially, which may make it difficult for us to achieve steady earnings growth on a quarterly basis.
- Our business could be adversely affected by the loss of services from our founder and other key senior managing directors or future difficulty in recruiting and retaining professionals.
- The asset management business depends in large part on our ability to raise capital from third party investors and is intensely competitive.
- Changes in U.S. and foreign taxation of businesses and other tax laws, regulations or treaties could adversely affect us, including by adversely impacting our effective tax rate and tax liability.

---

## [Table of Contents](#)

- Cybersecurity or other operational risks could result in the loss of data, interruptions in our business and damage to our reputation, and subject us to regulatory actions, increased costs and financial losses.
- Extensive regulation of our businesses affects our activities, creates the potential for significant liabilities and penalties, may make it more difficult for us to deploy capital in certain jurisdictions or sell assets to certain buyers, and could result in additional burdens on our business.
- Employee misconduct could impair our ability to attract and retain clients and subject us to legal liability and reputational harm. Fraud, deceptive practices or other misconduct at portfolio companies or service providers could similarly subject us to liability and reputational damage and harm performance.
- We are subject to increasing scrutiny from regulators and certain investors with respect to the environmental, social and governance impacts of investments made by our funds.
- Climate change, climate change-related regulation and sustainability concerns could adversely affect our businesses and the operations of our portfolio companies, and any actions we take or fail to take in response to such matters could damage our reputation.
- We are subject to substantial litigation risks and may face significant liabilities and damage to our reputation as a result of such allegations and negative publicity.
- Certain policies and procedures implemented to mitigate potential conflicts of interest and other risk management activities may reduce the synergies across our various businesses, and failure to deal appropriately with conflicts of interest could damage our reputation and adversely affect our businesses.
- Valuation methodologies can be subject to a significant degree of subjectivity and judgment, and the expected fair value of assets may never be realized.
- We may be unable to consummate or successfully integrate additional development opportunities or increase the number and type of investment products, including those offered to retail investors and insurance companies.
- Dependence on significant leverage in investments by our funds could adversely affect our ability to achieve attractive rates of return on those investments.
- Investors may have certain redemption, termination or dissolution rights or may not satisfy their contractual obligation to fund capital calls when requested by us.
- Certain of our investment funds may invest in securities of companies that are experiencing significant financial or business difficulties.
- Investments in certain assets and industries, such as energy, infrastructure and real estate, may expose us to risks inherent to those assets and industries, including environmental liabilities and increased operational, construction, regulatory and market risks.
- Our funds' and our performance may be adversely affected by inaccurate financial projections of our funds' portfolio companies, contingent liabilities, counterparty defaults or forced disposal of investments at a disadvantageous time.

### ***Risks Related to Our Organizational Structure***

- The significant voting power of holders of our Series I preferred stock and Series II preferred stock may limit the ability of holders of our common stock to influence our business.
- We are not required to comply with certain provisions of U.S. securities laws relating to proxy statements and, as a controlled company, certain requirements of the New York Stock Exchange.
- Our certificate of incorporation provides the Series II Preferred Stockholder with certain rights that may affect or conflict with the interests of the other stockholders and could materially alter our operations.

## Table of Contents

- We are required to pay our senior managing directors for most of the benefits relating to certain additional tax depreciation or amortization deductions we may claim.
- If Blackstone Inc. were deemed an “investment company” under the 1940 Act, applicable restrictions could make it impractical for us to continue our business as contemplated.

### **Risks Related to Our Common Stock**

- The price of our common stock may decline due to the large number of shares of common stock eligible for future sale and exchange.
- Our certificate of incorporation provides us with a right to acquire all of the then outstanding shares of common stock under specified circumstances.
- Our bylaws designate the Court of Chancery of the State of Delaware or U.S. federal district courts, as applicable, as the sole and exclusive forum for certain types of actions and proceedings.

### **Website and Social Media Disclosure**

We use our website ([www.blackstone.com](http://www.blackstone.com)), Facebook page ([www.facebook.com/blackstone](http://www.facebook.com/blackstone)), Twitter ([www.twitter.com/blackstone](http://www.twitter.com/blackstone)), LinkedIn ([www.linkedin.com/company/blackstonegroup](http://www.linkedin.com/company/blackstonegroup)), Instagram ([www.instagram.com/blackstone](http://www.instagram.com/blackstone)), SoundCloud ([www.soundcloud.com/blackstone-300250613](http://www.soundcloud.com/blackstone-300250613)), PodBean ([www.blackstone.podbean.com](http://www.blackstone.podbean.com)), Spotify (<https://spoti.fi/2LJ1tHG>), YouTube ([www.youtube.com/user/blackstonegroup](http://www.youtube.com/user/blackstonegroup)) and Apple Podcast (<https://apple.co/31Pe1Gg>) accounts as channels of distribution of company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about Blackstone when you enroll your email address by visiting the “Contact Us/Email Alerts” section of our website at <http://ir.blackstone.com>. The contents of our website, any alerts and social media channels are not, however, a part of this report.

---

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. In this report, references to “Blackstone,” the “Company,” “we,” “us” or “our” refer to Blackstone Inc. and its consolidated subsidiaries. See “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Organizational Structure.”

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as “common stock,” and to reclassify its Class B and Class C common stock into a new “Series I preferred stock” and “Series II preferred stock,” respectively (the “share reclassification”). Each new stock has the same rights and powers of its predecessor. All references to common stock, Series I preferred stock and Series II preferred stock prior to the share reclassification refer to Class A, Class B and Class C common stock, respectively. See “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Organizational Structure.”

“Series I Preferred Stockholder” refers to Blackstone Partners L.L.C., the holder of the sole outstanding share of our Series I preferred stock.

“Series II Preferred Stockholder” refers to Blackstone Group Management L.L.C., the holder of the sole outstanding share of our Series II preferred stock.

## [Table of Contents](#)

“Blackstone Funds,” “our funds” and “our investment funds” refer to the funds and other vehicles that are managed by Blackstone. “Our carry funds” refers to funds managed by Blackstone that have commitment-based multi-year drawdown structures that pay carry on the realization of an investment.

We refer to our real estate opportunistic funds as Blackstone Real Estate Partners (“BREP”) funds and our real estate debt investment funds as Blackstone Real Estate Debt Strategies (“BREDS”) funds. We refer to our real estate investment trusts as “REITs,” to Blackstone Mortgage Trust, Inc., our NYSE-listed REIT, as “BXMT” and to Blackstone Real Estate Income Trust, Inc., our non-listed REIT, as “BREIT.” We refer to our real estate funds that target substantially stabilized assets in prime markets as Blackstone Property Partners (“BPP”) funds and our income-generating European real estate funds as Blackstone European Property Income (“BEPIF”) funds. We refer to BREIT, BPP and BEPIF collectively as our Core+ real estate strategies.

We refer to our flagship corporate private equity funds as Blackstone Capital Partners (“BCP”) funds, our energy-focused private equity funds as Blackstone Energy Transition Partners (“BETP”) funds, our core private equity funds as Blackstone Core Equity Partners (“BCEP”), our opportunistic investment platform that invests globally across asset classes, industries and geographies as Blackstone Tactical Opportunities (“Tactical Opportunities”), our secondary fund of funds business as Strategic Partners Fund Solutions (“Strategic Partners”), our infrastructure-focused funds as Blackstone Infrastructure Partners (“BIP”), our life sciences investment platform, Blackstone Life Sciences (“Bxls”), our growth equity investment platform, Blackstone Growth (“BXG”), our multi-asset investment program for eligible high net worth investors offering exposure to certain of our key illiquid investment strategies through a single commitment as Blackstone Total Alternatives Solution (“BTAS”) and our capital markets services business as Blackstone Capital Markets (“Bxcm”).

“Our hedge funds” refers to our funds of hedge funds, hedge funds, certain of our real estate debt investment funds, including a registered investment company, and certain other credit-focused funds which are managed by Blackstone.

We refer to our business development companies as “BDCs,” to Blackstone Private Credit Fund as “BCRED” and to Blackstone Secured Lending Fund as “BXSL.”

“BIS” refers to Blackstone Insurance Solutions, which partners with insurers to deliver capital-efficient investments tailored to each insurer's needs and risk profile.

We refer to our separately managed accounts as “SMAs.”

“Total Assets Under Management” refers to the assets we manage. Our Total Assets Under Management equals the sum of:

- (a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,
- (b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds, and our Hedge Fund Solutions drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods), and (2) our funds of hedge funds, our Hedge Fund Solutions registered investment companies, BREIT, and BEPIF,
- (c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,
- (d) the amount of debt and equity outstanding for our collateralized loan obligations (“CLO”) during the reinvestment period,

## [Table of Contents](#)

- (e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,
- (f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies,
- (g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT, and
- (h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

Our carry funds are commitment-based drawdown structured funds that do not permit investors to redeem their interests at their election. Our funds of hedge funds, hedge funds, funds structured like hedge funds and other open-ended funds in our Real Estate, Credit & Insurance and Hedge Fund Solutions segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually, quarterly or monthly), typically with 2 to 95 days' notice, depending on the fund and the liquidity profile of the underlying assets. In our Perpetual Capital vehicles where redemption rights exist, Blackstone has the ability to fulfill redemption requests only (a) in Blackstone's or the vehicles' board's discretion, as applicable, or (b) to the extent there is sufficient new capital. Investment advisory agreements related to certain separately managed accounts in our Credit & Insurance and Hedge Fund Solutions segments, excluding our BIS separately managed accounts, may generally be terminated by an investor on 30 to 90 days' notice. Our BIS separately managed accounts can generally only be terminated for long-term underperformance, cause and certain other limited circumstances, in each case subject to Blackstone's right to cure.

"Fee-Earning Assets Under Management" refers to the assets we manage on which we derive management fees and/or performance revenues. Our Fee-Earning Assets Under Management equals the sum of:

- (a) for our Private Equity segment funds and Real Estate segment carry funds including certain BREDS and Hedge Fund Solutions funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,
- (b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,
- (c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,
- (d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, BEPIF, and certain of our Hedge Fund Solutions drawdown funds,
- (e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,
- (f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,
- (g) the aggregate par amount of collateral assets, including principal cash, of our CLOs, and
- (h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies.

Each of our segments may include certain Fee-Earning Assets Under Management on which we earn performance revenues but not management fees.

Our calculations of Total Assets Under Management and Fee-Earning Assets Under Management may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our calculation of Total Assets Under Management

---

## [Table of Contents](#)

includes commitments to, and the fair value of, invested capital in our funds from Blackstone and our personnel, regardless of whether such commitments or invested capital are subject to fees. Our definitions of Total Assets Under Management and Fee-Earning Assets Under Management are not based on any definition of Total Assets Under Management and Fee-Earning Assets Under Management that is set forth in the agreements governing the investment funds that we manage.

For our carry funds, Total Assets Under Management includes the fair value of the investments held and uncalled capital commitments, whereas Fee-Earning Assets Under Management may include the total amount of capital commitments or the remaining amount of invested capital at cost depending on whether the investment period has expired or as specified by the fee terms of the fund. As such, in certain carry funds Fee-Earning Assets Under Management may be greater than Total Assets Under Management when the aggregate fair value of the remaining investments is less than the cost of those investments.

“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. Perpetual Capital includes co-investment capital with an investor right to convert into Perpetual Capital.

This report does not constitute an offer of any Blackstone Fund.



**Part I.**

**Item 1. Business**

**Overview**

Blackstone is one of the world's leading investment firms, with Total Assets Under Management of \$974.7 billion as of December 31, 2022. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses include investment vehicles focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets and secondary funds, all on a global basis.

Our businesses use a solutions-oriented approach to drive better performance. We believe our scale, diversified business, long record of investment performance, rigorous investment process and strong client relationships position us to continue to perform well in a variety of market conditions, expand our assets under management and add complementary businesses.

We invest across asset classes on behalf of our investors, including pension funds, insurance companies and individual investors. Our mission is to create long-term value through careful stewardship of their capital. To the extent our funds perform well, we can support a better retirement for tens of millions of pensioners, including teachers, nurses and firefighters. We believe that consideration of appropriate environmental, social and governance ("ESG") principles can help us further our mission of delivering strong returns for our investors, and we use our scale and expertise to help strengthen our companies, assets and the communities in which they operate.

As of December 31, 2022, we employed approximately 4,695 people, including our 222 senior managing directors, at our headquarters in New York and around the world. Our employees are integral to Blackstone's culture of integrity, professionalism and excellence. We believe hiring, training and retaining talented individuals, coupled with our rigorous investment process, has supported our excellent investment record over many years. This record, in turn, has enabled us to innovate into new strategies, drive growth and better serve our investors.

**Business Segments**

Our four business segments are: (a) Real Estate, (b) Private Equity, (c) Credit & Insurance and (d) Hedge Fund Solutions.

Information about our business segments should be read together with "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

For more information concerning the revenues and fees we derive from our business segments, see "— Fee Structure/Incentive Arrangements."

**Real Estate**

Our Real Estate business is a global leader in real estate investing, with \$326.1 billion of Total Assets Under Management as of December 31, 2022. Our Real Estate segment operates as one globally integrated business with approximately 890 employees and has investments across the globe, including in the Americas, Europe and Asia. Our real estate investment teams seek to utilize our global expertise and presence to generate attractive risk-adjusted returns for our investors.

Our Blackstone Real Estate Partners ("BREP") business is geographically diversified and targets a broad range of opportunistic real estate and real estate-related investments. The BREP funds include global funds as well as funds focused specifically on Europe or Asia investments. BREP seeks to invest thematically in high-quality assets,

---

## [Table of Contents](#)

focusing where we see outsized growth potential driven by global economic and demographic trends. BREP has made significant investments in logistics, office, rental housing, hospitality and retail properties around the world, as well as in a variety of real estate operating companies.

Our Core+ strategy invests in substantially stabilized real estate globally primarily through perpetual capital vehicles. These include our (a) Blackstone Property Partners funds (“BPP”), which is focused on high-quality assets in the Americas, Europe and Asia and (b) Blackstone Real Estate Income Trust, Inc. (“BREIT”) and our Blackstone European Property Income (“BEPIF”) funds, which provide income-focused individual investors access to institutional quality real estate primarily in the Americas and Europe, respectively.

Our Blackstone Real Estate Debt Strategies (“BREDS”) vehicles primarily target real estate-related debt investment opportunities. BREDS invests in both public and private markets, primarily in the U.S. and Europe. BREDS’ scale and investment mandates enable it to provide a variety of lending options for our borrowers and investment options for our investors, including commercial real estate and mezzanine loans, residential mortgage loan pools and liquid real estate-related debt securities. The BREDS platform includes high-yield real estate debt funds, liquid real estate debt funds and Blackstone Mortgage Trust, Inc. (“BXMT”), a NYSE-listed real estate investment trust (“REIT”).

### **Private Equity**

Our Private Equity segment encompasses global businesses with a total of approximately 590 employees managing \$288.9 billion of Total Assets Under Management as of December 31, 2022. Our Private Equity segment includes our corporate private equity business, which consists of: (a) our global private equity funds, Blackstone Capital Partners (“BCP”), (b) our sector-focused funds, including our energy- and energy transition-focused funds, Blackstone Energy Transition Partners (“BETP”), (c) our Asia-focused private equity funds, Blackstone Capital Partners Asia and (d) our core private equity funds, Blackstone Core Equity Partners (“BCEP”). Our Private Equity segment also includes (a) our opportunistic investment platform that invests globally across asset classes, industries and geographies, Blackstone Tactical Opportunities (“Tactical Opportunities”), (b) our secondary fund of funds business, Strategic Partners Fund Solutions (“Strategic Partners”), (c) our infrastructure-focused funds, Blackstone Infrastructure Partners (“BIP”), (d) our life sciences investment platform, Blackstone Life Sciences (“Bxls”), (e) our growth equity investment platform, Blackstone Growth (“BXG”), (f) our multi-asset investment program for eligible high net worth investors offering exposure to certain of Blackstone’s key illiquid investment strategies through a single commitment, Blackstone Total Alternatives Solution (“BTAS”) and (g) our capital markets services business, Blackstone Capital Markets (“BxCM”).

We are a global leader in private equity investing. Our corporate private equity business pursues transactions across industries on a global basis. It strives to create value by investing in great businesses where our capital, strategic insight, global relationships and operational support can drive transformation. Our corporate private equity business’s investment strategies and core themes continually evolve in anticipation of, or in response to, changes in the global economy, local markets, regulation, capital flows and geopolitical trends. We seek to construct a differentiated portfolio of investments with a well-defined, post-acquisition value creation strategy. Similarly, we seek investments that can generate strong unlevered returns regardless of entry or exit cycle timing. Blackstone Core Equity Partners pursues control-oriented investments in high-quality companies with durable businesses and seeks to offer a lower level of risk and a longer hold period than traditional private equity.

Tactical Opportunities pursues a thematically driven, opportunistic investment strategy. Our flexible, global mandate enables us to find differentiated opportunities across asset classes, industries, and geographies and invest behind them with the frequent use of structure to generate attractive risk-adjusted returns. With a focus on businesses and/or asset-backed investments in market sectors that are benefitting from long term transformational tailwinds, Tactical Opportunities seeks to leverage the full power of Blackstone to help those businesses grow and improve. Tactical Opportunities’ ability to dynamically shift focus to the most compelling

---

## [Table of Contents](#)

opportunities in any market environment, combined with the business' expertise in structuring complex transactions, enables Tactical Opportunities to invest behind attractive market areas often with securities that provide downside protection and maintain upside return.

Strategic Partners, our secondary fund of funds business, is a total fund solutions provider. As a secondary investor it acquires interests in high-quality private funds from original holders seeking liquidity. Strategic Partners focuses on a range of opportunities in underlying funds such as private equity, real estate, infrastructure, venture and growth capital, credit and other types of funds, as well as general partner-led transactions and primary investments and co-investments with financial sponsors. Strategic Partners also provides investment advisory services to separately managed account clients investing in primary and secondary investments in private funds and co-investments.

Blackstone Infrastructure Partners targets a diversified mix of core+, core and public-private partnership investments across all infrastructure sectors, including energy infrastructure, transportation, digital infrastructure, and water and waste with a primary focus in the U.S. BIP applies a disciplined, operationally intensive investment approach to investments, seeking to apply a long-term buy-and-hold strategy to large-scale infrastructure assets with a focus on delivering stable, long-term capital appreciation together with a predictable annual cash flow yield.

Blackstone Life Sciences is our investment platform with capabilities to invest across the life cycle of companies and products within the life sciences sector. BXLs primarily focuses on investments in life sciences products in late stage clinical development within the pharmaceutical and biotechnology sectors.

Blackstone Growth is our growth equity platform that seeks to deliver attractive risk-adjusted returns by investing in dynamic, growth-stage businesses, with a focus on the consumer, consumer technology, enterprise solutions, financial services and healthcare sectors.

### ***Credit & Insurance***

Our Credit & Insurance segment, with approximately 620 employees and \$279.9 billion of Total Assets Under Management as of December 31, 2022, includes Blackstone Credit ("BXC"). BXC is one of the largest credit-oriented managers and CLO managers in the world. The investment portfolios of the funds BXC manages or sub-advises consist primarily of loans and securities of non-investment and investment grade companies spread across the capital structure including senior debt, subordinated debt, preferred stock and common equity.

BXC is organized into two overarching strategies: private credit and liquid credit. BXC's private credit strategies include mezzanine and direct lending funds, private placement strategies, stressed/distressed strategies and energy strategies (including our sustainable resources platform). BXC's direct lending funds include Blackstone Private Credit Fund ("BCRED") and Blackstone Secured Lending Fund ("BXSL"), both of which are business development companies ("BDCs"). BXC's liquid credit strategies consist of CLOs, closed-ended funds, open-ended funds, systematic strategies and separately managed accounts.

Our Credit & Insurance segment also includes our insurer-focused platform, Blackstone Insurance Solutions ("BIS"). BIS focuses on providing full investment management services for insurers' general accounts, seeking to deliver customized and diversified portfolios that include allocations to Blackstone managed products and strategies across asset classes and Blackstone's private credit origination capabilities. BIS provides its clients tailored portfolio construction and strategic asset allocation, seeking to generate risk-managed, capital-efficient returns, diversification and capital preservation that meets clients' objectives. BIS also provides similar services to clients through separately managed accounts or by sub-managing assets for certain insurance-dedicated funds and special purpose vehicles. BIS currently manages assets for clients that include Corebridge Financial Inc., Everlake Life Insurance Company, Fidelity & Guaranty Life Insurance Company and Resolution Life Group, among others.

---

## [Table of Contents](#)

In addition, our Credit & Insurance segment includes our asset-based finance platform and our publicly traded midstream energy infrastructure, listed infrastructure and master limited partnership (“MLP”) investment platform, which is managed by Harvest Fund Advisors LLC (“Harvest”). Harvest primarily invests capital raised from institutional investors in separately managed accounts and pooled vehicles, investing in publicly traded energy infrastructure, listed infrastructure, renewables and MLPs holding primarily midstream energy assets in North America.

### **Hedge Fund Solutions**

Working with our clients for more than 30 years, our Hedge Fund Solutions group is a leading manager of institutional funds with approximately 275 employees managing \$79.7 billion of Total Assets Under Management as of December 31, 2022. The principal component of our Hedge Fund Solutions segment is Blackstone Alternative Asset Management (“BAAM”). BAAM is the world’s largest discretionary allocator to hedge funds, managing a broad range of commingled and customized fund solutions since its inception in 1990. The Hedge Fund Solutions segment also includes (a) our GP Stakes business (“GP Stakes”), which targets minority investments in the general partners of private equity and other private-market alternative asset management firms globally, with a focus on delivering a combination of recurring annual cash flow yield and long-term capital appreciation, (b) investment platforms that invest directly, including our Blackstone Strategic Opportunity Fund, which seeks to produce long term, risk-adjusted returns by investing in a wide variety of securities, assets and instruments, often sourced and/or managed by third party subadvisors or affiliated Blackstone managers, (c) our hedge fund seeding business and (d) registered funds that provide alternative asset solutions through daily liquidity products. Hedge Fund Solutions’ overall investment philosophy is to seek to grow investors’ assets through both commingled and custom-tailored investment strategies designed to deliver compelling risk-adjusted returns. Diversification, risk management and due diligence are key tenets of our approach.

### **Perpetual Capital**

Each of our business segments currently includes Perpetual Capital assets under management, which refers to assets under management with an indefinite term, that are 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. In recent years, we have meaningfully increased the number of Perpetual Capital vehicles we offer and the assets under management in such vehicles. Perpetual Capital strategies represent a significant and growing portion of our overall business, and the management fees and performance revenues we receive. Among the strategies in each of our segments, Perpetual Capital strategies include, without limitation, (a) in our Real Estate segment, Core+ real estate (including BREIT and BEPIF) and BXMT, (b) in our Private Equity segment, Blackstone Infrastructure Partners, (c) in our Credit & Insurance segment, BXSL and BCRED and (d) in our Hedge Fund Solutions segment, GP Stakes. In addition, assets managed for certain of our insurance clients are Perpetual Capital assets under management.

### **Private Wealth Strategy**

Blackstone’s business has historically relied on the provision of investment products, such as traditional drawdown funds, to institutional investors. In recent years, we have considerably expanded the number and type of investment products we offer through various distribution channels to certain mass affluent and high net worth individual investors in the U.S. and other jurisdictions around the world. Our Private Wealth Solutions business is dedicated to building out our distribution capabilities in the retail channel to provide certain individual investors with access to Blackstone products across a broad array of alternative investment strategies. In recent years, capital from the private wealth channel has represented an increasing portion of our Total Assets Under Management, and we expect this trend to continue as we continue to undertake initiatives aimed at growing our private wealth strategies.

---

## [Table of Contents](#)

### **Investment Process and Risk Management**

We maintain a rigorous investment process across all of our investment vehicles. Each investment vehicle has investment policies and procedures that generally contain requirements, guidelines and limitations for investments, such as limitations relating to the amount that will be invested in any one investment and the types of assets, industries or geographic regions in which the vehicle will invest, as well as limitations required by law.

Our investment professionals are responsible for selecting, evaluating, underwriting, diligencing, negotiating, executing, managing and exiting investments. For those of our businesses with review committees and/or investment committees, such committees review and evaluate investment opportunities in a framework that includes a qualitative and quantitative assessment of the key risks of investments. In such businesses, investment professionals generally submit investment opportunities for review and approval by a review committee and/or investment committee, subject to delineated exceptions set forth in the funds' investment committee charters or resolutions. Review and investment committees are generally comprised of senior leaders and other senior professionals of the applicable investment business, and in many cases, other senior leaders of Blackstone and its businesses. Considerations that review and investment committees take into account when evaluating an investment may include, without limitation and depending on the nature of the investing business and its strategy, the quality of the business or asset in which the fund proposes to invest, the quality of the management team, likely exit strategies and factors that could reduce the value of the business or asset at exit, the ability of the business in which the investment is made to service debt in a range of economic and interest rate environments, macroeconomic trends in the relevant geographic region or industry and the quality of the businesses' operations. In addition, the majority of our businesses have ESG policies that address, among other things, the review of ESG risks in the respective business's investment process.

In addition, before deciding to invest in a new hedge fund or a new alternative asset manager, as applicable, our Hedge Fund Solutions and Strategic Partners teams conduct diligence in a number of areas, which, depending on the nature of the investment, may include, among others, the fund's/manager's performance, investment terms, investment strategy and investment personnel, as well as its operations, processes, risk management and internal controls. With respect to liquid credit clients and other clients whose portfolios are actively traded in our Credit & Insurance segment, our industry-focused research analysts provide the review and/or investment committee with a formal and comprehensive review of new investment recommendations and portfolio managers and trading professionals discuss, among other things, risks associated with overall portfolio composition. Our Credit & Insurance segment's research team monitors the operating performance of underlying issuers, while portfolio managers, together with our traders, focus on optimizing asset composition to maximize value for our investors. This investment process is assisted by a variety of proprietary and non-proprietary research models and methods.

Existing investments are reviewed and monitored on a regular basis by investment and asset management professionals. In addition, our investment professionals, Portfolio Operations professionals and, where applicable, ESG teams, work with our portfolio company senior executives to identify opportunities to drive operational efficiencies and growth. As part of our value creation efforts for our investors, select businesses encourage certain of their respective portfolio companies and assets to consider a select number of priority ESG initiatives focused on diversity, decarbonization and good governance.

### **Structure and Operation of Our Investment Vehicles**

Our private investment funds are generally organized as limited partnerships with respect to U.S. domiciled vehicles and limited partnerships or other similar limited liability entities with respect to non-U.S. domiciled vehicles. In the case of our separately managed accounts, the investor, rather than we, generally controls the investment vehicle that holds or has custody of the investments we advise the vehicle to make. We conduct the sponsorship and management of our carry funds and other similar vehicles primarily through a partnership

---

## [Table of Contents](#)

structure in which limited partnerships organized by us accept commitments and/or subscriptions for investment from institutional investors and, to a more limited extent, high net worth individuals. Such commitments are generally drawn down from investors on an as-needed basis to fund investments (or for other permitted purposes) over a specified term. Our private equity and real estate funds are generally commitment-structured funds, with the exception of certain BPP, BREDS and BIP funds, as well as BREIT and BEPIF. For certain BPP, BREIT, BEPIF and BREDS funds, all or a portion of an investor's capital may be funded on or promptly after the investor's subscription date and cash proceeds resulting from the disposition of investments can be reinvested, subject to certain limitations and limited investor withdrawal rights. Our credit-focused funds are generally either commitment-structured funds or open-ended funds where the investor's capital is fully funded on or promptly after the investor's subscription date. The CLO vehicles we manage are structured investment vehicles that are generally private companies with limited liability. Most of our funds of hedge funds as well as our hedge funds are structured as funds where the investor's capital is fully funded on the subscription date. BIS is generally structured around separately managed accounts.

Our investment funds, separately managed accounts and other vehicles not domiciled in the European Economic Area (the "EEA") are each generally advised by a Blackstone entity serving as investment adviser that is registered under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). For our investment funds, separately managed accounts and other vehicles domiciled in the EEA, a Blackstone entity domiciled in the EEA generally serves as external alternative investment fund manager ("AIFM"), and the AIFM typically delegates its portfolio management function to a Blackstone-affiliated investment adviser registered under the Advisers Act. The Blackstone entity serving as investment adviser or AIFM, as applicable, typically carries out substantially all of the day-to-day operations of each investment vehicle pursuant to an investment advisory, investment management, AIFM or other similar agreement. Generally, the material terms of our investment advisory and AIFM agreements, as applicable, relate to the scope of services to be rendered by the investment adviser or the AIFM to the applicable vehicle, the calculation of management fees to be borne by investors in our investment vehicles, the calculation of and the manner and extent to which other fees received by the investment adviser or the AIFM, as applicable, from funds or fund portfolio companies serve to offset or reduce the management fees payable by investors in our investment vehicles and certain rights of termination with respect to our investment advisory and AIFM agreements. With the exception of the registered funds described below, the investment vehicles themselves do not generally register as investment companies under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), in reliance on the statutory exemptions provided by Section 3(c)(7), Section 3(c)(5)(C) or Section 3(c)(1) thereof. Section 3(c)(7) of the 1940 Act exempts from its registration requirements investment vehicles privately placed in the United States whose securities are beneficially owned exclusively by persons who, at the time of acquisition of such securities, are "qualified purchasers" as defined under the 1940 Act. In addition, under current interpretations of the SEC, Section 3(c)(7) of the 1940 Act exempts from registration any non-U.S. investment vehicle all of whose outstanding securities are beneficially owned either by non-U.S. residents or by U.S. residents that are qualified purchasers. Section 3(c)(5)(C) of the 1940 Act exempts from its registration requirements certain companies engaged primarily in investment in mortgages and other liens or investments in real estate. Section 3(c)(1) of the 1940 Act exempts from its registration requirements privately placed investment vehicles whose securities are beneficially owned by not more than 100 persons. Additionally, under current interpretations of the SEC, Section 3(c)(1) of the 1940 Act exempts from registration any non-U.S. investment vehicle not publicly offered in the U.S. all of whose outstanding securities are beneficially owned by not more than 100 U.S. residents. BXMT is externally managed by a Blackstone-owned entity pursuant to a management agreement, conducts its operations in a manner that allows it to maintain its REIT qualification and also avail itself of the statutory exemption provided by Section 3(c)(5)(C) of the 1940 Act. BREIT is externally advised by a Blackstone-owned entity pursuant to an advisory agreement, conducts its operations in a manner that allows it to maintain its REIT qualification and also avails itself of the statutory exemption provided by Section 3(c)(5)(C) of the 1940 Act. In some cases, one or more of our investment advisers, including advisers within BXC, BAAM and BREDS, advises or sub-advises funds registered, or regulated as a BDC, under the 1940 Act.

## [Table of Contents](#)

In addition to having an investment adviser, each investment fund that is a limited partnership, or “partnership” fund, also has a general partner that, apart from partnership funds domiciled in the EEA, generally makes all operational and investment decisions, including the making, monitoring and disposing of investments. The limited partners of the partnership funds generally take no part in the conduct or control of the business of the investment funds, have no right or authority to act for or bind the investment funds and have no influence over the voting or disposition of the securities or other assets held by the investment funds. With the exception of certain of our funds of hedge funds, hedge funds, certain credit-focused and real estate debt funds, and other funds or separately managed accounts for the benefit of one or more specified investors, third party investors in some of our funds have the right to remove the general partner of the fund or to accelerate the termination of the investment fund without cause by a majority or supermajority vote. In addition, the governing agreements of many of our investment funds provide that in the event certain “key persons” in our investment funds do not meet specified time commitments with regard to managing the fund, then (a) investors in such funds have the right to vote to terminate the investment period by a specified percentage (including, in certain cases a simple majority) vote in accordance with specified procedures, or accelerate the withdrawal of their capital on an investor-by-investor basis, or (b) the fund’s investment period will automatically terminate and a specified percentage (including, in certain cases a simple majority) in accordance with specified procedures is required to restart it. In addition, the governing agreements of some of our investment funds provide that investors have the right to terminate the investment period for any reason by a supermajority vote of the investors in such fund.

### **Fee Structure/Incentive Arrangements**

#### ***Management Fees***

The following is a general description of the management fees earned by Blackstone.

- The investment adviser of each of our non-EEA domiciled carry funds and the AIFM of each of our EEA domiciled carry funds generally receives an annual management fee based on a percentage of the fund’s capital commitments, invested capital and/or undeployed capital during the investment period and the fund’s invested capital or investment fair value after the investment period, except that the investment adviser or AIFM to certain of our credit-focused, BPP and BCEP funds receives a management fee based on a percentage of invested capital or net asset value. These management fees are payable on a regular basis (typically quarterly) in the contractually prescribed amounts over the life of the fund. Depending on the base on which management fees are calculated, negative performance of one or more investments in the fund may reduce the total management fee paid for the relevant period, but not the fee rate. Management fees received are not subject to clawback.
- The investment adviser of each of our funds that are structured like hedge funds, or of our funds of hedge funds, registered mutual funds, UCITS funds and separately managed accounts that invest in hedge funds, generally receives a management fee based on a percentage of the fund’s or account’s net asset value. These management fees are payable on a regular basis (typically monthly or quarterly). These funds generally permit investors to withdraw or redeem their interests periodically, in some cases following the expiration of a specified period of time when capital may not be withdrawn. Decreases in the net asset value of investor’s capital accounts may reduce the total management fee paid for the relevant period, but not the fee rate. Management fees received are not subject to clawback. In addition, to the extent the mandate of our funds is to invest capital in third party managed funds, as is the case with our funds of hedge funds, our funds will be required to pay management fees to such third party managers, which typically are borne by investors in such investment vehicles.
- The investment adviser of each of our CLOs typically receives annual management fees, which are calculated as a percentage of the CLO’s assets, and additional incentive management fees subject to a return hurdle being met. These management fees are payable on a regular basis (typically quarterly). Although varying from deal to deal, a CLO will typically be wound down within eight to eleven years of being launched. The amount of fees will decrease as the CLO deleverages toward the end of its term.

## [Table of Contents](#)

- The investment adviser of each of our separately managed accounts generally receives annual management fees based on a percentage of each account's net asset value or invested capital. The management fees we receive from each of our separately managed accounts are generally paid on a regular basis (typically quarterly). Such management fees are generally subject to contractual rights the investor has to terminate our management on generally as short as 30 days' notice.
- The investment adviser of each of our credit-focused registered and non-registered investment companies and our BDCs typically receive an annual management fee based on a percentage of net asset value or total managed assets. The management fees we receive from the registered investment companies we manage are generally paid on a regular basis (typically quarterly). Such management fees are generally subject to contractual rights of the company's board of directors to terminate our management of an account on as short as 30 days' notice.
- The investment adviser of BXMT receives an annual management fee, paid quarterly, based on a percentage of BXMT's net proceeds received from equity offerings and accumulated "distributable earnings" (which is generally equal to its net income, calculated under GAAP, excluding certain non-cash and other items), subject to certain adjustments.
- The investment adviser of BREIT and AIFM of BEPIF receive a management fee based on a percentage of BREIT's or BEPIF's, as applicable, net asset value per annum, payable monthly.

For additional information regarding the management fee rates we receive, see "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies — Revenue Recognition — Management and Advisory Fees, Net."

### ***Incentive Arrangements***

Our incentive arrangements are composed of (a) contractual incentive fees received from certain investment vehicles upon achieving specified cumulative investment returns ("Incentive Fees"), and (b) a disproportionate allocation of the income generated by investment vehicles otherwise allocable to investors upon achieving certain investment returns ("Performance Allocations", and, together with Incentive Fees, "Performance Revenues").

In our carry funds, our Performance Revenues consist of the Performance Allocations to which the general partner or an affiliate thereof is entitled, commonly referred to as carried interest. Our ability to generate and realize carried interest is an important element of our business and has historically accounted for a very significant portion of our income.

Carried interest is typically structured as a net profits interest in the applicable fund. In the case of our carry funds, carried interest is generally calculated on a "realized gain" basis, and each general partner (or affiliate) is generally entitled to an allocation of up to 20% of the net realized income and gains (generally taking into account realized and unrealized or net unrealized losses) generated by such fund. Net realized income or loss is not generally netted between or among funds, and in some cases our carry funds provide for allocations to be made on current income distributions (subject to certain conditions).

For most carry funds, the carried interest is subject to a preferred limited partner return ranging from 5% to 8% per year, subject to a catch-up allocation to the general partner. Some of our carry funds do not provide for a preferred return, and generally the terms of our carry funds vary in certain respects across our business units and vintages. If, at the end of the life of a carry fund (or earlier with respect to certain of our real estate, real estate debt, core+ real estate, credit-focused, multi-asset class and opportunistic investment funds), as a result of diminished performance of later investments in a carry fund's life, (a) the general partner receives in excess of the relevant carried interest percentage(s) applicable to the fund as applied to the fund's cumulative net profits over



## [Table of Contents](#)

the life of the fund, or (in certain cases) (b) the carry fund has not achieved investment returns that exceed the preferred return threshold (if applicable), then we will be obligated to repay an amount equal to the carried interest that was previously distributed to us that exceeds the amounts to which we were ultimately entitled, up to the amount of carried interest received on an after-tax basis. This is known as a “clawback” obligation and is an obligation of any person who received such carried interest, including us and other participants in our carried interest plans.

Although a portion of any dividends paid to our stockholder may include any carried interest received by us, we do not intend to seek fulfillment of any clawback obligation by seeking to have our stockholders return any portion of such dividends attributable to carried interest associated with any clawback obligation. To the extent we are required to fulfill a clawback obligation, however, we may determine to decrease the amount of our dividends to our stockholders. The clawback obligation operates with respect to a given carry fund’s own net investment performance only and carried interest of other funds is not netted for determining this contingent obligation. Moreover, although a clawback obligation is several, the governing agreements of most of our funds provide that to the extent another recipient of carried interest (such as a current or former employee) does not fund his or her respective share of the clawback obligation then due, then we and our employees who participate in such carried interest plans may have to fund additional amounts (generally an additional 50% to 70% beyond our pro-rata share of such obligation) although we retain the right to pursue any remedies that we have under such governing agreements against those carried interest recipients who fail to fund their obligations. We have recorded a contingent repayment obligation equal to the amount that would be due on December 31, 2022, if the various carry funds were liquidated at their current carrying value. For additional information concerning the clawback obligations we could face, see “— Item 1A. Risk Factors — Risks Related to Our Business — We may not have sufficient cash to pay back “clawback” obligations if and when they are triggered under the governing agreements with our investors.”

In our structures other than carry funds, our Performance Revenues generally consist of performance-based allocations of a vehicle’s net capital appreciation during a measurement period, typically a year, subject to the achievement of minimum return levels, high water marks, and/or other hurdle provisions, in accordance with the respective terms set out in each vehicle’s governing agreements. Such allocations are typically realized at the end of the measurement period and, once realized, are typically not subject to clawback or reversal. In particular, our ability to generate and realize these amounts is an important element of our business. Such allocations in certain of our Perpetual Capital strategies contribute a significant and growing portion to our overall revenues.

The following is a general description of the Performance Revenues earned by Blackstone in structures other than carry funds:

- In our Hedge Fund Solutions segment, the investment adviser of our funds of hedge funds, certain hedge funds, separately managed accounts that invest in hedge funds and certain non-U.S. registered investment companies, is entitled to an incentive fee of 0% to 20%, as applicable, of the applicable investment vehicle’s net appreciation, subject to “high water mark” provisions and in some cases a preferred return. In addition, to the extent the mandate of our funds is to invest capital in third party managed hedge funds, as is the case with our funds of hedge funds, our funds will be required to pay incentive fees to such third party managers, which typically are borne by investors in such investment vehicles.
- The general partners or similar entities of each of our real estate and credit hedge fund structures receive incentive fees of generally up to 20% of the applicable fund’s net capital appreciation per annum.
- The investment adviser of our BDCs receives (a) income incentive fees of 12.5% or 15%, as applicable, subject to, in certain cases, certain hurdles, catch-ups and caps, payable quarterly, and (b) capital gains incentive fees (net of realized and unrealized losses) of 12.5% or 15%, as applicable, payable annually.

---

## [Table of Contents](#)

- The investment manager of BXMT receives an incentive fee generally equal to 20% of BXMT's distributable earnings in excess of a 7% per annum return on stockholders' equity (excluding stock appreciation or depreciation), provided that BXMT's distributable earnings over the prior three years is greater than zero.
- The special limited partner of each of BREIT and BEPIF receives a performance participation allocation of 12.5% of total return, subject to a 5% hurdle amount with a catch-up and recouping any loss carry forward amounts, payable quarterly.
- The general partners of certain open-ended BPP and BIP funds are entitled to an incentive fee allocation generally between 7% and 12.5% of net profit, subject to a hurdle amount generally of between 5.5% and 7%, a loss recovery amount and a catch-up. Incentive allocations for these funds are generally realized every three years from when a limited partner makes its initial investment.

### ***Advisory and Transaction Fees***

Some of our investment advisers or their affiliates receive customary fees (for example, acquisition, origination and other transaction fees) upon consummation of their funds' transactions, and may from time to time receive advisory, monitoring and other fees in connection with their activities. For most of the funds where we receive such fees, we are required to reduce the management fees charged to the funds' investors by 50% to 100% of such limited partner's share of such fees.

### **Capital Invested In and Alongside Our Investment Funds**

To further align our interests with those of investors in our investment funds, we have invested the firm's capital and that of our personnel in the investment funds we sponsor and manage. Minimum general partner capital commitments to our investment funds are determined separately with respect to each of our investment funds and, generally, are less than 5% of the limited partner commitments of any particular fund. See "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" for more information regarding our minimum general partner capital commitments to our funds. We determine whether to make general partner capital commitments to our funds in excess of the minimum required commitments based on, among other things, our anticipated liquidity, working capital and other capital needs. In many cases, we require our senior managing directors and other professionals to fund a portion of the general partner capital commitments to our funds. In other cases, we may from time to time offer to our senior managing directors and employees a part of the funded or unfunded general partner commitments to our investment funds. Our general partner capital commitments are funded with cash and not with carried interest or deferral of management fees.

Investors in many of our funds also receive the opportunity to make additional "co-investments" with the investment funds. Our personnel, as well as Blackstone itself and certain Blackstone relationships, also have the opportunity to make investments, in or alongside our funds and other vehicles we manage, in some instances without being subject to management fees, carried interest or incentive fees. In certain cases, limited partner investors may pay additional management fees or carried interest in connection with such co-investments.

### **Competition**

The asset management industry is intensely competitive, and we expect it to remain so. We compete both globally and on a regional, industry and sector basis. We compete on the basis of a number of factors, including investment performance, transaction execution skills, access to capital, access to and retention of qualified personnel, reputation, range of products and services, innovation and price.

We face competition both in the pursuit of institutional and individual investors for our investment funds and in acquiring investments in attractive portfolio companies and making other investments. Although many

---

## [Table of Contents](#)

institutional and individual investors have increased the amount of capital they commit to alternative investment funds, such increases may create increased competition with respect to fees charged by our funds. Certain institutional investors have demonstrated a preference to in-source their own investment professionals and to make direct investments in alternative assets without the assistance of private equity advisers like us. We compete for investments with such institutional investors and such institutional investors could cease to be our clients. With respect to the private wealth channel and insurance sector, the market for capital is highly competitive and requires significant investment.

Depending on the investment, we face competition primarily from sponsors managing other funds, investment vehicles and other pools of capital, other financial institutions and institutional investors (including sovereign wealth and pension funds), corporate buyers, special purpose acquisition companies and other parties. Several of these competitors have significant amounts of capital and many of them have investment objectives similar to ours, which may create additional competition for investment opportunities. Some of these competitors may also have a lower cost of capital and access to funding sources or other resources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments. Corporate buyers may be able to achieve synergistic cost savings with regard to an investment or be perceived by sellers as otherwise being more desirable bidders, which may provide them with a competitive advantage in bidding for an investment.

In all of our businesses, competition is also intense for the attraction and retention of qualified employees. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees.

For additional information concerning the competitive risks that we face, see “— Item 1A. Risk Factors — Risks Related to Our Business — The asset management business is intensely competitive.”

### **Environmental, Social and Governance**

We aim to develop resilient companies and competitive assets that deliver long-term value for our investors. ESG principles have long informed the way we run our firm, approach investing and partner with the assets in our portfolio. In recent years we have formalized our approach by building a dedicated corporate ESG team that looks to develop ESG policies and support integration within the business units, and regularly reports progress to stakeholders. ESG at Blackstone is overseen by senior management. Senior management reports quarterly on ESG to our board of directors, which is responsible for reviewing our ESG strategy. We also engage with several organizations to help inform our approach, including the Taskforce on Climate-related Financial Disclosures (“TCFD”).

We believe that for certain investment strategies, consideration of appropriate ESG factors can help us identify attractive investment opportunities and assess potential risks in furtherance of our mission to deliver strong returns. Accordingly, we are seeking to develop a tailored approach to consideration of ESG factors in the investment lifecycle that takes into account, among other factors, the asset class and structure of the investment.

We are focused on corporate sustainability and pursuing environmental performance improvements at our office locations. We proactively renovate our spaces to provide additional employee amenities and comfort while implementing efficient lighting and HVAC systems. Blackstone also has an Emissions Reduction Program, which aims to decrease energy spend by reducing Scope 1 and Scope 2 carbon emissions by 15% on average across certain new investments where we control energy usage within the first three full calendar years of ownership. We continue to expand our resources to enable us to drive long-term value through sustainability practices, energy efficiency and decarbonization at scale.

---

## [Table of Contents](#)

### **Human Capital Management**

Blackstone's employees are integral to our culture of integrity, professionalism, excellence and cooperation. The intellectual capital collectively possessed by our employees is our most important asset. We hire qualified people, train them and encourage them to work together to provide their best thinking to the firm for the benefit of the investors in the funds we manage. As of December 31, 2022, we employed approximately 4,695 people. During 2022, our total number of employees increased by approximately 900.

Our board of directors plays an active role in overseeing our human capital management efforts. To that end, senior management reviews with our board of directors management succession planning and development and other key aspects of our talent management strategy.

### ***Employee and Community Engagement***

Blackstone is committed to ensuring our employees are engaged with their work and with their local communities. To that end, Blackstone regularly gathers feedback from our employees via internal and/or external surveys to assess employee engagement and satisfaction and develop targeted solutions. Blackstone also supports its employee affinity networks which are dedicated to recruiting, retaining and raising awareness of diverse groups through speaker series, networking events, service opportunities and mentoring relationships.

In addition, the Blackstone Charitable Foundation ("BXCF") was established in 2007, and is committed to supporting Blackstone's goal of helping foster economic opportunity and career mobility for historically underrepresented groups. This includes, among other initiatives, its signature Blackstone LaunchPad network, which helps college and university students gain entrepreneurial experiences and competencies to build successful companies and careers, and BX Connects, a global program that provides Blackstone employees with the opportunity to support their local communities through volunteering and giving. BX Connects uses the firm's scale, talent and resources to make grants, develop nonprofit partnerships and create employee engagement opportunities. Approximately 80% of our employees engaged globally with BXCF's charitable initiatives in 2022.

### ***Talent Acquisition, Development and Retention***

We believe the talent of our employees, coupled with our rigorous investment process, has supported our excellent investment record over many years. We are therefore focused on hiring, training, motivating and retaining talented individuals. Across all our businesses, we face intense competition for qualified personnel.

We seek to attract candidates from diverse backgrounds and skill sets and to hire the brightest minds in our industry. We believe our reputation, talent development opportunities and compensation make us an attractive employer. We encourage independent thinking and reward initiative while providing training and development opportunities to help our employees grow professionally. In addition, our Respect at Work programs and trainings help maintain an inclusive work environment in which all individuals are treated with respect and dignity. Employee education and training are also critical to maintaining a culture of compliance.

Blackstone offers a wide range of learning and professional development opportunities, both formally and informally, to help employees advance their careers and maximize the value they can add to the global firm. Incoming analyst classes are provided with training that spans their first few years. In addition, our new hires are provided with training and other opportunities to help them thrive in our culture, including through our Culture Program and our Leadership Speaker Series. Blackstone employees are trained or enrolled in compliance training when they start at the firm and we retrain employees globally at least once annually. Over the course of their careers at Blackstone, employees are offered learning opportunities in a number of areas including leadership and management development and communication skills, among others. We offer a global development curriculum on key capabilities required to succeed at Blackstone, and we partner with external organizations to deliver training programs for our employees. We consistently seek to create visibility and opportunities for talent to take on roles

---

## [Table of Contents](#)

beyond their current positions, and for managers to connect regularly to discuss and match talent with critical roles. These efforts result in cross-pollination of talent that we believe engages our people and generates stronger outcomes for the firm.

As discussed below, we seek to retain and incentivize the performance of our employees through our compensation structure. We also enter into non-competition and non-solicitation agreements with certain employees. See “Part III. Item 11. Executive Compensation — Non-Competition and Non-Solicitation Agreements” for a description of the material terms of such agreements.

### ***Diversity, Equity and Inclusion (“DEI”)***

We believe a diverse and inclusive workforce makes us better investors and a better firm. We are committed to attracting, developing and advancing a diverse workforce that represents a spectrum of backgrounds, identities and experiences. We are focused on embedding DEI principles to maintain a culture of equity and inclusion. We believe this will leverage the diversity of our workforce and deliver results for our investors.

To that end, our talent acquisition platform includes programs aimed at expanding diversity at Blackstone and in financial services, such as the Blackstone Future Women Leaders program and the Blackstone Diverse Leaders program. Our employees are invited to participate in our internal affinity networks, which seek to engage, connect and create a supportive environment for our employees, including by hosting speaker series, professional development panels and social events. These networks include our Blackstone Women’s Initiative, Working Families Network, OUT Blackstone, Blackstone Veterans Network and Diverse Professionals Network, which was recently expanded to include a community of networks for Black, Hispanic and Latino, Asian and South Asian and Middle Eastern employees and allies. We have also achieved a score of 100% on the Human Rights Campaign Corporate Equality Index, earning the designation as a “Best Place to Work for LGBT+ Equality” for the fourth year in a row in 2022.

We believe diversity of thought and experience builds better businesses. We seek to ensure that our board of directors is composed of members whose collective experience, qualifications and skills will allow the board to effectively satisfy its oversight responsibilities. We also recognize that diversity is an important component of effective governance. Over one-third of our board of directors is diverse, based on gender, race and sexual orientation, when known. Likewise, with respect to our portfolio companies, in 2021 we announced that we will target at least one-third diverse representation on new controlled portfolio company boards in the U.S. and Europe. We also launched our Career Pathways pilot program, creating economic opportunity across our portfolio through career mobility and ensuring select portfolio companies have access to the largest pool of talent.

### ***Compensation and Benefits***

Our compensation is designed to motivate and retain employees and align their interests with those of the investors in our funds. In particular, incentive compensation for our senior managing directors and employees involves a combination of annual cash bonus payments and performance interests or deferred equity awards, which we believe encourages them to focus on the performance of our investment funds and the overall performance of the firm. The proportion of compensation that is “at risk” generally increases as an employee’s level of responsibility rises. Employees at higher total compensation levels are generally targeted to receive a greater percentage of their total compensation payable in annual cash bonuses, participation in performance interests, and deferred equity awards and a lesser percentage in the form of base salary compared to employees at lower total compensation levels. To further align their interests with those of investors in our funds, our employees have the opportunity to make investments in or alongside our funds and other vehicles we manage. We also provide our employees robust health and retirement offerings, as well as a variety of quality of life benefits, including time-off options and well-being and family planning resources.

We believe our current compensation and benefit allocations for senior professionals are best in class and are consistent with companies in the alternative asset management industry. Our senior management periodically

---

## [Table of Contents](#)

reviews the effectiveness and competitiveness of our compensation program. Most of our current senior managing directors and other senior personnel have equity interests in our business that entitle such personnel to cash distributions. See “Part III. Item 11. Executive Compensation – Compensation Discussion and Analysis – Overview of Compensation Philosophy and Program” for more information on compensation of our senior managing directors and certain other employees.

Blackstone also offers comprehensive and competitive benefits to its full-time employees, including primary and secondary caregiver leave, adoption leave, phased back to work, fertility coverage, back up childcare and more. We continually evaluate and enhance our offerings to meet the needs of our employees. For example, we offer additional family planning benefits for U.S. employees such as enhancing infertility benefits to include cryopreservation and primary caregiver leave up to 21 weeks.

### **Health and Wellness**

We care greatly about the health, safety and wellbeing of our employees. We offer employee well-being programs, including an online therapy program and access to an education platform with coaching to support working parents and caretakers caring for children who have behavioral problems, autism or developmental disabilities. We also provide access to programs to further assist our employees in managing their lives outside of work, such as group legal services to help with estate planning and surrogacy agreements. In addition, during the COVID-19 pandemic we invested over \$15.9 million and \$28.7 million for the years ended December 31, 2022 and 2021, respectively, in extensive measures to ensure employee safety and wellbeing of our employees and their families and the seamless functioning of the firm.

### **Data Privacy and Security**

Blackstone is committed to privacy and data protection. These topics are included in routine training received at least once annually by employees. Data privacy is typically addressed in the Global Head of Compliance’s annual update to our board of directors. Blackstone’s approach to data protection is set out in our Online Privacy Notice and its Investor Data Privacy Notice. Our Data Policy and Strategy Officer oversees privacy, data protection and information risk management efforts, leading the privacy and data protection function, which conducts privacy impact assessments, implements privacy-by-design initiatives and reconciles global privacy programs with local privacy requirements. Our privacy function also supports the Data Protection Operating Committee, Blackstone’s global privacy compliance steering committee.

Blackstone has built a dedicated cybersecurity team and maintains a comprehensive cybersecurity program to protect our systems, our operations and the data entrusted to us by our investors, employees, portfolio companies and business partners. Blackstone’s cybersecurity program is led by our Chief Information Security Officer, who works closely with our senior management to develop and advance the firm’s cybersecurity strategy and regularly reports to our board of directors and the audit committee of our board of directors on cybersecurity matters. We believe that cybersecurity is a team effort — every employee has a responsibility to help protect the firm and secure its data. We conduct regular testing at least once a year to identify vulnerabilities before they can be exploited by attackers, using automated tools and “white hat” hackers. We examine and validate our program every two to three years with third parties, measuring it against industry standards and established frameworks, such as the National Institute of Standards and Technology and Center for Internet Security. We have a comprehensive Security Incident Response Plan to ensure that any non-routine events are properly escalated. These plans are validated at least annually through a cyber incident tabletop exercise to consider the types of decisions that would need to be made in the event of a cyber incident. We have engaged in scenario planning exercises around cyber incidents.

---

## [Table of Contents](#)

### **Regulatory and Compliance Matters**

Our businesses, as well as the financial services industry generally, are subject to extensive regulation in the United States and in many of the markets in which we operate.

Many of our businesses are subject to compliance with laws and regulations of U.S. federal and state governments, non-U.S. governments, their respective agencies and/or various self-regulatory organizations or exchanges. The SEC and various self-regulatory organizations, state securities regulators and international securities regulators have in recent years increased their regulatory activities, including regulation, examination and enforcement in respect of asset management firms, including Blackstone. Any failure to comply with these regulations could expose us to liability and/or damage our reputation. Our businesses have operated for many years within a legal framework that requires us to monitor and comply with a broad range of legal and regulatory developments that affect our activities. However, additional legislation, changes in rules promulgated by financial regulatory authorities or self-regulatory organizations or changes in the interpretation or enforcement of existing laws and rules, either in the United States or abroad, may directly affect our mode of operation and profitability.

All of the investment advisers of our investment funds operating in the U.S. are registered as investment advisers with the SEC under the Advisers Act (other investment advisers may be registered in non-U.S. jurisdictions). Registered investment advisers are subject to the requirements and regulations of the Advisers Act. Such requirements relate to, among other things, fiduciary duties to advisory clients, maintaining an effective compliance program and code of ethics, investment advisory contracts, solicitation agreements, conflicts of interest, recordkeeping and reporting requirements, disclosure, advertising and custody requirements, political contributions, limitations on agency cross and principal transactions between an adviser and advisory clients, and general anti-fraud prohibitions. Certain investment advisers are also registered with international regulators in connection with their management of products that are locally distributed and/or regulated.

Blackstone Securities Partners L.P. (“BSP”), a subsidiary through which we conduct our capital markets business and certain of our fund marketing and distribution, is registered as a broker-dealer with the SEC and is subject to regulation and oversight by the SEC, is a member of the Financial Industry Regulatory Authority, or “FINRA,” and is registered as a broker-dealer in 50 states, the District of Columbia, the Commonwealth of Puerto Rico and the Virgin Islands. In addition, FINRA, a self-regulatory organization subject to oversight by the SEC, adopts and enforces rules governing the conduct, and examines the activities, of its member firms, including BSP. State securities regulators also have regulatory oversight authority over BSP.

Broker-dealers are subject to regulations that cover all aspects of the securities business, including, among others, the implementation of a supervisory control system over the securities business, advertising and sales practices, conduct of and compensation in connection with public securities offerings, maintenance of adequate net capital, record keeping and the conduct and qualifications of employees. In particular, as a registered broker-dealer and member of FINRA, BSP is subject to the SEC’s uniform net capital rule, Rule 15c3-1. Rule 15c3-1 specifies the minimum level of net capital a broker-dealer must maintain and also requires that a significant part of a broker-dealer’s assets be kept in relatively liquid form. The SEC and various self-regulatory organizations impose rules that require notification when net capital of a broker-dealer falls below certain predefined criteria, limit the ratio of subordinated debt to equity in the capital structure of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the SEC’s uniform net capital rule imposes certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC for certain withdrawals of capital.

In addition, certain of the closed-end and open-end investment companies we manage, advise or sub-advise are registered, or regulated as a BDC, under the 1940 Act. The 1940 Act and the rules thereunder govern, among other things, the relationship between us and such investment vehicles and limit such investment vehicles’ ability to enter into certain transactions with us or our affiliates, including other funds managed, advised or sub-advised by us.

## [Table of Contents](#)

Pursuant to the U.K. Financial Services and Markets Act 2000, or “FSMA,” certain of our subsidiaries are subject to regulations promulgated and administered by the Financial Conduct Authority (“FCA”). The FSMA and rules promulgated thereunder form the cornerstone of legislation which governs all aspects of our investment business in the United Kingdom, including sales, provision of investment advice, use and safekeeping of client funds and securities, regulatory capital, recordkeeping, approval standards for individuals, anti-money laundering, periodic reporting and settlement procedures. The Blackstone Group International Partners LLP (“BGIP”) acts as a sub-advisor to its Blackstone U.S. affiliates in relation to the investment and re-investment of Europe, Middle East and Africa (“EMEA”) based assets of Blackstone Funds, arranging transactions to be entered into by or on behalf of Blackstone Funds, and providing certain related services. Until December 31, 2020, BGIP had a MiFID II (as defined herein) cross-border passport to provide investment services into the European Economic Area (“EEA”). As of January 1, 2021, as a result of the U.K.’s withdrawal from the European Union, BGIP no longer has a MiFID II passport. Consequently, BGIP can only provide investment services in certain EEA jurisdictions where it has obtained a domestic license on a cross-border services basis (currently, Belgium, Denmark, Finland and Italy), or can operate pursuant to an exemption or relief (currently Ireland, Lichtenstein and Norway), although in certain cases with time limitations. BGIP’s principal place of business is in London and it has representative offices or corporate branches in Abu Dhabi and France.

Blackstone Ireland Limited (formerly known as Blackstone / GSO Debt Funds Management Europe Limited) (“BIL”) is authorized and regulated by the Central Bank of Ireland (“CBI”) as an Investment Firm under the (Irish) European Union (Markets in Financial Instruments) Regulations 2017, which largely implements MiFID II in Ireland. BIL’s principal activity is the provision of management and advisory services to certain CLO and sub-advisory services to certain affiliates. Blackstone Ireland Fund Management Limited (formerly known as Blackstone / GSO Debt Funds Management Europe II Limited) (“BIFM”) is authorized and regulated by the CBI as an Alternative Investment Fund Manager under the (Irish) European Union (Alternative Investment Fund Managers Regulations) 2013 (“AIFMRs”), which largely implements the EU Alternative Investment Fund Managers Director (“AIFMD”) in Ireland. BIFM acts as AIFM and provides investment management functions including portfolio management, risk management, administration, marketing and related activities to its alternative investment funds in accordance with AIFMRs and the conditions imposed by the CBI as set out in the CBI’s alternative investment fund rulebook.

Blackstone Europe Fund Management S.à r.l. (“BEFM”) is an authorized Alternative Investment Fund Manager under the Luxembourg Law of 12 July 2013 on alternative investment fund managers (as amended, the “AIFM Law”), which largely implements AIFMD in Luxembourg. BEFM may also provide discretionary portfolio management services, investment advice and reception and transmission of orders in accordance with article 5(4) of the AIFM Law. BEFM provides investment management functions including portfolio management, risk management, administration, marketing and related activities to the assets of its alternative investment funds, in accordance with the AIFM Law and the regulatory provisions imposed by the *Commission de Surveillance du Secteur Financier* in Luxembourg. As of January 1, 2021, BEFM promotes Blackstone products and services in European countries where BGIP is not otherwise licensed to do so. BEFM has branches in Paris, Milan and Frankfurt which provides marketing services and where distribution and deal sourcing individuals are based.

Certain Blackstone operating entities are licensed and subject to regulation by financial regulatory authorities in Japan, Hong Kong, Australia and Singapore: The Blackstone Group Japan K.K., a financial instruments firm, is registered with Kanto Local Finance Bureau and regulated by the Japan Financial Services Agency; The Blackstone Group (HK) Limited is regulated by the Hong Kong Securities and Futures Commission; The Blackstone Group (Australia) Pty Limited and Blackstone Real Estate Australia Pty Limited each holds an Australian financial services license authorizing it to provide financial services in Australia and is regulated by the Australian Securities and Investments Commission; and Blackstone Singapore Pte. Ltd. is regulated by the Monetary Authority of Singapore.



---

## [Table of Contents](#)

Rigorous legal and compliance analysis of our businesses and investments is endemic to our culture and risk management. Our Chief Legal Officer and Global Head of Compliance, together with the Chief Compliance Officers of each of our businesses, supervise our compliance personnel, who are responsible for addressing the regulatory and compliance matters that affect our activities. We strive to maintain a culture of compliance through the use of policies and procedures including a code of ethics, electronic compliance systems, testing and monitoring, communication of compliance guidance and employee education and training. Our compliance policies and procedures address regulatory and compliance matters such as the handling of material non-public information, personal securities trading, marketing practices, gifts and entertainment, anti-money laundering, anti-bribery and sanctions, valuation of investments on a fund-specific basis, recordkeeping, potential conflicts of interest, the allocation of investment and co-investment opportunities, collection of fees and expense allocation.

Our compliance group also monitors the information barriers that we maintain between Blackstone's businesses. We believe that our various businesses' access to the intellectual knowledge and contacts and relationships that reside throughout our firm benefits all of our businesses. To maximize that access and related synergies without compromising compliance with our legal and contractual obligations, our compliance group oversees and monitors the communications between groups that are on the private side of our information barrier and groups that are on the public side, as well as between different public side groups. Our compliance group also monitors contractual obligations that may be impacted and potential conflicts that may arise in connection with these inter-group discussions.

In addition, disclosure controls and procedures and internal controls over financial reporting are documented, tested and assessed for design and operating effectiveness in accordance with the U.S. Sarbanes-Oxley Act of 2002. Internal Audit, which independently reports to the audit committee of our board of directors, operates with a global mandate and is responsible for the examination and evaluation of the adequacy and effectiveness of the organization's governance and risk management processes and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.

Our enterprise risk management framework is designed to manage non-investment risk areas across the firm, such as strategic, financial, human capital, legal, operational, regulatory, reputational and technology risks. Our enterprise risk committee assists Blackstone management to identify, assess, monitor and mitigate such key enterprise risks at the corporate, business unit and fund level. The enterprise risk committee is chaired by our Chief Financial Officer and is comprised of senior management across business units, corporate functions and regions. Senior management reports to the audit committee of the board of directors on the agenda of risk topics evaluated by the enterprise risk committee and provides periodic risk reports, a summary of its view on key risks to the firm and detailed assessments of selected risks, as applicable. Our firmwide valuation committee reviews the valuation process for investments held by us and our investment vehicles, including the application of appropriate valuation standards on a consistent basis. The firmwide valuation committee is chaired by our Chief Financial Officer and is comprised of senior heads of Blackstone's businesses and representatives from legal and finance. The review committees and/or investment committees of our businesses review and evaluate investment opportunities in a framework that includes a qualitative and quantitative assessment of the key risks of investments. See "— Investment Process and Risk Management."

There are a number of pending or recently enacted legislative and regulatory initiatives that could significantly affect our business. Please see "— Item 1A. Risk Factors — Risks Related to Our Business — Financial regulatory changes in the United States could adversely affect our business" and "— Complex regulatory regimes and potential regulatory changes in jurisdictions outside the United States could adversely affect our business."

---

## [Table of Contents](#)

### Available Information

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. Effective July 1, 2019, Blackstone Inc. converted from a Delaware limited partnership to a Delaware corporation. Blackstone was formed as a Delaware limited partnership on March 12, 2007.

We file annual, quarterly and current reports and other information with the SEC. These filings are available to the public over the internet at the SEC's website at [www.sec.gov](http://www.sec.gov).

Our principal internet address is [www.blackstone.com](http://www.blackstone.com). We make available free of charge on or through [www.blackstone.com](http://www.blackstone.com) our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The contents of our website are not, however, a part of this report.

### Item 1A. Risk Factors

#### Risks Related to Our Business

***Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition.***

Our business is materially affected by financial market and economic conditions and events throughout the world that are outside our control. We may not be able to or may choose not to manage our exposure to these conditions and/or events. Such conditions and/or events can adversely affect our business in many ways, including reducing the ability of our funds to raise or deploy capital, reducing the value or performance of our funds' investments and making it more difficult for our funds to exist and realize value from existing investment. This could in turn materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition. In addition, in the face of a difficult market or economic environment, we may need to reduce our fixed costs and other expenses in order to maintain profitability, including cutting back or eliminating the use of certain services or service providers, or terminating the employment of a significant number of our personnel that, in each case, could be important to our business and without which our operating results could be adversely affected. A failure to manage or reduce our costs and other expenses within a time frame sufficient to match any decrease in profitability would adversely affect our operating performance.

Turmoil in the global financial markets can provoke significant volatility of equity and debt securities prices. This can have a material and rapid impact on our mark-to-market valuations, particularly with respect to our public holdings and credit investments. While inflation in the U.S. has recently shown signs of moderating, record inflation experienced in the U.S. throughout 2022 and steps taken by the Federal Reserve to dramatically increase interest rates in response have contributed to volatility in the debt and equity markets. Heightened competition for workers and rising energy and commodity prices have contributed to increasing wages and other inputs. Higher inflation and rising input costs put pressure on our funds' portfolio companies' profit margins, particularly where pricing power is lacking. Similarly, the valuations of our funds' real estate assets have been and may continue to be adversely impacted by inflation, higher interest rates and a rising cost of capital. In a continued inflationary and high interest rate environment, the performance of our funds' real estate assets could be adversely affected notwithstanding a sustained level of cash flow growth. Such an adverse macroeconomic environment could be even more challenging for traditional office properties and those with long-term leases that do not provide for short term rent increases to offset higher interest rates and a rising cost of capital. In China, the government has in recent years implemented a number of measures to control the rate of economic growth in the country, including by raising interest rates and adjusting deposit reserve ratios for commercial banks, and through other measures designed to tighten credit and liquidity. The China growth rate has been slowing, and further slowing could have a systemic impact on the global economy and on equity and debt markets. As publicly traded equity securities have in recent years represented an increasingly significant proportion of the assets of many of our funds, stock market volatility, including a sharp decline in the stock market may adversely affect our results, including our revenues and net income. In addition,

---

## [Table of Contents](#)

our public equity holdings have at times been concentrated in a few large positions, thereby making our unrealized mark-to-market valuations particularly sensitive to sharp changes in the price of any of these positions. Further, although the equity markets are not the only means by which we exit investments, should we continued to experience a period of challenging equity markets, our funds may experience continued difficulty in realizing value from investments.

Geopolitical concerns and other global events, including, without limitation, trade conflict, civil unrest, national and international political circumstances (including outbreak of war, terrorist acts or security operations) and pandemics or other severe public health events, have contributed and may continue to contribute to volatility in global equity and debt markets. For example, the ongoing war between Russia and Ukraine and the global response thereto, including the imposition of widespread economic and other sanctions, has significantly impacted the global economy and financial markets.

In addition to the factors described above, other market, economic and geopolitical factors described herein that may adversely affect our business include, without limitation:

- higher prices for commodities or other goods,
- economic slowdown or recession in the U.S. and internationally,
- changes in interest rates and/or a lack of availability of credit in the U.S. and internationally, and
- changes in law and/or regulation, and uncertainty regarding government and regulatory policy, including in connection with the current administration.

***A period of economic slowdown, which may be across one or more industries, sectors or geographies, contributes to operating performance challenges for certain of our funds' investments, which could adversely affect our operating results and cash flows.***

In recent years, we have experienced periods of economic slowdown and in some instances, contraction, as countries and industries around the globe grappled with the short and long-term economic impacts of the COVID-19 pandemic. Higher interest rates or elevated interest rates for a sustained period could also result in an economic slowdown. Economic contraction or further deceleration in the rate of growth in certain industries, sectors or geographies may contribute to poor financial results at our funds' portfolio companies, which may result in lower investment returns for our funds. For example, periods of economic weakness have contributed and may in the future contribute to a decline in commodity prices and decreased consumer demand for certain goods and services (including energy), and/or volatility in the oil and natural gas markets, each of which would have an adverse effect on our energy and consumer investments.

In addition, historically high rates of inflation, including in the U.S., have contributed to heightened costs of labor, energy and materials, which have put profit margin pressure on and negatively impacted the performance of certain of our funds' portfolio companies. The performance of such companies would likely be further negatively impacted in a continuing inflationary environment, particularly against a backdrop of economic slowdown or contraction. For example, high rates of inflation and significant interest rate increases contributed to significant market volatility in 2022, which disproportionately negatively impacted the value of future cash flows of technology and growth companies. These companies may be subject to continued depressed, or even further declines in, values in a challenging market environment. To the extent the performance of our funds' investments in such companies, as well as valuation multiples, do not ultimately improve, our funds may sell those assets at values that are less than we projected or even at a loss, thereby significantly affecting those investment funds' performance. In addition, as the governing agreements of our funds contain only limited requirements regarding diversification of fund investments (by, for example, sector or geographic region), during periods of economic slowdown in certain sectors or regions, the impact on our funds may be exacerbated by concentration of investments in such sectors or regions. As a result, our ability to raise new funds, as well as our operating results and cash flows, could be adversely affected.

---

## [Table of Contents](#)

In addition, during periods of weakness, our funds' portfolio companies may also have difficulty expanding their businesses and operations or meeting their debt service obligations or other expenses as they become due, including expenses payable to us. Furthermore, negative market conditions could potentially result in a portfolio company entering bankruptcy proceedings, thereby potentially resulting in a complete loss of the fund's investment in such portfolio company and a significant negative impact to the fund's performance and consequently to our operating results and cash flow, as well as to our reputation. In addition, negative market conditions would also increase the risk of default with respect to investments held by our funds that have significant debt investments, such as our credit-focused funds.

***High interest rates and challenging debt market conditions could negatively impact the values of certain assets or investments and the ability of our funds and their portfolio companies to access the capital markets on attractive terms, which could adversely affect investment and realization opportunities, lead to lower-yielding investments and potentially decrease our net income.***

In 2022, in light of increasing inflation, the U.S. Federal Reserve increased interest rates seven times. The U.S. Federal Reserve has also indicated that it expects continued increases in interest rates in 2023. Rising interest rates create downward pressure on the price of real estate and the value of fixed-rate debt investments made by our funds. Further, our funds have faced, and could continue to face, difficulty in realizing value from investments due to sustained declines in equity market values as a result of concerns regarding interest rates.

An increase in interest rates has and could continue to increase the cost of debt financing for the transactions our funds pursue. Further, a significant contraction or weakening in the market for debt financing or other adverse change relating to the terms of debt financing (such as, for example, higher equity requirements and/or more restrictive covenants), particularly in the area of acquisition financings for private equity and real estate transactions, could have a material adverse impact on our business. For example, a portion of the indebtedness used to finance certain fund investments often includes high-yield debt securities issued in the capital markets. Availability of capital from the high-yield debt markets is subject to significant volatility, and there may be times when we might not be able to access those markets at attractive rates, or at all, when completing an investment. Further, the financing of acquisitions or the operations of our funds' portfolio companies with debt may become less attractive due to limitations on the deductibility of corporate interest expense. See "— Changes in U.S. and foreign taxation of businesses and other tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely affect us, including by adversely impacting our effective tax rate and tax liability."

If our funds are unable to obtain committed debt financing for potential acquisitions, can only obtain debt financing at an increased interest rate or on unfavorable terms or the ability to deduct corporate interest expense is substantially limited, our funds may face increased competition from strategic buyers of assets who may have an overall lower cost of capital or the ability to benefit from a higher amount of cost savings following an acquisition, or may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, each of which could lead to a decrease in our funds' performance and therefore our revenues. In addition, rising interest rates, coupled with periods of significant equity and credit market volatility may potentially make it more difficult for us to find attractive opportunities for our funds to exit and realize value from their existing investments.

Our funds' portfolio companies also regularly utilize the corporate debt markets to obtain financing for their operations. To the extent monetary policy, tax or other regulatory changes or difficult credit markets render such financing difficult to obtain, more expensive or otherwise less attractive, this may also negatively impact the financial results of those portfolio companies and, therefore, the investment returns on our funds. In addition, to

---

## [Table of Contents](#)

the extent that market conditions and/or tax or other regulatory changes make it difficult or impossible to refinance debt that is maturing in the near term, some of our funds' portfolio companies may be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection.

### ***Another pandemic or global health crisis like the COVID-19 pandemic may adversely impact our performance and results of operations.***

From 2020 to 2022, in response to the COVID-19 pandemic, many countries took measures to limit the spread of the virus, including instituting quarantines or lockdowns, imposing travel restrictions and vaccination mandates for certain workers or activities and limiting operations of certain non-essential businesses. Such restrictions caused labor shortages and disrupted global supply chains, which contributed to prolonged disruption of the global economy. A widespread reoccurrence of COVID-19, or the occurrence of another pandemic or global health crisis, could increase the possibility of periods of increased restrictions on business operations, which may adversely impact our business, financial condition, results of operations, liquidity and prospects materially and exacerbate many of the other risks discussed in this "Risk Factors" section.

In the event of another pandemic or global health crisis like the COVID-19 pandemic, our funds' portfolio companies may experience decreased revenues and earnings, which may adversely impact our ability to realize value from such investments and in turn reduce our performance revenues. Investments in certain sectors, including hospitality, location-based entertain, retail, travel, leisure and events, and in certain geographies, office and residential, could be particularly negatively impacted, as was the case during the COVID-19 pandemic. Our funds' portfolio companies may also face increased credit and liquidity risk due to volatility in financial markets, reduced revenue streams and limited access or higher cost of financing, which may result in potential impairment of our or our funds' investments. In addition, borrowers of loans, notes and other credit instruments in our credit funds' portfolios may be unable to meet their principal or interest payment obligations or satisfy financial covenants, and tenants leasing real estate properties owned by our funds may not be able to pay rents in a timely manner or at all, resulting in a decrease in value of our funds' credit and real estate investments. In the event of significant credit market contraction as a result of a pandemic or similar global health crisis, certain of our funds may be limited in their ability to sell assets at attractive prices or in a timely manner in order to avoid losses and margin calls from credit providers. In our liquid and semi-liquid vehicles, such a contraction could cause investors to seek liquidity in the form of redemptions from our funds, adversely impacting management fees. Our management fees may also be negatively impacted if we experience a decline in the pace of capital deployment or fundraising.

In addition, a pandemic or global health crisis may pose enhanced operational risks. For example, our employees may become sick or otherwise unable to perform their duties for an extended period, and extended public health restrictions and remote working arrangements may impact employee morale, integration of new employees and preservation of our culture. Remote working environments may also be less secure and more susceptible to hacking attacks. Moreover, our third party service providers could be impacted by an inability to perform due to pandemic-related restrictions or by failures of, or attacks on, their technology platforms.

### ***A decline in the pace or size of investments made by our funds may adversely affect our revenues.***

The revenues that we earn are driven in part by the pace at which our funds make investments and the size of those investments, and a decline in the pace or the size of such investments may reduce our revenues. In particular, in recent years we have meaningfully increased the number of perpetual capital vehicles we offer and the assets under management in such vehicles, particularly in our Real Estate and Credit & Insurance segments. The fees we earn from our perpetual capital vehicles, including our Core+ real estate strategy, represent a significant and growing portion of our overall revenues. If our funds, including our perpetual capital vehicles, are unable to deploy capital at a sufficient pace, our revenues would be adversely impacted. Many factors could cause a decline in the pace of investment, including a market environment characterized by high prices, the inability of

---

## [Table of Contents](#)

our investment professionals to identify attractive investment opportunities, competition for such opportunities among other potential acquirers, decreased availability of financing on attractive terms or decreased availability of investor capital, including potentially as a result of a challenging fundraising environment or heightened investor requests for repurchases in certain perpetual capital vehicles. A number of our funds, including our real estate and private equity funds, have invested and intend to continue to invest in large transactions or transactions that otherwise have substantial business, regulatory or legal complexity and may be more difficult to execute successfully than smaller or less complex investments. In addition, realizing value from such investments may be more difficult as a result of, among other things, a limited universe of potential acquirers.

We may also fail to consummate identified investment opportunities because of regulatory or legal complexities or uncertainty and adverse developments in the U.S. or global economy, financial markets or geopolitical conditions, and our ability to deploy capital in certain countries may be adversely impacted by U.S. and foreign government policy changes and regulations. For example, the ability to deploy capital in China has been adversely impacted by policies and regulations in China and the U.S. This may be exacerbated prospectively. For example, the U.S. House of Representatives passed a bill that, if enacted in its current or a similar form, would subject certain outbound investments from the U.S. into China to heightened review by the U.S. government. As a related matter, certain senior administration officials have indicated that the current administration is formulating an approach to address outbound investments in sensitive technologies. There is public speculation that this formulation will involve an outbound investment screening mechanism, particularly relating to China and China-adjacent investments, which could further negatively impact our ability to deploy capital in such countries. See “— Laws and regulations on foreign direct investment applicable to us and our funds’ portfolio companies, both within and outside the U.S., may make it more difficult for us to deploy capital in certain jurisdictions or to sell assets to certain buyers.”

***Our revenue, earnings, net income and cash flow can all vary materially, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our common stock to decline.***

Our revenue, net income and cash flow can all vary materially due to our reliance on Performance Revenues. We may experience fluctuations in our results, including our revenue and net income, from quarter to quarter due to a number of other factors, including timing of realizations, changes in the valuations of our funds’ investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in our operating expenses and the degree to which we encounter competition, each of which may be impacted by economic and market conditions. Achieving steady growth in net income and cash flow on a quarterly basis may be difficult, which could in turn lead to large adverse movements or general increased volatility in the price of our common stock. We do not provide guidance regarding our expected quarterly and annual operating results. The lack of guidance may affect the expectations of public market analysts and could cause increased volatility in our common stock price.

Our cash flow may fluctuate significantly because we receive Performance Allocations from our carry funds only when investments are realized and achieve a certain preferred return. Performance Allocations in our carry funds depend on our carry funds’ performance and opportunities for realizing gains, which may be limited. It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment and then to realize the cash value (or other proceeds) of an investment through a sale, public offering, recapitalization or other exit. Even if an investment proves to be profitable, it may be a number of years before any profits can be realized in cash (or other proceeds). We cannot predict when, or if, any realization of investments will occur.

The valuations of and realization opportunities for investments made by our funds could also be subject to high volatility as a result of uncertainty regarding governmental policy with respect to, among other things, tax, financial services regulation, international trade, immigration, healthcare, labor, infrastructure and energy.

---

## [Table of Contents](#)

In addition, upon the realization of a profitable investment by any of our carry funds and prior to our receiving any Performance Allocations in respect of that investment, 100% of the proceeds of that investment must generally be paid to the investors in that carry fund until they have recovered certain fees and expenses and achieved a certain return on all realized investments by that carry fund as well as a recovery of any unrealized losses. A particular realization event may have a significant impact on our results for that particular quarter that may not be replicated in subsequent quarters. We recognize revenue on investments in our investment funds based on our allocable share of realized and unrealized gains (or losses) reported by such investment funds, and a decline in realized or unrealized gains, or an increase in realized or unrealized losses, would adversely affect our revenue and possibly cash flow, which could further increase the volatility of our quarterly results. Because our carry funds have preferred return thresholds to investors that need to be met prior to our receiving any Performance Allocations, substantial declines in the carrying value of the investment portfolios of a carry fund can significantly delay or eliminate any Performance Allocations paid to us in respect of that fund since the value of the assets in the fund would need to recover to their aggregate cost basis plus the preferred return over time before we would be entitled to receive any Performance Allocations from that fund.

The timing and receipt of Performance Allocations also varies with the life cycle of our carry funds. During periods in which a relatively large portion of our assets under management is attributable to carry funds and investments in their “harvesting” period, our carry funds would make larger distributions than in the fundraising or investment periods that precede harvesting. During periods in which a significant portion of our assets under management is attributable to carry funds that are not in their harvesting periods, we may receive substantially lower Performance Allocations.

For certain of our vehicles, including our core+ real estate funds, infrastructure funds and other of our perpetual capital vehicles, which have in recent years become increasing large contributors to our earnings, our incentive income is paid between quarterly and every five years. The varying frequency of these payments will contribute to the volatility of our cash flow. Furthermore, we earn this incentive income only if the net asset value of a vehicle has increased or, in the case of certain vehicles, increased beyond a particular return threshold, or if the vehicle has earned a net profit. Certain of these vehicles also have “high water marks” whereby we do not earn incentive income during a particular period even though the vehicle had positive returns in such period as a result of losses in prior periods. If one of these vehicles experiences losses, we will not earn incentive income from it until it surpasses the previous high water mark. The incentive income we earn is therefore dependent on the net asset value or the net profit of the vehicle, which could lead to significant volatility in our results.

***Adverse economic and market conditions may adversely affect the amount of cash generated by our businesses, the value of our principal investments, and in turn, our ability to pay dividends to our stockholders.***

We primarily use cash to, without limitation (a) provide capital to facilitate the growth of our existing businesses, which principally includes funding our general partner and co-investment commitments to our funds, (b) provide capital for business expansion, (c) pay operating expenses, including cash compensation to our employees, and other obligations as they arise, including servicing our debt and (d) pay dividends to our stockholders, make distributions to the holders of Blackstone Holdings Partnership Units and make repurchases under our share repurchase program. Our principal sources of cash are: (a) cash we received in connection with our prior bond offerings, (b) management fees, (c) realized incentive fees and (d) realized performance allocations, which is the sum of Realized Principal Investment Income and Realized Performance Revenues less Realized Performance Compensation. We have also entered into a \$4.135 billion revolving credit facility with a final maturity date of June 3, 2027. Our long-term debt totaled \$11.0 billion in borrowings from our prior bond issuances. As of December 31, 2022, we had no borrowings outstanding under our revolving credit facility. As of December 31, 2022, we had \$4.3 billion in Cash and Cash Equivalents, \$1.1 billion invested in Corporate Treasury Investments and \$3.5 billion in Other Investments.

---

## [Table of Contents](#)

If the global economy and conditions in the financing markets worsen, the investment performance of our funds could suffer, resulting in, for example, the payment of decreased or no Performance Allocations to us. This could materially and adversely affect the amount of cash we have on hand, which could in turn require us to rely on other sources of cash, such as the capital markets, which may not be available to us on acceptable terms for the above purposes. A decrease in the amount of cash we have on hand could also materially and adversely affect our ability to pay dividends to our stockholders and make repurchases under our share repurchase program. Furthermore, during adverse economic and market conditions, we might not be able to renew all or part of our existing revolving credit facility or find alternate financing on commercially reasonable terms. As a result, our uses of cash may exceed our sources of cash, thereby potentially affecting our liquidity position. In addition, we have made and expect to continue to make significant principal investments in our current and future investment funds. Contributing capital to these investment funds is risky, and we may lose some or the entire principal amount of our investments, including, without limitation, as a result of poor investment performance in a challenging economic and market environment.

***We depend on our founder and other key senior managing directors and the loss of their services would have a material adverse effect on our business, results and financial condition.***

We depend on the efforts, skill, reputations and business contacts of our founder, Stephen A. Schwarzman, our President, Jonathan D. Gray, and other key senior managing directors, the information and deal flow they generate during the normal course of their activities and the synergies among the diverse fields of expertise and knowledge held by our professionals. Accordingly, our success will depend on the continued service of these individuals, who are not obligated to remain employed with us. Several key senior managing directors have left the firm in the past and others may do so in the future, and we cannot predict the impact that the departure of any key senior managing director will have on our ability to achieve our investment objectives. For example, the governing agreements of many of our funds generally provide investors with the ability to terminate the investment period in the event that certain “key persons” in the fund do not meet the specified time commitment to the fund or our firm ceases to control the general partner. The loss of the services of any key senior managing directors could have a material adverse effect on our revenues, net income and cash flows and could harm our ability to maintain or grow assets under management in existing funds or raise additional funds in the future. We have historically relied in part on the interests of these professionals in the investment funds’ carried interest and incentive fees to discourage them from leaving the firm. However, to the extent our investment funds perform poorly, thereby reducing the potential for carried interest and incentive fees, their interests in carried interest and incentive fees become less valuable to them and become less effective as incentives for them to continue to be employed at Blackstone.

Our senior managing directors and other key personnel possess substantial experience and expertise and have strong business relationships with investors in our funds, clients and other members of the business community. As a result, the loss of these personnel could jeopardize our relationships with investors in our funds, our clients and members of the business community and result in the reduction of assets under management or fewer investment opportunities.

Our publicly traded structure and other factors may adversely affect our ability to recruit, retain and motivate our senior managing directors and other key personnel, which could adversely affect our business, results and financial condition.

Our most important asset is our people, and our continued success is highly dependent upon the efforts of our senior managing directors and other professionals. Our future success and growth depend to a substantial degree on our ability to retain and motivate our senior managing directors and other key personnel and to strategically recruit, retain and motivate new talented personnel. The compensation of senior managing directors and other key personnel generally includes awards of Blackstone equity interests that entitle the holder to distributions or dividends. Such individuals, particularly our current senior managing directors, own a meaningful amount of such



---

## [Table of Contents](#)

equity interests (including Blackstone Holdings Partnership Units). The value of such equity interests, however, and the distributions or dividends in respect thereof, may not be sufficient to retain and motivate such individuals, nor may they be sufficiently attractive to strategically recruit, retain and motivate new talented personnel.

Additionally, the minimum retained ownership requirements and transfer restrictions to which these interests are subject in certain instances lapse over time, may not be enforceable in all cases and can be waived. There is no guarantee that the non-competition and non-solicitation agreements to which our senior managing directors and other key personnel are subject, together with our other arrangements with them, will prevent them from leaving, joining our competitors or otherwise competing with us. In addition, there is no assurance that such agreements will be enforceable in all cases. In addition, these non-competition and non-solicitation agreements expire after a certain period of time, at which point such senior managing directors and other personnel would be free to compete against us and solicit our clients and employees.

We might not be able to provide future senior managing directors with interests in our business to the same extent or with the same tax consequences from which our existing senior managing directors previously benefited. For example, U.S. Federal income tax law currently imposes a three-year holding period requirement for carried interest to be treated as long-term capital gains. The holding period requirement may result in some of the carried interest received by such individuals being treated as ordinary income, which would materially increase the amount of taxes that our employees and other key personnel would be required to pay. Moreover, the tax treatment of carried interest continues to be an area of focus for policymakers and government officials, which could result in further regulatory action by federal or state governments. See “— Changes in U.S. and foreign taxation of businesses and other tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely affect us, including by adversely impacting our effective tax rate and tax liability.” In addition, certain states have temporarily increased the income tax rate for the state’s highest earners, which could subject certain of our personnel to the highest combined state-and-local tax rate in the United States. Potential tax rate increases and changes to the tax treatment of carried interest and in applicable tax laws, along with changing opinions regarding living in some geographies where we have offices, may adversely affect our ability to recruit, retain and motivate our current and future professionals.

Alternatively, the value of the equity awards we issue senior managing directors and other key personnel at any given time may subsequently fall (as reflected in the market price of common stock), which could counteract the incentives we are seeking to induce in them. To recruit and retain existing and future senior managing directors and other key personnel, we may need to increase the level of compensation that we pay to them, which would cause our total employee compensation and benefits expense as a percentage of our total revenue to increase and adversely affect our profitability. In addition, any future issuance of equity interests in our business to senior managing directors and other personnel would dilute public common stockholders.

We strive to maintain a work environment that reinforces our culture of collaboration, motivation and alignment of interests with investors. If we do not continue to develop and implement the right processes and tools to maintain this culture, particularly in light of rapid and significant growth in our scale, global presence and employee population, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations.

### ***The asset management business is intensely competitive.***

The asset management business is intensely competitive, with competition based on a variety of factors, including investment performance, the quality of service provided to clients, investor availability of capital and willingness to invest, fund terms (including fees and liquidity terms), brand recognition and business reputation. Our asset management business competes with a number of private funds, specialized investment funds, funds structured for individual investors, hedge funds, funds of hedge funds and other sponsors managing pools of capital, as well as corporate buyers, traditional asset managers, commercial banks, investment banks and other

---

## [Table of Contents](#)

financial institutions (including sovereign wealth funds), and we expect that competition will continue to increase. For example, certain traditional asset managers have developed their own private equity and retail platforms and are marketing other asset allocation strategies as alternatives to hedge fund investments. Additionally, developments in financial technology, or fintech, such as distributed ledger technology, or blockchain, have the potential to disrupt the financial industry and change the way financial institutions, as well as asset managers, do business. A number of factors serve to increase our competitive risks:

- a number of our competitors in some of our businesses have greater financial, technical, research, marketing and other resources and more personnel than we do,
- some of our funds may not perform as well as competitors' funds or other available investment products,
- several of our competitors have significant amounts of capital, and many of them have similar investment objectives to ours, which may create additional competition for investment opportunities and may reduce the size and duration of pricing inefficiencies that many alternative investment strategies seek to exploit,
- some of our competitors, particularly strategic competitors, may have a lower cost of capital, which may be exacerbated limits on the deductibility of interest expense,
- some of our competitors may have access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities,
- some of our competitors may be subject to less regulation and accordingly may have more flexibility to undertake and execute certain businesses or investments than we can and/or bear less compliance expense than we do,
- some of our competitors may have more flexibility than us in raising certain types of investment funds under the investment management contracts they have negotiated with their investors,
- some of our competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make or to seek exit opportunities through different channels, such as special purpose acquisition vehicles,
- some of our competitors may be more successful than us in the development of new products to address investor demand for new or different investment strategies and/or regulatory changes, including with respect to products with mandates that incorporate ESG considerations, or products that developed for individual investors or that target insurance capital,
- there are relatively few barriers to entry impeding new alternative asset fund management firms, and the successful efforts of new entrants into our various businesses, including former "star" portfolio managers at large diversified financial institutions as well as such institutions themselves, is expected to continue to result in increased competition,
- some of our competitors may have better expertise or be regarded by investors as having better expertise in a specific asset class or geographic region than we do,
- some of our competitors may be more successful than us in the development and implementation of new technology to address investor demand for product and strategy innovation, particularly in the hedge fund industry,
- our competitors that are corporate buyers may be able to achieve synergistic cost savings in respect of an investment, which may provide them with a competitive advantage in bidding for an investment,
- some investors may prefer to invest with an investment manager that is not publicly traded or is smaller with only one or two investment products that it manages, and
- other industry participants will from time to time seek to recruit our investment professionals and other employees away from us.

---

## [Table of Contents](#)

We may lose investment opportunities in the future if we do not match investment prices, structures and terms offered by competitors. Alternatively, we may experience decreased rates of return and increased risks of loss if we match investment prices, structures and terms offered by competitors. Moreover, if we are forced to compete with other alternative asset managers on the basis of price, we may not be able to maintain our current fund fee and carried interest terms. We have historically competed primarily on the performance of our funds, and not on the level of our fees or carried interest relative to those of our competitors. However, there is a risk that fees and carried interest in the alternative investment management industry will decline, without regard to the historical performance of a manager. Fee or carried interest income reductions on existing or future funds, without corresponding decreases in our cost structure, would adversely affect our revenues and profitability.

In addition, the attractiveness of our investment funds relative to investments in other investment products could decrease depending on economic conditions. Furthermore, any new or incremental regulatory measures for the U.S. financial services industry may increase costs and create regulatory uncertainty and additional competition for many of our funds. See “— Financial regulatory changes in the United States could adversely affect our business.”

This competitive pressure could adversely affect our ability to make successful investments and limit our ability to raise future investment funds, either of which would adversely impact our business, revenue, results of operations and cash flow.

***Our business depends in large part on our ability to raise capital from third party investors. A failure to raise capital from third party investors on attractive fee terms or at all, would impact our ability to collect management fees or deploy such capital into investments and potentially collect Performance Revenues, which would materially reduce our revenue and cash flow and adversely affect our financial condition.***

Our ability to raise capital from third party investors depends on a number of factors, including certain factors that are outside our control. Certain factors, such as economic and market conditions (including the performance of the stock market) and the asset allocation rules or investment policies to which such third party investors are subject, could inhibit or restrict the ability of third party investors to make investments in our investment funds or the asset classes in which our investment funds invest. For example, state politicians and lawmakers across a number of states, including Pennsylvania and Florida, have continued to put forth proposals or expressed intent to take steps to reduce or minimize the ability of their state pension funds to invest in alternative asset classes, including by proposing to increase the reporting or other obligations applicable to their state pension funds that invest in such asset classes. Such proposals or actions would potentially discourage investment by such state pension funds in alternative asset classes by imposing meaningful compliance burdens and costs on them, which could adversely affect our ability to raise capital from such state pension funds. Other states could potentially take similar actions, which may further impair our access to capital from an investor base that has historically represented a significant portion of our fundraising.

In addition, volatility in the valuations of investments, has in the past and may in the future affect our ability to raise capital from third party investors. To the extent periods of volatility are coupled with a lack of realizations from investors' existing portfolios, such investors may be left with disproportionately outsized remaining commitments to a number of investment funds, which significantly limits such investors' ability to make new commitments to third party managed investment funds such as those managed by us. In addition, we have increasingly undertaken initiatives to increase the number and type of investment products we make available to individual investors, many of which contain terms that permit investors to request redemption or repurchase of their interests in such products on a periodic basis. Subject to certain limitations, these products include limits on the aggregate amount of such interests that may be redeemed in a given period. During periods of market volatility, investor subscriptions to such vehicles are likely to be reduced, and investor redemption or repurchase requests are likely to be elevated, which may negatively impact the fees we earn from such vehicles. To the extent redemptions or repurchases are prorated, this could further dampen subscriptions and may negatively impact such

---

## [Table of Contents](#)

fees. In addition, certain of our investment vehicles that are available to individual investors are subject to state registration requirements that impose limits on the proportion of such investors' net worth that can be invested in our products. These restrictions may limit such investors' ability or willingness to allocate capital to such products and adversely affect our fundraising in the retail channel.

Our ability to raise new funds could similarly be hampered if the general appeal of real estate, private equity and other alternative investments were to decline. An investment in a limited partner interest in an alternative investment fund is generally more illiquid and the returns on such investment may be more volatile than an investment in securities for which there is a more active and transparent market. In periods of positive markets and low volatility, for example, investors may favor passive investment strategies such as index funds over our actively managed investment vehicles. Similarly, during periods of high interest rates, investors may favor investments that are generally viewed as producing a risk-free return, such as treasury bonds, over investments in our products, particularly if the spread between the products declines. Alternative investments could also fall into disfavor as a result of concerns about liquidity and short-term performance. Such concerns could be exhibited, in particular, by public pension funds, which have historically been among the largest investors in alternative assets. Many public pension funds are significantly underfunded and their funding problems have been, and may in the future be, exacerbated by economic downturn. Concerns with liquidity could cause such public pension funds to reevaluate the appropriateness of alternative investments. Although a number of investors, including certain public pension funds, have increased their allocations to alternative investments in recent years, there is no assurance that this will continue or that our ability to raise capital from investors will not be hampered. In addition, our ability to raise capital from third parties outside of the U.S. could be limited to the extent other countries, such as China, impose restrictions or limitations on outbound foreign investment.

Moreover, certain institutional investors are demonstrating a preference to in-source their own investment professionals and to make direct investments in alternative assets without the assistance of alternative asset advisers like us. Such institutional investors may become our competitors and could cease to be our clients. As some existing investors cease or significantly curtail making commitments to alternative investment funds, we may need to identify and attract new investors in order to maintain or increase the size of our investment funds. There are no assurances that we can find or secure commitments from those new investors or that the fee terms of the commitments from such new investors will be consistent with the fees historically paid to us by our investors. If economic conditions were to deteriorate or if we are unable to find new investors, we might raise less than our desired amount for a given fund. Further, as we seek to expand into other asset classes, we may be unable to raise a sufficient amount of capital to adequately support such businesses. A failure to successfully raise capital could materially reduce our revenue and cash flow and adversely affect our financial condition.

In connection with raising new funds or making further investments in existing funds, we negotiate terms for such funds and investments with existing and potential investors. The outcome of such negotiations could result in our agreement to terms that are materially less favorable to us than for prior funds we have managed or funds managed by our competitors, including with respect to management fees, incentive fees and/or carried interest, which could have an adverse impact on our revenues. Such terms could also restrict our ability to raise investment funds with investment objectives or strategies that compete with existing funds, add additional expenses and obligations for us in managing the fund or increase our potential liabilities, all of which could ultimately reduce our revenues. In addition, certain institutional investors, including sovereign wealth funds and public pension funds, have demonstrated an increased preference for alternatives to the traditional investment fund structure, such as managed accounts, smaller funds and co-investment vehicles. There can be no assurance that such alternatives will be as profitable for us as the traditional investment fund structure, or as to the impact such a trend could have on the cost of our operations or profitability if we were to implement these alternative investment structures. Although we have no obligation to modify any of our fees with respect to our existing funds, we may experience pressure to do so in our funds, including in response to regulatory focus by the SEC on the quantum and types of fees and expenses charged by private funds. We have confronted and expect to continue to confront requests from a variety of investors and groups representing investors to decrease fees, which could result in a reduction in the fees and Performance Revenues we earn.

---

## [Table of Contents](#)

***We have increasingly undertaken business initiatives to increase the number and type of investment products we offer to individual investors, which could expose us to new and greater levels of risk.***

Although retail investors have been part of our historic distribution efforts, we have increasingly undertaken business initiatives to increase the number and type of investment products we offer to high net worth individuals, family offices and mass affluent investors in the U.S. and other jurisdictions around the world. In some cases, our funds are distributed to such investors indirectly through third party managed vehicles sponsored by brokerage firms, private banks or third-party feeder providers, and in other cases directly to the qualified clients of private banks, independent investment advisors and brokers. In other cases, we create investment products specifically designed for direct investment by individual investors in the U.S., some of whom are not accredited investors, or similar investors in non-U.S. jurisdictions, including in Europe. Such investment products are regulated by the SEC in the U.S. and by other similar regulatory bodies in other jurisdictions.

Accessing individual investors and selling products directed at such investors exposes us to new and greater levels of risk, including heightened litigation and regulatory enforcement risks. To the extent distribution of such products is through new channels, including through an increasing number of distributors with whom we engage, we may not be able to effectively monitor or control the manner of their distribution, which could result in litigation or regulatory action against us, including with respect to, among other things, claims that products distributed through such channels are distributed to customers for whom they are unsuitable or that they are distributed in an otherwise inappropriate manner. Although we seek to ensure through due diligence and onboarding procedures that the third-party channels through which individual investors access our investment products conduct themselves responsibly, we are exposed to the risks of reputational damage and legal liability to the extent such third parties improperly sell our products to investors. This risk is heightened by the continuing increase in the number of third parties through whom we distribute our investment products around the world and who we do not control. For example, in certain cases, we may be viewed by a regulator as responsible for the content of materials prepared by third-party distributors.

Similarly, there is a risk that Blackstone employees involved in the direct distribution of our products, or employees who oversee independent advisors, brokerage firms and other third parties around the world involved in distributing our products, do not follow our compliance and supervisory procedures. In addition, the distribution of retail products, including through new channels whether directly or through market intermediaries, could expose us to allegations of improper conduct and/or actions by state and federal regulators in the U.S. and regulators in jurisdictions outside of the U.S. with respect to, among other things, product suitability, investor classification, compliance with securities laws, conflicts of interest and the adequacy of disclosure to customers to whom our products are distributed through those channels.

In addition, many of the investment products that we make available to individual investors contain terms that permit such investors to request redemption or repurchase of their interests on a periodic basis and, subject to certain limitations, include limits on the aggregate amount of such interests that may be redeemed or repurchased in a given period. Challenging market or economic conditions and liquidity needs could cause elevated share redemption or repurchase requests from investors in such products. Such redemption or repurchase requests may be elevated in certain regions, such as Asia, where such vehicles may have a significant number of investors. Recently, certain of such vehicles have limited, and may in the future limit, the amount of such redemption or repurchase request that are fulfilled. Such limitations are particularly possible in the event redemption or repurchase requests are elevated or investor subscriptions to such products are concurrently at reduced levels. Such limitations may subject us to reputational harm and may make such vehicles less attractive to individual investors, which could have a material adverse effect on the cash flows of such vehicles. This may in turn negatively impact the revenues we derive from such vehicles.

---

## [Table of Contents](#)

As we expand the distribution of products to individual investors outside of the U.S., we are increasingly exposed to risks in non-U.S. jurisdictions. While many of the risks we face in non-U.S. jurisdictions are similar to those that we face in the distribution of products to individual investors in the U.S., securities laws and other applicable regulatory regimes can be extensive, complex and vary by jurisdiction. In addition, the distribution of products to individual investors out of the U.S. may involve complex structures (such as distributor-sponsored feeder funds or nominee/omnibus investors) and market practices that vary by local jurisdiction. As a result, this expansion subjects us to additional complexity, litigation and regulatory risk.

In addition, our initiatives to expand our individual investor base, including outside of the U.S., requires the investment of significant time, effort and resources, including the potential hiring of additional personnel, the implementation of new operational, compliance and other systems and processes and the development or implementation of new technology. There is no assurance that our efforts to grow the assets we manage on behalf of individual investors will be successful.

***Changes in U.S. and foreign taxation of businesses and other tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely affect us, including by adversely impacting our effective tax rate and tax liability.***

Our effective tax rate and tax liability is based on the application of current income tax laws, regulations and treaties. These laws, regulations and treaties are complex, and the manner which they apply to us and our funds is sometimes open to interpretation. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. Although management believes its application of current laws, regulations and treaties to be correct and sustainable upon examination by the tax authorities, the tax authorities could challenge our interpretation resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate.

In addition, recent and future changes to tax laws and regulations may have an adverse impact on us. For example, the recently enacted Inflation Reduction Act imposes, among other things, a minimum “book” tax on certain large corporations and creates a new excise tax on net stock repurchases made by certain publicly traded corporations after December 31, 2022. While the application of this new law is uncertain and we continue to evaluate its potential impact, these changes could materially change the amount and/or timing of tax we may be required to pay.

In addition, the U.S. Congress, the Organization for Economic Co-operation and Development (“OECD”) and other government agencies in jurisdictions in which we and our affiliates invest or do business have maintained a focus on issues related to the taxation of multinational companies. The OECD, which represents a coalition of member countries, is contemplating changes to numerous long-standing tax principles through its base erosion and profit shifting (“BEPS”) project, which is focused on a number of issues, including the shifting of profits between affiliated entities in different tax jurisdictions, interest deductibility and eligibility for the benefits of double tax treaties. The OECD also recently finalized guidelines that recommend certain multinational enterprises be subject to a minimum 15% tax rate, effective from 2024. This minimum tax and several of the proposed measures are potentially relevant to some of our structures and could have an adverse tax impact on our funds, investors and/or our funds’ portfolio companies. Some member countries have been moving forward on the BEPS agenda but, because timing of implementation and the specific measures adopted will vary among participating states, significant uncertainty remains regarding the impact of BEPS proposals. If implemented, these proposals could result in a loss of tax treaty benefits and increased taxes on income from our investments.

---

## [Table of Contents](#)

***Cybersecurity and data protection risks could result in the loss of data, interruptions in our business, and damage to our reputation, and subject us to regulatory actions, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations.***

Our operations are highly dependent on our technology platforms and we rely heavily on our analytical, financial, accounting, communications and other data processing systems. Our systems face ongoing cybersecurity threats and attacks, which could result in the failure of such systems. Attacks on our systems could involve, and in some instances have in the past involved, attempts intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, or divert or otherwise steal funds, including through the introduction of computer viruses, “phishing” attempts and other forms of social engineering. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as employees.

There has been an increase in the frequency and sophistication of the cyber and security threats we face, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target us because, as an alternative asset management firm, we hold a significant amount of confidential and sensitive information about our investors, our funds’ portfolio companies and potential investments. As a result, we may face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures we take to ensure the integrity of our systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful. If our systems are compromised, do not operate properly or are disabled, or we fail to provide the appropriate regulatory or other notifications in a timely manner, we could suffer financial loss, a disruption of our businesses, liability to our investment funds and fund investors, regulatory intervention or reputational damage. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

In addition, we could also suffer losses in connection with updates to, or the failure to timely update, the technology platforms on which we rely. We are reliant on third party service providers for certain aspects of our business, including for the administration of certain funds, as well as for certain technology platforms, including cloud-based services. These third party service providers could also face ongoing cybersecurity threats and compromises of their systems and as a result, unauthorized individuals could gain, and in some past instances have gained, access to certain confidential data.

Cybersecurity and data protection have become top priorities for regulators around the world. Many jurisdictions in which we operate have laws and regulations relating to privacy, data protection and cybersecurity, including, as examples the General Data Protection Regulation (“GDPR”) in the European Union and the California Privacy Rights Act (“CPRA”). In addition, in February 2022, the SEC proposed rules regarding registered investment advisers’ and funds’ cybersecurity risk management, which would require them to adopt and implement cybersecurity policies and procedures, enhance disclosures concerning cybersecurity incidents and risks in regulatory filings, and investment advisers to promptly report certain cybersecurity incidents to the SEC. If this proposal is adopted, it could increase our compliance costs and potential regulatory liability related to cybersecurity. See “— Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage.” Some jurisdictions have also enacted or proposed laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data.

Breaches in our security or in the security of third party service providers, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize our, our employees’ or our fund investors’ or counterparties’ confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in

---

## [Table of Contents](#)

our, our employees', our fund investors', our counterparties' or third parties' business and operations, which could result in significant financial losses, increased costs, liability to our fund investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if we fail to comply with the relevant laws and regulations or fail to provide the appropriate regulatory or other notifications of breach in a timely matter, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm and may cause our fund investors and clients to lose confidence in the effectiveness of our security measures and Blackstone more generally.

Our funds' portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. Our funds may invest in strategic assets having a national or regional profile or in infrastructure, the nature of which could expose them to a greater risk of being subject to a terrorist attack or security breach than other assets or businesses. Such an event may have material adverse consequences on our investment or assets of the same type or may require portfolio companies to increase preventative security measures or expand insurance coverage.

Finally, our and our funds' portfolio companies' technology platforms, data and intellectual property are also subject to a heightened risk of theft or compromise to the extent we or our funds' portfolio companies engage in operations outside the United States, in particular in those jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. In addition, we and our funds' portfolio companies may be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in a foreign jurisdiction. Any such direct or indirect compromise of these assets could have a material adverse impact on us and our funds' portfolio companies.

### ***Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage.***

We and our funds' portfolio companies are subject to various risks and costs associated with the collection, processing, storage and transmission of personally identifiable information ("PII") and other sensitive and confidential information. This data is wide ranging and relates to our investors, employees, contractors and other counterparties and third parties. Our compliance obligations include those relating to U.S. laws and regulations, including, without limitation, the CPRA, which provides for enhanced consumer protections for California residents, a private right of action for data breaches and statutory fines and damages for data breaches or other CCPA violations, as well as a requirement of "reasonable" cybersecurity. Our compliance obligations also include those relating to foreign data collection and privacy laws, including, for example, the GDPR and U.K. Data Protection Act, as well as laws in many other jurisdictions globally, including Switzerland, Japan, Hong Kong, Singapore, China, Australia, Canada and Brazil. Global laws in this area are rapidly increasing in the scale and depth of their requirements, and are also often extra-territorial in nature. In addition, a wide range of regulators and private actors are seeking to enforce these laws across regions and borders. Furthermore, we frequently have privacy compliance requirements as a result of our contractual obligations with counterparties. These legal, regulatory and contractual obligations heighten our privacy obligations in the ordinary course of conducting our business in the U.S. and internationally.

While we have taken various measures and made significant efforts and investment to ensure that our policies, processes and systems are both robust and compliant with these obligations, our potential liability remains, particularly given the continued and rapid development of privacy laws and regulations around the world, and increased criminal and civil enforcement actions and private litigation. Any inability, or perceived inability, by us or our funds' portfolio companies to adequately address privacy concerns, or comply with applicable laws, regulations, policies, industry standards and guidance, contractual obligations, or other legal obligations, even if unfounded, could result in significant regulatory and third party liability, increased costs, disruption of our and our



---

## [Table of Contents](#)

funds' portfolio companies' business and operations, and a loss of client (including investor) confidence and other reputational damage. Furthermore, as new privacy-related laws and regulations are implemented, the time and resources needed for us and our funds' portfolio companies to comply with such laws and regulations continues to increase and become a significant compliance workstream.

### ***Our operations are highly dependent on the technology platforms and corresponding infrastructure that supports our business.***

A disaster or a disruption in the infrastructure that supports our businesses, as a result of a cybersecurity incident or otherwise, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our cloud services providers, could have a material adverse impact on our ability to continue to operate our business without interruption. Our disaster recovery and business continuity programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all.

We are reliant on third party service providers for certain aspects of our business, including the administration of certain funds. We are also reliant on third party service providers for certain technology platforms that facilitate the continued operation of our business, including cloud-based services. In addition to the fact that these third-party service providers could also face ongoing cyber security threats and compromises of their systems, we generally have less control over the delivery of such third party services, and as a result, we may face disruptions to our ability to operate a business as a result of interruptions of such services. A prolonged global failure of cloud services provided by a variety of cloud services providers that we engage could result in cascading systems failures for us. In addition, any interruption or deterioration in the performance of these third parties or failures or compromises of their information systems and technology could impair the operations of us and our funds and adversely affect our reputation and businesses.

In addition, our operations are highly dependent on our technology platforms and we rely heavily on our analytical, financial, accounting, communications and other data processing systems, each of which may require updates and enhancements as we grow our business. Our information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining such systems may increase from its current level. Such a failure to adapt to or accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on us. See “— Cybersecurity and data protection risks could result in the loss of data, interruptions in our business, and damage to our reputation, and subject us to regulatory actions, increased costs and financial losses, each of which could have a material adverse effect on our business and results of operations” and “— Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage.”

### ***Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus, particularly given the current administration, could result in additional burdens on our business.***

Our business is subject to extensive regulation, including periodic examinations, inquiries and investigations, by governmental agencies and self-regulatory organizations in the jurisdictions in which we operate around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are also empowered to conduct examinations, inquiries, investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against us or our personnel.

---

## [Table of Contents](#)

The financial services industry in recent years has been the subject of heightened scrutiny, which is expected to continue to increase, and the SEC has specifically focused on private equity and the private funds industry. In that connection, in recent years the SEC's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, terms agreed in side letters and similar arrangements with investors, consistency of firms' practices with disclosures, handling of material non-public information and insider trading, disclosures of investment risk, purported waivers or limitations of fiduciary duties, conflicts around liquidity, risk management and the existence of, and adherence to, compliance policies and procedures with respect to conflicts of interest. Statements by SEC staff in 2022 reiterated a focus on certain of these topics and on bolstering transparency in the private funds industry, including with respect to fees earned and expenses charged by advisers. In 2022, the SEC proposed a number of new rules and amendments to existing rules that, if enacted, would have significant impact on our business and operations. In February 2022, the SEC proposed new rules and amendments to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds. If enacted, the proposed rules and amendments could have a significant impact on advisers to private funds, including our advisers.

In particular, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; increase reporting requirements by private funds to investors concerning performance, fees and expenses; require registered advisers to obtain an annual audit for private funds and also require such fund's auditor to notify the SEC upon the occurrence of certain material events; enhance requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as general partner-led secondaries); prohibit advisers from engaging in certain practices, such as, without limitation, charging accelerated fees for unperformed services or fees and expenses associated with an examination to private fund clients; and impose limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. Amendments to the existing books and records and compliance rules under the Advisers Act would complement new proposals and also require that all registered advisers document their annual compliance review in writing. In addition, the SEC also proposed amendments to rules that would seek to categorize certain types of ESG strategies and require investment funds and advisors to provide disclosures based on ESG strategies they pursue. Further, the SEC proposed rules that, if enacted, would require certain climate-related disclosures by public companies, including disclosure of financed emissions, an extensive and complex category of emissions that is difficult to calculate accurately and for which there is currently no agreed measurement standard or methodology. Furthermore, in October 2022 the SEC proposed a new rule and related amendments that would impose substantial obligations on registered investment advisers to conduct initial due diligence and ongoing monitoring of a broad universe of service providers that we may use in our investment advisory business. If adopted, including with modifications, these new rules could significantly impact us (including certain of our advisers) and our operations, including by increasing compliance burdens and associated regulatory costs and complexity and reducing the ability to receive certain expense reimbursements or indemnification in certain circumstances. In addition, these potential rules enhance the risk of regulatory action, which could adversely impact our reputation and our fundraising efforts, including as a result of public regulatory sanctions. Moreover, in February 2023, the SEC proposed extensive amendments to the custody rule for SEC-registered investment advisers. If adopted, the amendments would require, among other things, the adviser to: obtain certain contractual terms from each advisory client's qualified custodian; document that privately-offered securities cannot be maintained by a qualified custodian; and promptly obtain verification from an independent public accountant of any purchase, sale or transfer of privately-offered securities. The amendments also would apply to all assets of a client, including real estate and other assets that generally are not considered securities under the federal securities laws. If adopted, these amendments could expose our registered investment advisers to additional regulatory liability, increase compliance costs, and impose limitations on our investing activities.

We regularly are subject to requests for information, inquiries and informal or formal investigations by the SEC and other regulatory authorities, with which we routinely cooperate, and which have included review of historical practices that were previously examined. Such investigations have previously and may in the future result in penalties and other sanctions. SEC actions and initiatives can have an adverse effect on our financial results, including as a result of the imposition of a sanction, a limitation on our or our personnel's activities, or changing our historic practices. Even if an investigation or proceeding did not result in a sanction, or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing clients or fail to gain new clients.

---

## [Table of Contents](#)

In addition, certain states and other regulatory authorities have required investment managers to register as lobbyists, and we have registered as such in a number of jurisdictions. Other states or municipalities may consider similar legislation or adopt regulations or procedures with similar effect. These registration requirements impose significant compliance obligations on registered lobbyists and their employers, which may include annual registration fees, periodic disclosure reports and internal recordkeeping.

***We are subject to increasing scrutiny from regulators, elected officials, stockholders, investors and other stakeholders with respect to environmental, social and governance matters, which may adversely impact our ability to raise capital from certain investors, constrain capital deployment opportunities for our funds and harm our brand and reputation.***

We, our funds and their portfolio companies are subject to increasing scrutiny from regulators, elected officials, stockholders, investors and other stakeholders with respect to environmental, social and governance matters. With respect to the alternative asset management industry, in recent years, certain investors, including public pension funds, have placed increasing importance on the impacts of investments made by the private funds to which they commit capital, including with respect to climate change, among other aspects of ESG. Conversely, certain investors have raised concerns as to whether the incorporation of ESG factors in the investment and portfolio management process may be inconsistent with the fiduciary duty to maximize return for investors.

Certain investors have demonstrated increased concern with respect to asset managers taking certain actions that could adversely impact the value of, or, refraining from taking certain actions that could improve the value of, an existing or potential investment. At times, investors, including public pension funds, have limited participation in certain investment opportunities, such as hydrocarbons, and/or conditioned future capital commitments to certain funds on the basis of such factors. Other investors have voiced concern with respect to asset managers' policies that may result in such managers subordinating the interests of investors based solely or in part on ESG considerations. We may be subject to competing demands from different investors and other stakeholder groups with divergent views on ESG matters, including the role of ESG in the investment process. Investors, including public pension funds, which represent a significant portion of our funds' investor bases, may decide to withdraw previously committed capital (where such withdrawal is permitted) or not commit capital to future fundraises based on their assessment of how we approach and consider the ESG cost of investments and whether the return-driven objectives of our funds align with their ESG priorities. This divergence increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some stakeholders and adversely impact our reputation and business. If we do not successfully manage ESG-related expectations across the varied interests of our stakeholders, including existing or potential investors, our ability to access and deploy capital may be adversely impacted. In addition, a failure to successfully manage ESG-related expectations may negatively impact our reputation and erode stakeholder trust.

As part of their increased focus on the allocation of their capital to environmentally sustainable economic activities, certain investors also have begun to request or require data from their asset managers and/or use third-party benchmarks and ESG ratings to allow them to monitor the ESG impact of their investments. In addition, regulatory initiatives to require investors to make disclosures to their stakeholders regarding ESG matters are becoming increasingly common, which may further increase the number and type of investors who place importance on these issues and who demand certain types of reporting from us. In addition, government authorities of certain U.S. states have requested information from and scrutinized certain asset managers with respect to whether such managers have adopted ESG policies that would restrict such asset managers from investing in certain industries or sectors, such as traditional energy. These authorities have indicated that such asset managers may lose opportunities to manage money belonging to these states and their pension funds to the extent the asset managers boycott or take similar actions with respect to certain industries. This may impair our ability to access capital from certain investors, and we may in turn not be able to maintain or increase the size of our funds or raise sufficient capital for new funds, which may adversely impact our revenues.

---

## [Table of Contents](#)

In addition, there has been increased regulatory focus on ESG-related practices by investment managers, particularly with respect to the accuracy of statements made regarding ESG practices, initiatives and investment strategies. The SEC has established an enforcement task force to examine ESG practices and disclosures by public companies and investment managers and identify inaccurate or misleading statements, often referred to as “greenwashing.” In 2022, the SEC commenced enforcement actions against at least two investment advisers relating to ESG disclosures and policies and procedures failures, and we expect that there will be a greater level of enforcement activity in this area in the future. The SEC has also proposed two ESG-related rules for investment advisors that address, among other things, enhanced ESG-related disclosure requirements. There is also generally a higher likelihood of regulatory focus on ESG matters under the current administration, including in the context of examinations by regulators and potential enforcement actions. This could increase the risk that we are perceived as, or accused of, greenwashing. Such perception or accusation could damage our reputation, result in litigation or regulatory actions, and adversely impact our ability to raise capital and attract new investors.

Outside of the U.S., the European Commission adopted an action plan on financing sustainable growth, as well as initiatives at the EU level, such as the EU Sustainable Finance Disclosure Regulation (“SFDR”). See “— Financial regulatory changes in the United States could adversely affect our business” and “— Complex regulatory regimes and potential regulatory changes in jurisdictions outside the United States could adversely affect our business.” Compliance with the SFDR and other ESG-related rules may subject us, our funds and our funds’ portfolio companies to increased restrictions, disclosure obligations and compliance and other associated costs, as well as potential reputational harm. In addition, under the requirements of SFDR and other ESG-related regulations to which we may become subject, we may be required to classify certain of our funds and their portfolio companies against certain criteria, some of which can be open to subjective interpretation. Our view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. If regulators disagree with the procedures or standards we use, or new regulations or legislation require a methodology of measuring or disclosing ESG impact that is different from our current practice, it could have a material adverse effect on fundraising efforts and our reputation. The complexity and relative nascency of the global regulatory framework with respect to ESG matters increases the risk that any act or lack thereof with respect to ESG matters will be perceived negatively by a governmental authority or regulator.

We may also communicate certain initiatives, commitments and goals regarding environmental, diversity, and other ESG-related matters in our SEC filings or in other disclosures by us or our funds. These initiatives, commitments and goals could be difficult and expensive to implement, the personnel, processes and technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and we may not be able to accomplish them within the timelines we announce or at all. We could, for example, determine that it is not feasible or practical to implement or complete certain of such initiatives, commitments or goals based on cost, timing or other consideration. In addition, we could be criticized for the accuracy, adequacy or completeness of the disclosure related to our or our funds’ ESG-related policies, practices, initiatives, commitments and goals, and progress against those goals, which disclosure may be based on frameworks and standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for any revisions to these goals. Further, as part of our ESG practices, we rely from time to time on third-party data, services and methodologies and such services, data and methodologies could prove to be incomplete or inaccurate. If our or such third parties’ ESG-related data, processes or reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our goals within the scope of ESG on a timely basis, or at all, we may be subject to enforcement action and our reputation could be adversely affected, particularly if in connection with such matters we were to be accused of “greenwashing”.

---

## [Table of Contents](#)

### ***Financial regulatory changes in the United States could adversely affect our business.***

The financial services industry continues to be the subject of heightened regulatory scrutiny in the United States. There has been active debate over the appropriate extent of regulation and oversight of private investment funds and their managers. We may be adversely affected as a result of new or revised regulations imposed by the SEC or other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and regulations by these governmental authorities and self-regulatory organizations. Further, new regulations or interpretations of existing laws may result in enhanced disclosure obligations, including with respect to climate change or ESG matters, which could negatively affect us, our funds or our funds' portfolio companies and materially increase our regulatory burden. For example, in January and August 2022 the SEC proposed changes to Form PF, a confidential form relating to reporting by private funds and intended to be used by the Financial Stability Oversight Counsel ("FSOC") for systemic risk oversight purposes. The proposal, which represents an expansion of existing reporting obligations, if adopted, would require private fund managers, including us, to report to the SEC within one business day the occurrence of certain fund-related and portfolio company events. Increased regulations and disclosure obligations generally increase our costs, and we could continue to experience higher costs if new laws or disclosure obligations require us to spend more time, hire additional personnel, or buy new technology to comply effectively.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), enacted in July 2010, imposed significant changes on almost every aspect of the U.S. financial services industry, including aspects of our business, which include, without limitation, protection and compensation of whistleblowers, credit risk retention rules for certain sponsors of asset-backed securities, strengthening the oversight and supervision of the OTC derivatives and securities markets, as well as creating the FSOC, an interagency body charged with identifying and monitoring systemic risk to financial markets. Under the Dodd-Frank Act, the FSOC can designate certain financial companies as nonbank financial companies subject to supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). If we were to be designated as such by the FSOC, or if any of our business activities were to be identified by the FSOC as warranting enhanced regulation or supervision by certain regulators, we could be subject to materially greater regulatory burden, which could adversely impact our compliance and other costs, the implementation of certain of our investment strategies and our profitability.

Under the Dodd-Frank Act, whistleblowers who voluntarily provide original information to the SEC can receive compensation and protection. The Dodd-Frank Act established a fund to be used to pay whistleblowers who will be entitled to receive a payment equal to between 10% and 30% of certain monetary sanctions imposed in a successful government action resulting from the information provided by the whistleblower. According to a recent annual report to the U.S. Congress on the Dodd-Frank Whistleblower Program, whistleblower claims have increased significantly since the enactment of these provisions and in the 2022 fiscal year the SEC awarded approximately \$229 million to 103 individuals. Addressing such claims could generate significant expenses and take up significant management time for us and our funds' portfolio companies, even if such claims are frivolous or without merit.

The Dodd-Frank Act also authorized federal regulatory agencies to review and, in certain cases, prohibit compensation arrangements at financial institutions that give employees incentives to engage in conduct deemed to encourage inappropriate risk taking by covered financial institutions. In 2016, the SEC re-proposed a rule, as part of a joint rulemaking effort with U.S. federal banking regulators, that would apply to "covered financial institutions," including registered investment advisers and broker-dealers that have total consolidated assets of at least \$1 billion, and would impose substantive and procedural requirements on incentive-based compensation arrangements. While this proposed rule was never adopted, the current administration has included re-proposal of this rule on its regulatory agenda. The possibility that efforts are revived to finalize the rule under the current administration, could limit our ability to recruit and retain senior managing directors and investment professionals.

---

## [Table of Contents](#)

Rule 206(4)-5 under the Advisers Act prohibits investment advisers from providing advisory services for compensation to a government plan investor for two years, subject to limited exceptions, after the investment adviser, its senior executives or its personnel involved in soliciting investments from government entities make political contributions to certain candidates and officials in position to influence the hiring of an investment adviser by such government client. Advisers are required to implement compliance policies designed, among other matters, to comply with this rule. Any failure on our part to comply with the rule could expose us to significant penalties and reputational damage. In addition, there have been similar rules on a state level regarding “pay to play” practices by investment advisers. Additionally, the SEC’s amended rules for investment adviser marketing that went into effect in 2022 impose more prescriptive requirements and will impact the marketing of our funds, as well as placement agent arrangements globally. Compliance with the new rule may result in higher compliance and operational costs and less overall flexibility in our marketing.

The SEC has adopted “Regulation Best Interest,” which imposes a “best interest” standard of care for broker-dealers when recommending certain securities transactions to a customer. Regulation Best Interest requires such broker-dealers to evaluate available alternatives, including those that may have lower expenses and/or lower investment risk than our investment funds. The continued regulatory focus on Regulation Best Interest may negatively impact whether certain broker-dealers and their associated persons are willing to recommend investment products, including certain of our funds, to retail customers, which may adversely impact our ability to distribute our products to certain investors. In addition, the U.S. Department of Labor as well as several states have proposed regulations or taken other actions pertaining to conduct standards for investment advisers and broker-dealers that may result in additional requirements related to our business.

***The potential for governmental policy and/or legislative changes and regulatory reform by the current administration may create regulatory uncertainty for our investment strategies, may make it more difficult to operate our business, and may adversely affect the profitability of our funds’ portfolio companies.***

Governmental policy and/or legislative changes and regulatory reform could make it more difficult for us to operate our business, including by impeding fundraising, making certain equity or credit investments or investment strategies unattractive or less profitable. In addition, our ability to identify business and other risks associated with new investments depends in part on our ability to anticipate and accurately assess regulatory, legislative and other changes that may have a material impact on the businesses in which we choose to invest. We may face particular difficulty anticipating policy changes and reforms during periods of heightened partisanship at the federal, state and local levels, including due to the divisiveness surrounding populist movements, political disputes and socioeconomic issues. The failure to accurately anticipate the possible outcome of such changes and/or reforms could have a material adverse effect on the returns generated from our funds’ investments and our revenues.

In addition, in recent years there have been a number of leadership changes at a number of U.S. federal regulatory agencies with oversight over the industry, which has led to increased regulatory enforcement activity and rulemaking impacting the financial services industry.

Given the breadth of initiatives by the current administration and at the SEC and certain other regulatory bodies, policy changes could impose additional costs on the companies in which we have invested or choose to invest in the future, require the attention of senior management or result in limitations on the manner in which the companies in which we have invested or choose to invest in the future conduct business. Such changes or reforms may include, without limitation:

- There has been recurring consideration amongst regulators and intergovernmental institutions regarding the role of nonbank institutions in providing credit and, particularly, so-called “shadow banking,” a term generally taken to refer to financial intermediation involving entities and activities outside the regulated banking system. Federal regulatory bodies, such as the FSOC, and international organizations, such as the

## [Table of Contents](#)

Financial Stability Board, are assessing financial stability-related risks associated with, among other things, nonbank lending and certain types of open-end funds. At this time, it is unclear whether any rules or regulations related thereto will be proposed. If nonbank financial intermediation became subject to regulations or oversight standards similar to those applicable to traditional banks, certain of our business activities, including nonbank lending, would be adversely affected and the regulatory burden on us would materially increase, which could adversely impact the implementation of our investment strategy and our returns.

- In the United States, the FSOC has the authority to designate nonbank financial companies as systemically important financial institutions (“SIFIs”). Currently, there are no nonbank financial companies with a nonbank SIFI designation. The FSOC has, however, designated certain nonbank financial companies as SIFIs in the past, and additional nonbank financial companies, which may include large asset management companies such as us, may be designated as SIFIs in the future. Under its most recent guidance regarding procedures for designating nonbank financial companies as SIFIs, the FSOC shifted from an “entity-based” approach to an “activities-based” approach whereby the FSOC will primarily focus on regulating activities that pose systemic risk to the financial stability of the United States, rather than designations of individual firms. Future reviews by the FSOC of nonbank financial companies for designation as SIFIs may focus on other types of products and activities, such as nonbank lending activities conducted by certain of our businesses. If any of our activities were identified by the FSOC as posing potential risks to U.S. financial stability, such activities could be subject to modified or enhanced regulation or supervision by U.S. regulators with jurisdiction over such activities, although no proposals have been made indicating how such measures would be applied to any such identified activities.
- Under the FSOC’s most recent guidance, designation of an individual firm as a nonbank SIFI would only occur if, after engaging with the firm’s primary federal and state regulators, the FSOC determines that those regulators’ actions are inadequate to address the identified potential risk to U.S. financial stability. If we were designated as a nonbank SIFI, including as a result of our asset management or nonbank lending activities, we could become subject to direct supervision by the Federal Reserve Board, and could become subject to enhanced prudential, capital, supervisory and other requirements, such as risk-based capital requirements, leverage limits, liquidity requirements, resolution plan and credit exposure report requirements, concentration limits, a contingent capital requirement, enhanced public disclosures, short-term debt limits and overall risk management requirements. Requirements such as these, which were designed to regulate banking institutions, would likely need to be modified to be applicable to an asset manager, although no proposals have been made indicating how such measures would be adapted for asset managers.

### ***Trade negotiations and related government actions may create regulatory uncertainty for our funds’ portfolio companies and our investment strategies and adversely affect the profitability of our funds’ portfolio companies.***

In recent years, the U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. For example, the U.S. government has imposed tariffs on certain foreign goods, including from China, such as steel and aluminum. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods.

Furthermore, the U.S. has implemented a number of economic sanctions programs and export controls that specifically target Chinese entities and nationals on national security grounds, including, for example, with respect to China’s response to political demonstrations in Hong Kong and China’s conduct concerning the treatment of Uyghurs and other ethnic minorities in its Xinjiang province. Moreover, the U.S. has implemented additional sanctions against entities participating in China’s military industrial complex and providing support to the country’s military, intelligence, and surveillance apparatuses. These sanctions impose certain restrictions on U.S. persons and entities buying or selling publicly-traded securities of these designated entities. The U.S. has also imposed new

---

## [Table of Contents](#)

trade restrictions and license requirements on advanced computing semiconductor chips and additional restrictions on the exportation of semiconductor manufacturing items to China. These restrictions also add additional license requirements on items destined to certain semiconductor fabrication facilities in China. In return, China has imposed sanctions against certain U.S. nationals engaged in political activities relating to Hong Kong and has implemented countermeasures in response to sanctions imposed on Chinese individuals or entities by foreign governments, such that a company that complies with U.S. sanctions against a Chinese entity may then face penalties in China. Further escalation of the “trade war” between the U.S. and China, the countries’ inability to reach further trade agreements, or the continued use of reciprocal sanctions by each country, may negatively impact opportunities for investment as well as the rate of global growth, particularly in China, which has and continues to exhibit signs of slowing growth. Such slowing growth could adversely affect the revenues and profitability of our funds’ portfolio companies.

There is uncertainty as to the actions that may be taken under the current administration with respect to U.S. trade policy, including with China. Further governmental actions related to the imposition of tariffs or other trade barriers or changes to international trade agreements or policies, could further increase costs, decrease margins, reduce the competitiveness of products and services offered by current and future portfolio companies and adversely affect the revenues and profitability of companies whose businesses rely on goods imported from outside of the U.S.

***Our provision of products and services to insurance companies, including through Blackstone Insurance Solutions, subjects us to a variety of risks and uncertainties.***

We have increasingly undertaken initiatives to deliver to insurance companies customizable and diversified portfolios of Blackstone products across asset classes, as well as the option for partial or full management of insurance companies’ general account assets. This strategy has in recent years contributed to meaningful growth in our Assets under Management, including in Perpetual Capital Assets Under Management. BIS currently manages assets for Corebridge Financial Inc., Everlake Life Insurance Company, Fidelity & Guaranty Life Insurance Company, Resolution Life Group and certain of their respective affiliates pursuant to several investment management agreements. In addition, in July 2016, Blackstone and AXIS Capital co-sponsored the establishment of Harrington Reinsurance, a Bermuda property and casualty reinsurance company, and BIS currently manages all general account assets of Harrington Reinsurance. BIS also manages or sub-manages assets for certain insurance-dedicated funds and special purpose vehicles, and has developed, and expects to continue to develop, other capital-efficient products for insurance companies.

The continued success of BIS will depend in large part on further developing investment partnerships with insurance company clients and maintaining existing asset management arrangements, including those described above. If we fail to deliver high-quality, high-performing products that help our insurance company clients meet long-term policyholder obligations, BIS may not be successful in retaining existing investment partnerships, developing new investment partnerships or originating or selling capital-efficient assets or products and such failure may have a material adverse effect on BIS or on our business, results and financial condition.

The U.S. and non-U.S. insurance industries are subject to significant regulatory oversight. Regulatory authorities in many relevant jurisdictions have broad regulatory (including through any regulatory support organization), administrative, and in some cases discretionary, authority with respect to insurance companies and/or their investment advisors, which may include, among other things, the investments insurance companies may acquire and hold, marketing practices, affiliate transactions, reserve requirements and capital adequacy. These requirements are primarily concerned with the protection of policyholders, and regulatory authorities often have wide discretion in applying the relevant restrictions and regulations to insurance companies, which may indirectly affect BIS and other Blackstone businesses that offer products or services to insurance companies. We may be the target or subject of, or may have indemnification obligations related to, litigation (including class action litigation by policyholders), enforcement investigations or regulatory scrutiny. Regulators and other authorities



---

## [Table of Contents](#)

generally have the power to bring administrative or judicial proceedings against insurance companies, which could result in, among other things, suspension or revocation of licenses, cease-and-desist orders, fines, civil penalties, criminal penalties or other disciplinary action. To the extent BIS or another Blackstone business that offers products or services to insurance companies is directly or indirectly involved in such regulatory actions, our reputation could be harmed, we may become liable for indemnification obligations and we could potentially be subject to enforcement actions, fines and penalties.

Recently, insurance regulatory authorities and regulatory support organizations have increased scrutiny of alternative asset managers' involvement in the insurance industry, including with respect to the ownership by such managers or their affiliated funds of, and the management of assets on behalf of, insurance companies. For example, insurance regulators have increasingly focused on the terms and structure of investment management agreements, including whether they are at arms' length, establish control of the insurance company, grant the asset manager excessive authority or oversight over the investment strategy of the insurance company or provide for management fees that are not fair and reasonable. Regulators have also increasingly focused on the risk profile of certain investments held by insurance companies (including, without limitation, collateralized loan obligations and other structured credit assets), appropriateness of investment ratings and potential conflicts of interest, including affiliated investments, and potential misalignment of incentives and any potential risks from these and other aspects of an insurance company's relationship with alternative asset managers that may impact the insurance company's risk profile. This enhanced scrutiny may increase the risk of regulatory actions against us and could result in new or amended regulations that limit our ability, or make it more burdensome or costly, to enter into new investment management agreements with insurance companies and thereby grow our insurance strategy. Some of the arrangements we have or will develop with insurance companies involve complex U.S. and non-U.S. tax structures for which no clear precedent or authority may be available. Such structures may be subject to potential regulatory, legislative, judicial or administrative change or scrutiny and differing interpretations and any adverse regulatory, legislative, judicial or administrative changes, scrutiny or interpretations may result in substantial costs to insurance companies or BIS. In some cases we may agree to indemnify insurance companies for their losses resulting from any such adverse changes or interpretations.

Insurance company investment portfolios are often subject to internal and regulatory requirements governing the categories and ratings of investment products and assets they may acquire and hold. Many of the investment products we originate or develop for, or other assets or investments we include in, insurance company portfolios will be rated and a ratings downgrade or any other negative action by a rating agency with respect to such products, assets or investments could make them less attractive and limit our ability to offer such products to, or invest or deploy capital on behalf of, insurers. Furthermore, insurers are subject to a risk-based capital ("RBC") requirement, which is a statutory minimum level of capital that an insurer must hold in proportion to its risk. Certain proposals or exposure drafts released by insurance regulatory authorities may result in changes to the RBC treatment and/or ratings process of certain assets or investments that are, or may be, held by our insurance company clients, which could potentially make such assets or investments less attractive to insurers and limit our ability to originate, or invest in, them on behalf insurers.

Any failure to properly manage or address the foregoing risks may have a material adverse effect on BIS or on our business, results and financial condition.

### ***We rely on complex exemptions from statutes in conducting our asset management activities.***

We regularly rely on exemptions from various requirements of the U.S. Securities Act of 1933, as amended (the "Securities Act"), the Exchange Act, the 1940 Act, the Commodity Exchange Act and the U.S. Employee Retirement Income Security Act of 1974, as amended, in conducting our asset management activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action or third-party claims and our business could be materially and adversely

---

## [Table of Contents](#)

affected. For example, the “bad actor” disqualification provisions of Rule 506 of Regulation D under the Securities Act ban an issuer from offering or selling securities pursuant to the safe harbor rule in Rule 506 if the issuer or any other “covered person” is the subject of a criminal, regulatory or court order or other “disqualifying event” under the rule which has not been waived. The definition of “covered person” includes an issuer’s directors, general partners, managing members and executive officers; affiliates who are also issuing securities in the offering; beneficial owners of 20% or more of the issuer’s outstanding equity securities; and promoters and persons compensated for soliciting investors in the offering. Accordingly, our ability to rely on Rule 506 to offer or sell securities would be impaired if we or any “covered person” is the subject of a disqualifying event under the rule and we are unable to obtain a waiver. These regulations often serve to limit our activities and impose burdensome compliance requirements.

### ***Complex regulatory regimes and potential regulatory changes in jurisdictions outside the United States could adversely affect our business.***

Similar to the United States, the jurisdictions outside the United States in which we operate, in particular Europe, have become subject to further regulation. Governmental regulators and other authorities in Europe have proposed or implemented a number of initiatives, rules and regulations that could adversely affect our business, including by imposing additional compliance and administrative burden and increasing the costs of doing business in such jurisdictions. Increasingly, the rules and regulations in the financial sector in Europe are becoming more prescriptive. Rules and regulations in other jurisdictions are often informed by key features of U.S. and European rules and regulations and, as a result, our businesses in all jurisdictions, including across Asia, may become subject to increased regulation in the future.

In Europe, the EU Alternative Investment Fund Managers Directive (“AIFMD”) came into effect in 2014 and established a regulatory regime for alternative investment fund managers, including private equity and hedge fund managers. AIFMD is applicable to our AIFMs in Luxembourg and Ireland and in certain other respects to affiliated non-EEA AIFMs in other jurisdictions to the extent that they market interests in alternative investment funds to EEA investors. We have had to comply with these and other requirements of the AIFMD in order to market certain of our investment funds to professional investors in the EEA. The U.K. has “on-shored” AIFMD and therefore similar requirements continue to apply to funds marketed to U.K. investors notwithstanding Brexit.

In November 2021, a legislative proposal (commonly referred to as “AIFMD II”) was made that may increase the cost and complexity of raising capital and restrict our ability to structure or market certain types of funds to EEA investors. Subject to the EU ordinary legislative process involving the European Parliament and European Council, the proposal is expected to result in amendments to the AIFMD, which is expected to have a two-year implementation period after the legislation comes into force, possibly in 2025. How the AIFMD II will affect us or our subsidiaries is unclear at this stage, but the regime may slow the pace of fundraising.

In addition, on August 2, 2021, Directive (EU) 2019/1160 (the “CBDF Directive”) and Regulation (EU) 2019/1156 (the “CBDF Regulation”) came into effect, which in part amended AIFMD. The CBDF Regulation introduces new standardized requirements for cross-border fund distribution in the EU, including as related to transparency and principles for calculating supervisory fees, new procedures for the de-notification of marketing (including restrictions on pre-marketing successor funds), new content requirements for marketing communications and additional regulations with respect to investors who approach our funds seeking to invest on their own initiative. As the CBDF Regulation is implemented across various EU jurisdictions, our ability to raise capital from EEA investors may become more complex and costly.

The EU Securitization Regulation (the “Securitization Regulation”), which became effective on January 1, 2019, imposes due diligence and risk retention requirements on “institutional investors” (which includes managers of alternative investment funds assets) which must be satisfied prior to holding a securitization position. These requirements may apply to AIFs managed by not only EEA AIFMs but also non-EEA AIFMs where those AIFs have

---

## [Table of Contents](#)

been registered for marketing in the EU under national private placement regimes. Similar requirements continue to apply in the U.K. notwithstanding Brexit. The Securitization Regulation may impact or limit our funds' ability to make certain investments that constitute "securitizations" under the regulation. The Securitization Regulation may also constrain certain of our funds' ability to invest in securitization positions that do not comply with, among other things, the risk retention requirements. Failure to comply with these requirements could result in various penalties.

The EU regulation ("EMIR") on over-the-counter ("OTC") derivative transactions, central counterparties and trade repositories requires mandatory clearing of certain OTC derivatives through central counterparties, creates additional risk mitigation requirements and imposes reporting and recordkeeping requirements in respect of most derivative transactions. Similar rules apply in the U.K., and compliance with relevant EU and U.K. requirements imposes additional operational burden and cost on our engagement in such transactions.

Additional regulation, commonly referred to as "MiFID II" requires us to comply with disclosure, transparency, reporting and record keeping obligations and enhanced obligations in relation to the receipt of investment research, best execution, product governance and marketing communications. Compliance with MiFID II has resulted in greater overall complexity, higher compliance and administration and operational costs and less overall flexibility for us. Certain aspects of MiFID II are subject to review and change in both the EU and the

U.K. Associated changes to the prudential regulation of EEA and U.K. MiFID investment firms have increased the regulatory capital and liquidity adequacy requirements for certain of our entities licensed under MiFID. This makes it less capital efficient to run the relevant businesses. Those changes have also required us to make changes to the way in which we remunerate certain senior staff, which may make it harder for us to attract and retain talent, compared to competitors not subject to the same rules. Enhanced internal governance, disclosure and reporting requirements increase the costs of compliance.

Certain regulatory requirements and proposals in the EU and U.K. intended to enhance protection for retail investors and impose additional obligations on the distribution of certain products to retail investors may impose additional costs on our operations and limit our ability to access capital from retail investors in such jurisdictions. These include EU and U.K. rules requiring that retail investors in packaged retail investment and insurance products receive key information documents, and U.K rules enhancing duties related to distribution of financial products to retail investors.

As with any other organization that holds personal data of EU data subjects, we are required to comply with the GDPR because, among other things, we process European individuals' personal data in the U.S. via our global technology systems. The U.K. has on-shored GDPR and similar requirements therefore continue to apply in the U.K. notwithstanding Brexit, although transfers of personal data between the EU and U.K. are subject to less safeguards than transfers to third countries. Financial regulators and data protection authorities have significantly increased audit and investigatory powers under GDPR to probe how personal data is being used and processed. Serious breaches of include antitrust-like fines on companies of up to the greater of €20 million / £17.5 million or 4% of global group turnover in the preceding year, regulatory action and reputational risk. See "— Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage."

European regulators are increasing their attention on "greenwashing" and rapidly developing and implementing regimes focused on ESG and sustainability within the financial services sector. In the EU, the key regimes include the EU Sustainable Finance Disclosure Regulation SFDR which currently imposes disclosure requirements on MiFID firms and AIFMs and will affect our EEA operations (including where non-EEA products are marketed to EEA investors). The EU regulation on the establishment of a framework to facilitate sustainable investment ("Taxonomy Regulation") supplements SFDR's disclosure requirements for certain entities and sets out a framework for classifying economic activities as "environmentally sustainable." SFDR primarily impacts our

---

## [Table of Contents](#)

AIFMs by requiring certain disclosures in relation to sustainability risks and consideration of so-called "principal adverse impacts". The majority of the provisions of the SFDR have applied since March 10, 2021. In addition, beginning January 1, 2023, certain template pre-contractual and periodic disclosures must be provided in a uniform template. There is a risk of inadvertent classification of certain of our products, which could lead to claims by investors for mis-selling and/or regulatory enforcement action, which could result in fines or other regulatory sanctions and damage to our reputation. In addition, certain requirements (such as making public disclosures on our website concerning the ESG features of private funds) might conflict with certain of our other regulatory obligations, such as, for example, limitations on general solicitation applicable to many of our funds. As a consequence, we may be unable to, or make a reasoned decision not to, fully comply with some requirements of these new regimes. This too could lead to regulatory enforcement action with similar consequences. The U.K. is not implementing SFDR but has introduced mandatory disclosure requirements aligned with the Task Force on Climate-Related Finance Disclosures ("TCFD"). In addition, a second layer of U.K. regulation has been proposed that will implement additional disclosure requirements (known as "SDR") and a new "U.K. Green Taxonomy," which is conceptually similar to but distinct from SFDR and the Taxonomy Regulation, exacerbating the risks arising from mismatch between the EEA and U.K. initiatives. These regimes may impose substantial ESG data collection and disclosure obligations on us, which in turn may impose increased compliance burdens and costs for our funds' operations. It is not yet possible to fully assess how our business will be affected as much of the detail surrounding these initiatives is yet to be revealed.

***Laws and regulations on foreign direct investment applicable to us and our funds' portfolio companies, both within and outside the U.S., may make it more difficult for us to deploy capital in certain jurisdictions or to sell assets to certain buyers.***

A number of jurisdictions, including the U.S., have restrictions on foreign direct investment pursuant to which their respective heads of state and/or regulatory bodies have the authority to block or impose conditions with respect to certain transactions, such as investments, acquisitions and divestitures, if such transaction threatens to impair national security. In addition, many jurisdictions restrict foreign investment in assets important to national security by taking steps including, but not limited to, placing limitations on foreign equity investment, implementing investment screening or approval mechanisms, and restricting the employment of foreigners as key personnel. These U.S. and foreign laws could limit our funds' ability to invest in certain businesses or entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions. For example, the Committee on Foreign Investment in the United States ("CFIUS") has the authority to review transactions that could result in potential control of, or certain types of non-controlling investments in, a U.S. business or U.S. real estate by a foreign person. In recent years, legislation has expanded the scope of CFIUS' jurisdiction to cover more types of transactions and empower CFIUS to scrutinize more closely investments in certain transactions. CFIUS may recommend that the President block, unwind or impose conditions or terms on such transactions, certain of which may adversely affect the ability of the fund to execute on its investment strategy with respect to such transaction as well as limit our flexibility in structuring or financing certain transactions. Additionally, CFIUS or any non-U.S. equivalents thereof may seek to impose limitations on one or more such investments that may prevent us from maintaining or pursuing investment opportunities that we otherwise would have maintained or pursued, which could make it more difficult for us to deploy capital in certain of our funds. In addition, certain senior administration officials have indicated that the current administration is formulating an approach to address outbound investments in sensitive technologies. There is public speculation that this formulation will involve an outbound investment screening mechanism, particularly relating to China and China-adjacent investments, which could further negatively impact our ability to deploy capital in such countries. Further, state regulatory agencies may impose restrictions on private funds' investments in certain types of assets, which could affect our funds' ability to find attractive and diversified investments and to complete such investments in a timely manner. For example, California adopted regulations that are scheduled to take effect in April 2024 and would subject certain potential investments in the healthcare sector that transfer a material amount of a healthcare portfolio company's assets or governance to review by a state regulatory agency.

---

## [Table of Contents](#)

Our investments outside of the United States may also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with these legal regimes and rapidly-changing agency practices. Other countries continue to establish and/or strengthen their own national security investment clearance regimes, which could have a corresponding effect of limiting our ability to make investments in such countries. Heightened scrutiny of foreign direct investment worldwide may also make it more difficult for us to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio company. As a result of such regimes, we may incur significant delays and costs, be altogether prohibited from making a particular investment or impede or restrict syndication or sale of certain assets to certain buyers, all of which could adversely affect the performance of our funds and in turn, materially reduce our revenues and cash flow. Complying with these laws imposes potentially significant costs and complex additional burdens, and any failure by us or our funds' portfolio companies to comply with them could expose us to significant penalties, sanctions, loss of future investment opportunities, additional regulatory scrutiny, and reputational harm.

***Climate change, climate change-related regulation and sustainability concerns could adversely affect our businesses and the operations of our funds' portfolio companies, and any actions we take or fail to take in response to such matters could damage our reputation.***

We, our funds and our funds' portfolio companies face risks associated with climate change including risks related to the impact of climate-and ESG-related legislation and regulation (both domestically and internationally), risks related to business trends related to climate change and technology (such as the process of transitioning to a lower-carbon economy), and risks stemming from the physical impacts of climate change.

New climate change-related regulations or interpretations of existing laws may result in enhanced disclosure obligations, which could negatively affect us, our funds and our funds' portfolio companies and materially increase the regulatory burden and cost of compliance. For example, developing and acting on initiatives within the scope of ESG, and collecting, measuring and reporting ESG-related information and metrics can be costly, difficult and time consuming and is subject to evolving reporting standards, including the SEC's recently proposed climate-related reporting requirements, and similar proposals by other international regulatory bodies. We may also communicate certain climate-related initiatives, commitments and goals in our SEC filings or in other disclosures, which subjects us to additional risks, including the risk of being accused of "greenwashing."

Certain of our funds' portfolio companies operate in sectors that could face transition risk if carbon-related regulations or taxes are implemented. For certain of our funds' portfolio companies, business trends related to climate change may require capital expenditures, product or service redesigns, and changes to operations and supply chains to meet changing customer expectations. While this can create opportunities, not addressing these changed expectations could create business risks for portfolio companies, which could negatively impact the returns in our funds. Further, advances in climate science may change society's understanding of sources and magnitudes of negative effects on climate, which could also negatively impact portfolio company financial performance. Further, significant chronic or acute physical effects of climate change including extreme weather events such as hurricanes or floods, can also have an adverse impact on certain of our funds' portfolio companies and investments, especially our real asset investments and portfolio companies that rely on physical factories, plants or stores located in the affected areas, or that focus on tourism or recreational travel. As the effects of climate change increase, we expect the frequency and impact of weather and climate related events and conditions to increase as well.

---

## [Table of Contents](#)

In addition, our reputation may be harmed if certain stakeholders, such as our limited partners or stockholders, believe that we are not adequately or appropriately responding to climate change, including through the way in which we operate our business, the composition of our funds' existing portfolios, the new investments made by our funds, or the decisions we make to continue to conduct or change our activities in response to climate change considerations. In addition, we face business trends related to climate change risks, such as, for example, the increased attention to ESG considerations by our fund investors, including in connection with their determination of whether to invest in our funds. See “— We are subject to increasing scrutiny from regulators, elected officials, stockholders, investors and other stakeholders with respect to environmental, social and governance matters, which may adversely impact our ability to raise capital from certain investors, constrain capital deployment opportunities for our funds and harm our brand and reputation.”

***We are subject to substantial risk of litigation and regulatory proceedings and may face significant liabilities and damage to our professional reputation as a result of litigation allegations and negative publicity.***

From time to time we, our funds and our funds' portfolio companies have been and may be subject to litigation, including securities class action lawsuits by stockholders, as well as class action lawsuits that challenge our acquisition transactions and/or attempt to enjoin them. Please see “Item 3. Legal Proceedings” for a discussion of a certain proceeding to which we are currently a party.

In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against the financial services industry in general have been increasing. The investment decisions we make in our asset management business and the activities of our investment professionals (including in connection with portfolio companies and investment advisory activities) may subject us, our funds and our funds' portfolio companies to the risk of third party litigation or regulatory proceedings arising from investor dissatisfaction with the performance of those investment funds, alleged conflicts of interest, the suitability or manner of distribution of our products, including to retail investors, the activities of our funds' portfolio companies and a variety of other claims.

In addition, to the extent investors in our investment funds suffer losses resulting from fraud, gross negligence, willful misconduct or other similar misconduct, investors may have remedies against us, our investment funds, our senior managing directors or our affiliates under the federal securities law and/or state law. While the general partners and investment advisers to our investment funds, including their directors, officers, other employees and affiliates, are generally indemnified to the fullest extent permitted by law with respect to their conduct in connection with the management of the business and affairs of our investment funds, such indemnity does not extend to actions determined to have involved fraud, gross negligence, willful misconduct or other similar misconduct.

The activities of our capital markets services business may also subject us to the risk of liabilities to our clients and third parties, including our clients' stockholders, under securities or other laws in connection with transactions in which we participate.

Any private lawsuits or regulatory actions brought against us and resulting in a finding of substantial legal liability could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us, which could seriously harm our business. We depend to a large extent on our business relationships and our reputation for integrity and high-caliber professional services to attract and retain investors and to pursue investment opportunities for our funds. As a result, allegations of improper conduct by private litigants, regulators, or employees, whether the ultimate outcome is favorable or unfavorable to us, as well as negative publicity and press speculation about us, our investment activities, our lines of business or distribution channels, our workplace environment, or the asset management industry in general, whether or not valid, may harm our reputation, which may be more damaging to our business than to other types of businesses. The pervasiveness of social media and the Internet, coupled with increased public focus on the externalities of business activities, could also lead to faster and wider dissemination of any adverse publicity or inaccurate information about us, making effective remediation more difficult and further magnifying the reputational risks associated with negative publicity.

---

## [Table of Contents](#)

***Employee misconduct could harm us by impairing our ability to attract and retain clients and subjecting us to significant legal liability and reputational harm. Fraud, deceptive practices or other misconduct at portfolio companies or service providers could similarly subject us to liability and reputational damage and also harm performance.***

Our employees could engage in misconduct that adversely affects our business. We are subject to a number of obligations and standards arising from our asset management business and our authority over the assets managed by our asset management business. The violation of these obligations and standards by any of our employees would adversely affect our clients and us. Our business often requires that we deal with confidential matters of great significance to companies in which we may invest. If our employees were to improperly use or disclose confidential information, we could suffer serious harm to our reputation, financial position and current and future business relationships. Detecting or deterring employee misconduct is not always possible, and the extensive precautions we take to detect and prevent this activity may not be effective in all cases. In addition, a prolonged period of remote work, such as the one experienced during the COVID-19 pandemic, may require us to develop and implement additional precautions in order to detect and prevent employee misconduct. Such additional precautions, which may include the implementation of security and other restrictions, may make our systems more difficult and costly to operate and may not be effective in preventing employee misconduct in a remote work environment. If one of our employees were to engage in misconduct or were to be accused of such misconduct, our business and our reputation could be adversely affected.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the Foreign Corrupt Practices Act (“FCPA”). In addition, the U.K. has also significantly expanded the reach of its anti-bribery laws. Local jurisdictions, such as Brazil, have also brought a greater focus to anti-bribery laws. While we have policies and procedures designed to ensure strict compliance by us and our personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. Any determination that we have violated the FCPA, the U.K. anti-bribery laws or other applicable anti-corruption laws could subject us to, among other things, civil and criminal penalties or material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business prospects, financial position or the market value of our common stock.

In addition, we may also be adversely affected if there is misconduct by personnel of our funds’ portfolio companies or by such companies’ service providers. For example, financial fraud or other deceptive practices at our funds’ portfolio companies, or failures by personnel at our funds’ portfolio companies to comply with anti-bribery, trade sanctions, anti-harassment, anti-discrimination or other legal and regulatory requirements, could subject us to, among other things, civil and criminal penalties or material fines, profit disgorgement, injunctions on future conduct and securities litigation, and could also cause significant reputational and business harm to us. Such misconduct may undermine our due diligence efforts with respect to such portfolio companies and could negatively affect the valuations of the investments by our funds in such portfolio companies. Losses to our funds and us could also result from misconduct or other actions by service providers, such as administrators, consultants or other advisors, if such service providers improperly use or disclose confidential information, misappropriate funds, or violate legal or regulatory obligations. In addition, we may face an increased risk of such misconduct to the extent our investment in non-U.S. markets, particularly emerging markets, increases.

---

## [Table of Contents](#)

### ***Poor performance of our investment funds would cause a decline in our revenue, income and cash flow, may obligate us to repay Performance Allocations previously paid to us, and could adversely affect our ability to raise capital for future investment funds.***

In the event that any of our investment funds were to perform poorly, our revenue, income and cash flow would decline because the value of our assets under management would decrease, which would result in a reduction in management fees, and our investment returns would decrease, resulting in a reduction in the Performance Revenues we earn. Moreover, we could experience losses on our investments of our own principal as a result of poor investment performance by our investment funds. Furthermore, if, as a result of poor performance of later investments in a carry fund's life, the fund does not achieve certain investment returns for the fund over its life, we will be obligated to repay the amount by which Performance Allocations that were previously distributed to us exceed the amount to which the relevant general partner is ultimately entitled. Similarly, certain of our vehicles' terms require an offset of Performance Revenues related to past performance, often referred to as a "recoupment of loss carryforward". If recoupment of loss carryforward is triggered, including as a result of a meaningful decline in the vehicles' revenues following a period of strong performance, such offset would serve to reduce the amount of future Performance Revenues to which we would be entitled in such vehicle. In the event that the offset is insufficient for the vehicle to fully recoup such loss carryforward, we may be required to make a cash payment after a certain period.

In addition, in most cases, the companies in which our investment funds invest will have indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, that rank senior to our investment, which may limit the ability of our investment funds to influence a company's affairs and to take actions to protect their investments during periods of financial distress or following an insolvency.

Poor performance of our investment funds could make it more difficult for us to raise new capital. Investors in funds might decline to invest in future investment funds we raise and investors in hedge funds or other investment funds might withdraw their investments as a result of poor performance of the investment funds in which they are invested. Investors and potential investors in our funds continually assess our investment funds' performance, and our ability to raise capital for existing and future investment funds and avoid excessive redemption levels will depend on our investment funds' continued satisfactory performance. Accordingly, poor fund performance may deter future investment in our funds and thereby decrease the capital invested in our funds and ultimately, our management fee revenue. Alternatively, in the face of poor fund performance, investors could demand lower fees or fee concessions for existing or future funds which would likewise decrease our revenue.

In addition, from time to time, we may pursue new or different investment strategies and expand into geographic markets and businesses that may not perform as expected and result in poor performance by us and our investment funds. In addition to the risk of poor performance, such activity may subject us to a number of risks and uncertainties, including risks associated with (a) the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, (b) the diversion of management's attention from our core businesses, (c) known or unknown contingent liabilities, which could result in unforeseen losses for us and our funds, (d) the disruption of ongoing businesses and (e) compliance with additional regulatory requirements.

### ***Certain policies and procedures implemented to mitigate potential conflicts of interest and address certain regulatory requirements may reduce the synergies across our various businesses.***

Because of our various asset management businesses and our capital markets services business, we will be subject to a number of actual and potential conflicts of interest and subject to greater regulatory oversight and more legal and contractual restrictions than that to which we would otherwise be subject if we had just one line of business. To mitigate these conflicts and address regulatory, legal and contractual requirements across our various businesses, we have implemented certain policies and procedures (for example, information walls) that may



---

## [Table of Contents](#)

reduce the positive synergies that we cultivate across these businesses for purposes of identifying and managing attractive investments. For example, certain regulatory requirements require us to restrict access by certain personnel in our funds to information about certain transactions or investments being considered or made by those funds. In addition, we may come into possession of confidential or material non-public information with respect to issuers in which we may be considering making an investment or issuers in which our affiliates may hold an interest. As a consequence of such policies and procedures, we may be precluded from providing such information or other ideas to our other businesses even where it might be of benefit to them.

### ***Our failure to deal appropriately with conflicts of interest in our investment business could damage our reputation and adversely affect our businesses.***

As we have expanded and as we continue to expand the number and scope of our businesses, we increasingly confront potential conflicts of interest relating to our funds' investment activities. Investment manager conflicts of interest continue to be a significant area of focus for regulators and the media. Because of our size and the variety of businesses and investment strategies that we pursue, we may face a higher degree of scrutiny compared with investment managers that are smaller or focus on fewer asset classes. Certain of our funds may have overlapping investment objectives, including funds that have different fee structures and/or investment strategies that are more narrowly focused. Potential conflicts may arise with respect to allocation of investment opportunities among us, our funds and our affiliates, including to the extent that the fund documents do not mandate a specific investment allocation. For example, we may allocate an investment opportunity that is appropriate for two or more investment funds in a manner that excludes one or more funds or results in a disproportionate allocation based on factors or criteria that we determine, such as sourcing of the transaction, specific nature of the investment or size and type of the investment, among other factors. We may also decide to provide a co-investment opportunity to certain investors in lieu of allocating a piece of the investment to our funds. In addition, the challenge of allocating investment opportunities to certain funds may be exacerbated as we expand our business to include more lines of business, including more public vehicles. Allocating investment opportunities appropriately frequently involves significant and subjective judgments. The risk that fund investors or regulators could challenge allocation decisions as inconsistent with our obligations under applicable law, governing fund agreements or our own policies cannot be eliminated. In addition, the perception of non-compliance with such requirements or policies could harm our reputation with fund investors.

We may also cause different funds to invest in a single portfolio company, for example where the fund that made an initial investment no longer has capital available to invest. We may also cause different funds that we manage to purchase different classes of securities in the same portfolio company. For example, one of our CLO funds could acquire a debt security issued by the same company in which one of our private equity funds owns common equity securities. A direct conflict of interest could arise between the debt holders and the equity holders if such a company were to develop insolvency concerns, and we would have to carefully manage that conflict. A decision to acquire material non-public information about a company while pursuing an investment opportunity for a particular fund gives rise to a potential conflict of interest when it results in our having to restrict the ability of other funds to take any action with respect to that company. Our affiliates or portfolio companies may be service providers or counterparties to our funds or portfolio companies and receive fees or other compensation for services that are not shared with our fund investors. In such instances, we may be incentivized to cause our funds or portfolio companies to purchase such services from our affiliates or portfolio companies rather than an unaffiliated service provider despite the fact that a third party service provider could potentially provide higher quality services or offer them at a lower cost. In addition, conflicts of interest may exist in the valuation of our investments, as well as the personal trading of employees and the allocation of fees and expenses among us, our funds and their portfolio companies, and our affiliates. Lastly, in certain, infrequent instances we may purchase an investment alongside one of our investment funds or sell an investment to one of our investment funds and conflicts may arise in respect of the allocation, pricing and timing of such investments and the ultimate disposition of such investments. A failure to appropriately deal with these, among other, conflicts, could negatively impact our

---

## [Table of Contents](#)

reputation and ability to raise additional funds or result in potential litigation or regulatory action against us. Further, any steps taken by the SEC to preclude or limit certain conflicts of interest may make it more difficult for our funds to pursue transactions that may otherwise be attractive to the fund and its investors, which may adversely impact fund performance.

### ***Conflicts of interest may arise in our allocation of co-investment opportunities.***

Potential conflicts will arise with respect to our decisions regarding how to allocate co-investment opportunities among investors and the terms of any such co-investments. As a general matter, our allocation of co-investment opportunities is within our discretion and there can be no assurance that co-investment opportunities of any particular type or amount will become available to any of our investors. We may take into account a variety of factors and considerations we deem relevant in allocating co-investment opportunities, including, without limitation, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, our assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the investment and our assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required timeframe of the particular transaction.

Our fund documents typically do not mandate specific allocations with respect to co-investments. The investment advisers of our funds may have an incentive to provide potential co-investment opportunities to certain investors in lieu of others and/or in lieu of an allocation to our funds, including, for example, as part of an investor's overall strategic relationship with us, or if such allocations are expected to generate relatively greater fees or Performance Allocations to us than would arise if such co-investment opportunities were allocated otherwise. Co-investment arrangements may be structured through one or more of our investment vehicles, and in such circumstances co-investors will generally bear the costs and expenses thereof (which may lead to conflicts of interest regarding the allocation of costs and expenses between such co-investors and investors in our funds). The terms of any such existing and future co-investment vehicles may differ materially, and in some instances may be more favorable to us, than the terms of certain of our funds or prior co-investment vehicles, and such different terms may create an incentive for us to allocate a greater or lesser percentage of an investment opportunity to such co-investment vehicles. There can be no assurance that any conflicts of interest will be resolved in favor of any particular investment funds or investors (including any applicable co-investors).

### ***Valuation methodologies for certain assets in our funds can be subject to a significant degree of subjectivity and judgment, and the fair value of assets established pursuant to such methodologies may never be realized, which could result in significant losses for our funds and the reduction of Management Fees and/or Performance Revenues.***

Our investment funds make investments in illiquid investments or financial instruments for which there is little, if any, market activity. We determine the value of such investments and financial instruments on at least a quarterly basis based on the fair value of such investments as determined in accordance with GAAP. The fair value of such investments and financial instruments is generally determined using a primary methodology and corroborated by a secondary methodology. Methodologies are used on a consistent basis and described in Blackstone's and the investment funds' valuation policies.

The determination of fair value using these methodologies takes into consideration a range of factors including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. These valuation methodologies involve a significant degree of management judgment. For example, as to investments that we share with another sponsor, we may apply a different valuation methodology or derive a different value than the other sponsor on the same investment. In addition, the valuations of our private investments may at times differ significantly from the valuations of publicly traded companies in similar sectors or with similar business models.

---

## [Table of Contents](#)

For example, valuations of our private investments do not have an observable market price and may take into account certain long-term financial projections, including those prepared by the management of a portfolio company or other investment. Such projections are based on significant judgments and assumptions at the time they are developed and may not be available to the public. Valuations of publicly traded companies, on the other hand, are based on the observable price in the reference market which are generally subject to a higher degree of market volatility. These differences might cause some investors and/or regulators to question our valuations. In addition, variation in the underlying assumptions, estimates, methodologies and/or judgments we use in the determination of the value of certain investments and financial instruments could potentially produce materially different results. See “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operation — Critical Accounting Policies” for an overview of our fair value policy and the significant judgment required in the application thereof.

Because there is significant uncertainty in the valuation of, or in the stability of the value of illiquid investments, the fair values of such investments as reflected in an investment fund’s net asset value do not necessarily reflect the prices that would actually be obtained by us on behalf of the investment fund when such investments are realized. Realizations at values lower than the values at which investments have been reflected in prior fund net asset values would result in reduced gains or losses for the applicable fund, a decline in certain asset management fees and the reduction in potential Performance Revenues. Changes in values of investments from quarter to quarter may result in volatility in our investment funds’ net asset value, our investment in, or fees from, those funds and the results of operations and cash flow that we report from period to period. Further, a situation where asset values turn out to be materially different than values reflected in prior fund net asset values could cause investors to lose confidence in us, which would in turn result in difficulty in raising additional funds or redemptions from funds where investors hold redemption rights.

***If we were unable to consummate or successfully integrate additional development opportunities, acquisitions or joint ventures, we may not be able to implement our growth strategy successfully.***

Our growth strategy is based, in part, on the selective development or acquisition of asset management businesses or other businesses complementary to our business where we think we can add substantial value or generate substantial returns. The success of this strategy will depend on, among other things: (a) the availability of suitable opportunities, (b) the level of competition from other companies that may have greater financial resources, (c) our ability to value potential development or acquisition opportunities accurately and negotiate acceptable terms for those opportunities, (d) our ability to obtain requisite approvals and licenses from the relevant governmental authorities and to comply with applicable laws and regulations without incurring undue costs and delays and (e) our ability to identify and enter into mutually beneficial relationships with venture partners. Moreover, even if we are able to identify and successfully complete an acquisition, we may encounter unexpected difficulties or incur unexpected costs associated with integrating and overseeing the operations of the new businesses. If we are not successful in implementing our growth strategy, our business, financial results and the market price for our common stock may be adversely affected.

***Our use of borrowings to finance our business exposes us to risks.***

We use borrowings to finance our business operations as a public company. We have numerous outstanding notes with various maturity dates as well as a revolving credit facility that matures on June 3, 2027. See “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Sources and Uses of Liquidity” for further information regarding our outstanding borrowings. As borrowings under the credit facility and our outstanding notes mature, we will be required to refinance or repay such borrowings. In order to do so, we may enter into a new facility or issue new notes, each of which could result in higher borrowing costs. We may also issue equity, which would dilute existing stockholders. Further, we may choose to repay such borrowings using cash on hand, cash provided by our continuing operations or cash from the sale of our assets, each of which could reduce the amount of cash available to facilitate the growth and expansion

---

## [Table of Contents](#)

of our businesses, make repurchase under our share repurchase program and pay dividends to our stockholders, operating expenses and other obligations as they arise. In order to obtain new borrowings, or to extend or refinance existing borrowings, we are dependent on the willingness and ability of financial institutions such as global banks to extend credit to us on favorable terms, and on our ability to access the debt and equity capital markets, which can be volatile. There is no guarantee that such financial institutions will continue to extend credit to us or that we will be able to access the capital markets to obtain new borrowings or refinance existing borrowings when they mature. In addition, the use of leverage to finance our business exposes us to the types of risk described in “— Dependence on significant leverage in investments by our funds could adversely affect our ability to achieve attractive rates of return on those investments.”

***Interest rates on our and our funds’ portfolio companies’ outstanding financial instruments might be subject to change based on regulatory developments, which could adversely affect our revenue, expenses and the value of those financial instruments.***

The London Interbank Offered Rate (“LIBOR”) and certain other floating rate benchmark indices, including, without limitation, the Euro Interbank Offered Rate, Tokyo Interbank Offered Rate, Hong Kong Interbank Offered Rate and Singapore Interbank Offered Rate (collectively, “IBORs”) have been the subject of national, international and regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past or have other consequences which cannot be predicted. The FCA, which regulates LIBOR, has ceased publication of the one-week and two-month U.S. dollar LIBOR and is expected to cease publication of the remaining tenors in 2023. The FCA has also proposed potentially continuing to require the publishing of one-, three- and six-month LIBOR on a synthetic basis through the end of September 2024. Additionally, the Federal Reserve Board has advised banks to stop entering into new U.S. dollar LIBOR based contracts.

The Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, identified the Secured Overnight Financing Rate (“SOFR”), an index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. At this time, there remains uncertainty regarding how markets will respond to SOFR or other alternative reference rates as the transition away from the IBOR benchmarks progresses and there remains some uncertainty as to what methods of calculating a replacement benchmark will be established or adopted generally, or whether different industry bodies, such as the loan market and the derivatives market, will adopt the same methodologies. In addition, as part of the transition to a replacement benchmark, parties may seek to adjust the spreads relative to such benchmarks in underlying contractual arrangements. As a result, interest rates on our CLOs and other financial instruments tied to IBOR rates, including those where Blackstone or its funds are exposed as lender or borrower, as well as the revenue and expenses associated with those financial instruments, may be adversely affected. For example, if lenders demand increases to credit spreads in order to migrate to alternative rates due to structural differences in the reference rates, this could increase our, our funds’ portfolio companies’ and/or our funds’ interest expense and cost of capital.

Further, any uncertainty regarding the continued use and reliability of any IBOR as a benchmark interest rate could adversely affect the value of our and our funds’ portfolio companies’ financial instruments tied to such rates. There is no guarantee that a transition from any IBOR to an alternative will not result in financial market disruptions or a significant increase in volatility in risk free benchmark rates or borrowing costs to borrowers. Although we have been proactively negotiating provisions in our funds’ portfolio companies’ and lending businesses’ recent debt agreements to provide additional flexibility to address the transition away from IBOR, there is no assurance that we will be able to adequately minimize the risk of disruption from the discontinuation of IBOR or other changes to benchmark indices.

In addition, meaningful time and effort is required to transition to the use of new benchmark rates, including with respect to the negotiation and implementation of any necessary changes to existing contractual arrangements and the implementation of changes to our systems and processes. Negotiating and implementing necessary amendments to our existing contractual arrangements may be particularly costly and time-consuming. We are actively managing transition efforts accordingly.

---

## [Table of Contents](#)

***The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in common stock.***

The historical and potential future returns of the investment funds that we manage are not directly linked to returns on our common stock. Therefore, any continued positive performance of the investment funds that we manage will not necessarily result in positive returns on an investment in our common stock. However, poor performance of the investment funds that we manage would cause a decline in our revenue from such investment funds, and would therefore have a negative effect on our performance and in all likelihood the returns on an investment in our common stock. Moreover, with respect to the historical returns of our investment funds:

- we may create new funds in the future that reflect a different asset mix and different investment strategies (including funds whose management fees represent a more significant proportion of the fees than has historically been the case), as well as a varied geographic and industry exposure as compared to our present funds, and any such new funds could have different returns from our existing or previous funds,
- the rates of returns of our carry funds reflect unrealized gains as of the applicable measurement date that may never be realized, which may adversely affect the ultimate value realized from those funds' investments,
- competition for investment opportunities resulting from, among other things, the increased amount of capital invested in alternative investment funds continues to increase,
- our investment funds' returns in some years benefited from investment opportunities and general market conditions that may not repeat themselves, our current or future investment funds might not be able to avail themselves of comparable investment opportunities or market conditions, and the circumstances under which our current or future funds may make future investments may differ significantly from those conditions prevailing in the past,
- newly established funds may generate lower returns during the period in which they initially deploy their capital, and
- the rates of return reflect our historical cost structure, which may vary in the future due to various factors enumerated elsewhere in this report and other factors beyond our control, including changes in laws.

The future internal rate of return for any current or future fund may vary considerably from the historical internal rate of return generated by any particular fund, or for our funds as a whole. In addition, future returns will be affected by the applicable risks described elsewhere in this Annual Report on Form 10-K, including risks of the industries and businesses in which a particular fund invests.

***Dependence on significant leverage in investments by our funds could adversely affect our ability to achieve attractive rates of return on those investments.***

Many of our funds' investments rely heavily on the use of leverage, and our ability to achieve attractive rates of return on investments will depend on our ability to access sufficient sources of indebtedness at attractive rates. For example, in many private equity and real estate investments, indebtedness may constitute as much as 70% or more of a portfolio company's or real estate asset's total debt and equity capitalization, including debt that may be incurred in connection with the investment. The absence of available sources of sufficient senior debt financing for extended periods of time could therefore materially and adversely affect our private equity and real estate businesses. In addition, in March 2013, the Federal Reserve Board and other U.S. federal banking agencies issued updated leveraged lending guidance covering transactions characterized by a degree of financial leverage. Such guidance may limit the amount or cost of financing we are able to obtain for our transactions, and as a result, the

---

## [Table of Contents](#)

returns on our investments may suffer. However, the status of the 2013 leveraged lending guidance remains uncertain following a determination by the Government Accountability Office in October 2017 that resulted in such guidance being required to be submitted to U.S. Congress for review. The possibility exists that, under the current administration, the U.S. federal bank regulatory agencies could apply the leveraged lending guidance in its current form, or implement a revised or new rule that limits leveraged lending. Such regulatory action could limit the amount of funding and increase the cost of financing available for leveraged loan borrowers such as Blackstone Tactical Opportunities and our corporate private equity business overall. Furthermore, limits on the deductibility of corporate interest expense could make it more costly to use debt financing for our acquisitions or otherwise have an adverse impact on the cost structure of our transactions, and could therefore adversely affect the returns on our funds' investments. See "— Changes in U.S. and foreign taxation of businesses and other tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely affect us, including by adversely impacting our effective tax rate and tax liability."

In addition, an increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance those businesses' investments. See "— High interest rates and challenging debt market conditions could negatively impact the values of certain assets or investments and the ability of our funds and their portfolio companies to access the capital markets on attractive terms, which could adversely affect investment and realization opportunities, lead to lower-yielding investments and potentially decrease our net income."

Investments in highly leveraged entities are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. The incurrence of a significant amount of indebtedness by an entity could, among other things:

- give rise to an obligation to make mandatory pre-payments of debt using excess cash flow, which might limit the entity's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities,
- limit the entity's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt,
- allow even moderate reductions in operating cash flow to render it unable to service its indebtedness, leading to a bankruptcy or other reorganization of the entity and a loss of part or all of the equity investment in it,
- limit the entity's ability to engage in strategic acquisitions that might be necessary to generate attractive returns or further growth, and
- limit the entity's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

As a result, the risk of loss associated with a leveraged entity is generally greater than for companies with comparatively less debt. For example, many investments consummated by private equity sponsors during 2005, 2006 and 2007 that utilized significant amounts of leverage subsequently experienced severe economic stress and, in certain cases, defaulted on their debt obligations due to a decrease in revenues and cash flow precipitated by the subsequent economic downturn during 2008 and 2009.

When our funds' existing portfolio investments reach the point when debt incurred to finance those investments matures in significant amounts and must be either repaid or refinanced, those investments may materially suffer if they have generated insufficient cash flow to repay maturing debt and there is insufficient capacity and availability in the financing markets to permit them to refinance maturing debt on satisfactory terms, or at all. If a limited availability of financing for such purposes were to persist for an extended period of time, when

---

## [Table of Contents](#)

significant amounts of the debt incurred to finance our private equity and real estate funds' existing portfolio investments came due, these funds could be materially and adversely affected.

Many of the hedge funds in which our funds of hedge funds invest and our credit-focused funds, or CLOs, may choose to use leverage as part of their respective investment programs and regularly borrow a substantial amount of their capital. The use of leverage poses a significant degree of risk and enhances the possibility of a significant loss in the value of the investment portfolio. A fund may borrow money from time to time to purchase or carry securities or may enter into derivative transactions (such as total return swaps) with counterparties that have embedded leverage. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried and will be lost — and the timing and magnitude of such losses may be accelerated or exacerbated — in the event of a decline in the market value of such securities. Gains realized with borrowed funds may cause the fund's net asset value to increase at a faster rate than would be the case without borrowings. However, if investment results fail to cover the cost of borrowings, the fund's net asset value could also decrease faster than if there had been no borrowings.

Any of the foregoing circumstances could have a material adverse effect on our financial condition, results of operations and cash flow.

***The due diligence process that we undertake in connection with investments by our investment funds may not reveal all facts and issues that may be relevant in connection with an investment.***

When evaluating a potential business or asset for investment, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to such investment. When conducting due diligence, we may be required to evaluate important and complex issues, including but not limited to those related to business, financial, credit risk, tax, accounting, ESG, legal and regulatory and macroeconomic trends. With respect to ESG, the nature and scope of our diligence will vary based on the investment, but may include a review of, among other things: energy management, air and water pollution, land contamination, diversity, human rights, employee health and safety, accounting standards and bribery and corruption. Selecting and evaluating ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by Blackstone or a third-party ESG specialist (if any) will reflect the beliefs, values, internal policies or preferred practices of any particular investor or align with the beliefs, values or preferred practices of other asset managers or with market trends. The materiality of ESG risks and impacts on an individual potential investment or portfolio as a whole depend on many factors, including the relevant industry, country, asset class and investment style. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts (including fraud) or risks that may be necessary or helpful in evaluating such investment opportunity and we may not identify or foresee future developments that could have a material adverse effect on an investment, including, for example, potential factors, such as technological disruption of a specific company or asset, or an entire industry.

Further, some matters covered by our diligence, such as ESG, are continuously evolving and we may not accurately or fully anticipate such evolution. For instance, our ESG framework does not represent a universally recognized standard for assessing ESG considerations as there are different frameworks and methodologies being implemented by other asset managers, in addition to numerous international initiatives on the subject. For example, recent amendments under AIFMD require us to identify, measure, manage and monitor sustainability risks relevant to the funds managed by our EU AIFMs and take into account sustainability risks when performing investment due diligence. Such requirements may make our funds less attractive to investors, and any non-compliance with such requirements may subject us to regulatory action. In addition, when conducting due diligence on investments, including with respect to investments made by our funds of hedge funds in third party hedge funds, we rely on the resources available to us and information supplied by third parties, including information provided by the target of the investment (or, in the case of investments in a third party hedge fund,

---

## [Table of Contents](#)

information provided by such hedge fund or its service providers). The information we receive from third parties may not be accurate or complete and therefore we may not have all the relevant facts and information necessary to properly assess and monitor our funds' investment.

***We and our affiliates from time to time are required to report specified dealings or transactions involving Iran or other sanctioned individuals or entities.***

The Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRA") requires companies subject to SEC reporting obligations under Section 13 of the Exchange Act to disclose in their periodic reports specified dealings or transactions involving Iran or other individuals and entities targeted by certain OFAC sanctions, including, by way of example, the Russian Federal Security Service, engaged in by the reporting company or any of its affiliates during the period covered by the relevant periodic report. In some cases, ITRA requires companies to disclose these types of transactions even if they were permissible under U.S. law. Companies that currently may be or may have been at the time considered our affiliates have from time to time publicly filed and/or provided to us the disclosures reproduced on Exhibit 99.1 of our Quarterly Reports as well as Exhibit 99.1 of this report, which disclosure is hereby incorporated by reference herein. We do not independently verify or participate in the preparation of these disclosures. We are required to separately file with the SEC a notice when such activities have been disclosed in this report, and the SEC is required to post such notice of disclosure on its website and send the report to the President and certain U.S. Congressional committees. The President thereafter is required to initiate an investigation and, within 180 days of initiating such an investigation, determine whether sanctions should be imposed. Disclosure of such activity, even if such activity is not subject to sanctions under applicable law, and any sanctions actually imposed on us or our affiliates as a result of these activities, could harm our reputation and have a negative impact on our business, and any failure to disclose any such activities as required could additionally result in fines or penalties.

***Our asset management activities involve investments in relatively illiquid assets, and we may fail to realize any profits from these activities for a considerable period of time.***

Many of our investment funds invest in securities that are not publicly traded. In many cases, our investment funds may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. Our investment funds will generally not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration is available. The ability of many of our investment funds, particularly our private equity funds, to dispose of investments is heavily dependent on the public equity markets. For example, the ability to realize any value from an investment may depend upon the ability to complete an initial public offering of the portfolio company in which such investment is held. Even if the securities are publicly traded, large holdings of securities can often be disposed of only over a substantial length of time, exposing the investment returns to risks of downward movement in market prices during the intended disposition period. Moreover, because the investment strategy of many of our funds, particularly our private equity and real estate funds, often entails our having representation on our funds' public portfolio company boards, our funds may be restricted in their ability to effect such sales during certain time periods. Accordingly, under certain conditions, our investment funds may be forced to either sell securities at lower prices than they had expected to realize or defer — potentially for a considerable period of time — sales that they had planned to make.

***We make investments in companies that are based outside of the United States, which may expose us to additional risks not typically associated with investing in companies that are based in the United States.***

Many of our investment funds generally invest a significant portion of their assets in the equity, debt, loans or other securities of issuers located outside the United States. International investments have increased and we expect will continue to increase as a proportion of certain of our funds' portfolios in the future. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to:



## [Table of Contents](#)

- currency exchange matters, including fluctuations in currency exchange rates and costs associated with conversion of investment principal and income from one currency into another,
- less developed or efficient financial markets than in the United States, which may lead to potential price volatility and relative illiquidity,
- the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation,
- changes in laws or clarifications to existing laws that could impact our tax treaty positions, which could adversely impact the returns on our investments,
- a less developed legal or regulatory environment, differences in the legal and regulatory environment or enhanced legal and regulatory compliance,
- heightened exposure to corruption risk in non-U.S. markets,
- political hostility to investments by foreign or private equity investors,
- reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms,
- higher rates of inflation,
- higher transaction costs,
- difficulty in enforcing contractual obligations,
- fewer investor protections and less publicly available information in respect of companies in non-U.S. markets,
- certain economic and political risks, including potential exchange control regulations and restrictions on our non-U.S. investments and repatriation of profits on investments or of capital invested, the risks of war, political, economic or social instability, the possibility of expropriation or confiscatory taxation and adverse economic and political developments, and
- the possible imposition of non-U.S. taxes or withholding on income and gains recognized with respect to such securities.

In addition, investments in companies that are based outside of the United States may be negatively impacted by restrictions on international trade or the recent or potential further imposition of tariffs. See “— Trade negotiations and related government actions may create regulatory uncertainty for our funds’ portfolio companies and our investment strategies and adversely affect the profitability of our funds’ portfolio companies.”

There can be no assurance that adverse developments with respect to such risks will not adversely affect our assets that are held in certain countries or the returns from these assets.

***We may not have sufficient cash to pay back “clawback” obligations if and when they are triggered under the governing agreements with our investors.***

In certain circumstances, at the end of the life of a carry fund (and earlier with respect to certain of our funds), we may be obligated to repay the amount by which Performance Allocations that were previously distributed to us exceed the amounts to which the relevant general partner is ultimately entitled on an after-tax basis. This includes situations in which the general partner receives in excess of the relevant Performance Allocations applicable to the fund as applied to the fund’s cumulative net profits over the life of the fund or, in some cases, the fund has not achieved investment returns that exceed the preferred return threshold. This obligation is known as a “clawback” obligation and is an obligation of any person who received such Performance Allocations, including us and other participants in our Performance Allocations plans. Although a portion of any dividends by us to our stockholders may include any Performance Allocations received by us, we do not intend to seek fulfillment of any clawback

---

## [Table of Contents](#)

obligation by seeking to have our stockholders return any portion of such dividends attributable to Performance Allocations associated with any clawback obligation. To the extent we are required to fulfill a clawback obligation, however, our board of directors may determine to decrease the amount of our dividends to our stockholders. The clawback obligation operates with respect to a given carry fund's own net investment performance only and performance of other funds are not netted for determining this contingent obligation.

Adverse economic conditions may increase the likelihood that one or more of our carry funds may be subject to clawback obligations. To the extent one or more clawback obligations were to occur for any one or more carry funds, we might not have available cash at the time such clawback obligation is triggered to repay the Performance Allocations and satisfy such obligation. If we were unable to repay such Performance Allocations, we would be in breach of the governing agreements with our investors and could be subject to liability. Moreover, although a clawback obligation is several, the governing agreements of most of our funds provide that to the extent another recipient of Performance Allocations (such as a current or former employee) does not fund his or her respective share, then we and our employees who participate in such Performance Allocations plans may have to fund additional amounts (generally an additional 50-70% beyond our pro-rata share of such obligations) beyond what we actually received in Performance Allocations, although we retain the right to pursue any remedies that we have under such governing agreements against those Performance Allocations recipients who fail to fund their obligations.

***Investors in a number of our vehicles, including our hedge funds and certain of our open-ended funds and perpetual capital vehicles, may withdraw their investments in these vehicles. In addition, the investment management agreements related to our separately managed accounts may permit the investor to withdraw capital or terminate our management of such account. Lastly, investors in certain of our other investment funds have the right to cause these investment funds to be dissolved. Any of these events would lead to a decrease in our revenues, which could be substantial.***

We have a number of vehicles that permit investors in such vehicles to withdraw their investments and/or terminate our management of such capital, as applicable and in certain cases, subject to certain limitations. Investors in our hedge funds may generally redeem their investments on a periodic basis following, in certain cases, the expiration of a specified period of time when capital may not be withdrawn, subject to the applicable fund's specific redemption provisions. In addition, in certain other open-ended and/or perpetual capital vehicles, including core+ real estate, certain real estate debt funds, BREIT and BCRED, investors may request redemptions or repurchases of their interests on a periodic basis, subject to certain limitations. In a declining market, our liquid or semi-liquid vehicles have and may continue to experience declines in value, and the pace of redemptions and consequent reduction in our assets under management could accelerate. Such declines in value may be both provoked and exacerbated by margin calls and forced selling of assets. Additional factors that could result in investors leaving our funds include changes in interest rates that make other investments more attractive, changes in or rebalancing due to investors' asset allocation policy, changes in investor perception regarding our focus or alignment of interest, unhappiness with a fund's performance or investment strategy, changes in our reputation, departures or changes in responsibilities of key investment professionals, and performance and liquidity needs of fund investors. The decrease in revenues that would result from significant redemptions from our funds or other similar investment vehicles could have a material adverse effect on our business, revenues, net income and cash flows.

To the extent appropriate and permissible under a vehicle's constituent documents, we have previously and may in the future limit redemptions or repurchases in such vehicle for a period of time. This may subject us to reputational harm, make such vehicles less attractive to investors in the future and negatively impact future subscriptions to such vehicles. This could have a material adverse effect on the cash flows of such vehicles, which may in turn negatively impact the revenues we derive from such vehicles. The decrease in revenues that would result from significant redemptions in our hedge funds or other open-ended or perpetual capital vehicles could have a material adverse effect on our business, revenues, net income and cash flows.

---

## [Table of Contents](#)

In addition, we currently manage a significant portion of investor assets through separately managed accounts whereby we earn management and/or incentive fees, and we intend to continue to seek additional separately managed account mandates. The investment management agreements we enter into in connection with managing separately managed accounts on behalf of certain clients may be terminated by such clients on as little as 30 days' prior written notice. In addition, the boards of directors of the investment management companies we manage could terminate our advisory engagement of those companies, on as little as 30 days' prior written notice. In the case of any such terminations, the management and incentive fees we earn in connection with managing such account or company would immediately cease, which could result in a significant adverse impact on our revenues.

The governing agreements of most of our investment funds (with the exception of certain of our funds of hedge funds, hedge funds, certain credit-focused and real estate debt funds, and other funds or separately managed accounts for the benefit of one or more specified investors) provide that, subject to certain conditions, third party investors in those funds have the right to remove the general partner of the fund or to accelerate the termination date of the investment fund without cause by a majority or supermajority vote, resulting in a reduction in management fees we would earn from such investment funds and a significant reduction in the amounts of Performance Revenues from those funds. Performance Revenues could be significantly reduced as a result of our inability to maximize the value of investments by an investment fund during the liquidation process or in the event of the triggering of a "clawback" obligation or a recoupment of loss carry forward amounts. In addition, the governing agreements of our investment funds provide that in the event certain "key persons" in our investment funds do not meet specified time commitments with regard to managing the fund, then investors in certain funds have the right to vote to terminate the investment period by a specified percentage (including, in certain cases, a simple majority) vote in accordance with specified procedures, accelerate the withdrawal of their capital on an investor-by-investor basis, or the fund's investment period will automatically terminate and a specified percentage (including, in certain cases, a simple majority) vote of investors is required to restart it. In addition, the governing agreements of some of our investment funds provide that investors have the right to terminate, for any reason, the investment period by a vote of 75% of the investors in such fund. In addition to having a significant negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our investment funds would likely result in significant reputational damage to us.

In addition, because all of our investment funds have advisers that are registered under the Advisers Act, an "assignment" of the management agreements of all of our investment funds (which may be deemed to occur in the event these advisers were to experience a change of control) would generally be prohibited without investor consent. We cannot be certain that consents required for assignments of our investment management agreements will be obtained if a change of control occurs, which could result in the termination of such agreements. In addition, with respect to our 1940 Act registered funds, each investment fund's investment management agreement must be approved annually by the independent members of such investment fund's board of directors and, in certain cases, by its stockholders, as required by law. Termination of these agreements would cause us to lose the fees we earn from such investment funds.

***Third party investors in our investment funds with commitment-based structures may not satisfy their contractual obligation to fund capital calls when requested by us, which could adversely affect a fund's operations and performance.***

Investors in all of our carry funds (and certain of our hedge funds) make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. We depend on investors fulfilling their commitments when we call capital from them in order for those funds to consummate investments and otherwise pay their obligations (for example, management fees) when due. A default by an investor may also limit a fund's availability to incur borrowings and avail itself of what would otherwise have been available credit. We have not had investors fail to honor capital calls to any meaningful extent. Any investor that did not fund a capital call would generally be subject to several possible penalties, including having a significant amount of its existing investment forfeited in that fund. However, the impact of the forfeiture penalty is directly correlated to

---

## [Table of Contents](#)

the amount of capital previously invested by the investor in the fund and if an investor has invested little or no capital, for instance early in the life of the fund, then the forfeiture penalty may not be as meaningful. Third party investors in private equity, real estate and venture capital funds typically use distributions from prior investments to meet future capital calls. In cases where valuations of investors' existing investments fall and the pace of distributions slows, investors may be unable to make new commitments to third party managed investment funds such as those advised by us. If investors were to fail to satisfy a significant amount of capital calls for any particular fund or funds, the operation and performance of those funds could be materially and adversely affected.

### ***Risk management activities may adversely affect the return on our funds' investments.***

When managing our exposure to market risks, we may (on our own behalf or on behalf of our funds) from time to time use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit our exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices. The success of any hedging or other derivatives transactions generally will depend on our ability to correctly predict market changes, the degree of correlation between price movements of a derivative instrument, the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while we may enter into a transaction in order to reduce our exposure to market risks, the transaction may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases.

While such hedging arrangements may reduce certain risks, such arrangements themselves may entail certain other risks. These arrangements may require the posting of cash collateral at a time when a fund has insufficient cash or illiquid assets such that the posting of the cash is either impossible or requires the sale of assets at prices that do not reflect their underlying value. Moreover, these hedging arrangements may generate significant transaction costs, including potential tax costs, that reduce the returns generated by a fund.

Finally, the CFTC may in the future require certain foreign exchange products to be subject to mandatory clearing, which could increase the cost of entering into currency hedges.

### ***Our real estate funds are subject to the risks inherent in the ownership and operation of real estate and the construction and development of real estate.***

Investments by our real estate funds will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. Such investments are subject to the potential for deterioration of real estate fundamentals and the risk of adverse changes in local market and economic conditions, which may include changes in supply of and demand for competing properties in an area, changes in interest rates and related increases in borrowing costs, fluctuations in the average occupancy and room rates for hotel properties, changes in demand for commercial office properties (including as a result of an increased prevalence of remote work), changes in the financial resources of tenants, defaults by borrowers or tenants, depressed travel activity, and the lack of availability of mortgage funds, which may render the sale or refinancing of properties difficult or impracticable. In addition, investments in real estate and real estate-related businesses and assets may be subject to the risk of environmental liabilities, contingent liabilities upon disposition of assets, casualty or condemnations losses, energy and supply shortages, natural disasters, climate change related risks (including climate-related transition risks and acute and chronic physical risks), acts of god, terrorist attacks, war and other events that are beyond our control, and various uninsured or uninsurable risks. Further, investments in real estate and real estate-related businesses and assets are subject to changes in law and regulation, including in respect of building, environmental and zoning laws, rent control and other regulations impacting our residential real estate investments and changes to tax laws and regulations, including real property and income tax rates and the taxation of business entities and the deductibility of corporate interest expense. For example, we have seen an increasing focus toward rent regulation as a means to address residential affordability caused by undersupply of housing in

---

## [Table of Contents](#)

certain markets in the U.S. and Europe, which may contribute to adverse operating performance in certain parts of our residential real estate portfolio, including by moderating rent growth in certain geographies and markets. In addition, if our real estate funds acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing, they will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of our fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms.

***Certain of our investment funds may invest in securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Such investments are subject to a greater risk of poor performance or loss.***

Certain of our investment funds, especially our credit-focused funds, may invest in business enterprises involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions and may purchase high-risk receivables. An investment in such business enterprises entails the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the fund of the security or other financial instrument in respect of which such distribution is received. In addition, if an anticipated transaction does not in fact occur, the fund may be required to sell its investment at a loss. Investments in troubled companies may also be adversely affected by U.S. federal and state laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss by a fund of its entire investment in such company. Moreover, a major economic recession could have a materially adverse impact on the value of such securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of securities rated below investment grade or otherwise adversely affect our reputation.

In addition, at least one federal Circuit Court has determined that an investment fund could be liable for ERISA Title IV pension obligations (including withdrawal liability incurred with respect to union multiemployer plans) of its portfolio companies, if such fund is a "trade or business" and the fund's ownership interest in the portfolio company is significant enough to bring the investment fund within the portfolio company's "controlled group." While a number of cases have held that managing investments is not a "trade or business" for tax purposes, the Circuit Court in this case concluded the investment fund could be a "trade or business" for ERISA purposes based on certain factors, including the fund's level of involvement in the management of its portfolio companies and the nature of its management fee arrangements. Litigation related to the Circuit Court's decision suggests that additional factors may be relevant for purposes of determining whether an investment fund could face "controlled group" liability under ERISA, including the structure of the investment and the nature of the fund's relationship with other affiliated investors and co-investors in the portfolio company. Moreover, regardless of whether an investment fund is determined to be a "trade or business" for purposes of ERISA, a court might hold that one of the fund's portfolio companies could become jointly and severally liable for another portfolio company's unfunded pension liabilities pursuant to the ERISA "controlled group" rules, depending upon the relevant investment structures and ownership interests as noted above.

---

## [Table of Contents](#)

### ***Investments in energy, manufacturing, infrastructure, real estate and certain other assets may expose us to increased environmental liabilities that are inherent in the ownership of real assets.***

Ownership of real assets in our funds or vehicles may increase our risk of direct and/or indirect liability under environmental laws that impose, regardless of fault, joint and several liability for the cost of remediating contamination and compensation for damages. In addition, changes in environmental laws or regulations (including climate change initiatives) or the environmental condition of an investment may create liabilities that did not exist at the time of acquisition. Even in cases where we are indemnified by a seller against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or our ability to achieve enforcement of such indemnities. See “— Climate change, climate change- related regulation and sustainability concerns could adversely affect our businesses and the operations of our funds’ portfolio companies, and any actions we take or fail to take in response to such matters could damage our reputation.”

### ***Investments by our funds in the power and energy industries involve various operational, construction, regulatory and market risks.***

The development, operation and maintenance of power and energy generation facilities involves many risks, including, as applicable, labor issues, start-up risks, breakdown or failure of facilities, lack of sufficient capital to maintain the facilities and the dependence on a specific fuel source. Power and energy generation facilities in which our funds invest are also subject to risks associated with volatility in the price of fuel sources and the impact of unusual or adverse weather conditions or other natural events, such as droughts, as well as the risk of performance below expected levels of output, efficiency or reliability. The occurrence of any such items could result in lost revenues and/or increased expenses. In turn, such developments could impair a portfolio company’s ability to repay its debt or conduct its operations. We may also choose or be required to decommission a power generation facility or other asset. The decommissioning process could be protracted and result in the incurrence of significant financial and/or regulatory obligations or other uncertainties.

Our power and energy sector portfolio companies may also face construction risks typical for power generation and related infrastructure businesses. Such developments could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken. Delays in the completion of any power project may result in lost revenues or increased expenses, including higher operation and maintenance costs related to such portfolio company.

The power and energy sectors are the subject of substantial and complex laws, rules and regulation by various federal and state regulatory agencies. Failure to comply with applicable laws, rules and regulations could result in the prevention of operation of certain facilities or the prevention of the sale of such a facility to a third party, as well as the loss of certain rate authority, refund liability, penalties and other remedies, all of which could result in additional costs to a portfolio company and adversely affect the investment results. In addition, the increased scrutiny placed by regulators, elected officials and certain investors with respect to the incorporation of ESG factors in the investment process and the impact of certain investments made by our energy funds has negatively impacted and is likely to continue to negatively impact our ability to exit certain of our traditional energy investments on favorable terms. The current administration has focused on climate change policies and has re-joined the Paris Agreement, which includes commitments from countries to reduce their greenhouse gas emissions, among other commitments. Executive orders signed by the President placed a temporary moratorium on new oil and gas leasing on public lands and offshore waters. Legislative efforts by the administration or the U.S. Congress to place additional limitations on coal and gas electric generation, mining and/or exploration could adversely affect our traditional energy investments. Conversely, certain investors have raised concerns as to whether the incorporation of ESG factors in the investment and portfolio management process may be inconsistent with the fiduciary duty to maximize returns for investors, which may result in such investors calling into question certain non-traditional energy investments made by our energy funds.

---

## [Table of Contents](#)

In addition, the performance of the investments made by our credit and equity funds in the energy and natural resources markets are also subject to a high degree of market risk, as such investments are likely to be directly or indirectly substantially dependent upon prevailing prices of oil, natural gas and other commodities. Oil and natural gas prices are subject to wide fluctuation in response to factors beyond the control of us or our funds' portfolio companies, including relatively minor changes in the supply and demand for oil and natural gas, market uncertainty, the level of consumer product demand, weather conditions, climate change initiatives, governmental regulation (including with respect to trade and economic sanctions), the price and availability of alternative fuels, political and economic conditions in oil producing countries, foreign supply of such commodities and overall domestic and foreign economic conditions. These factors make it difficult to predict future commodity price movements with any certainty.

### ***Our investments in infrastructure assets may expose us to increased risks that are inherent in the ownership of real assets.***

Investments in infrastructure assets may expose us to increased risks that are inherent in the ownership of real assets. For example,

- Ownership of infrastructure assets may present risk of liability for personal and property injury or impose significant operating challenges and costs with respect to, for example, compliance with zoning, environmental or other applicable laws.
- Infrastructure asset investments may face construction risks including, without limitation: (a) labor disputes, shortages of material and skilled labor, or work stoppages, (b) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (c) less than optimal coordination with public utilities in the relocation of their facilities, (d) adverse weather conditions and unexpected construction conditions, (e) accidents or the breakdown or failure of construction equipment or processes, and (f) catastrophic events such as explosions, fires, terrorist activities and other similar events. These risks could result in substantial unanticipated delays or expenses (which may exceed expected or forecasted budgets) and, under certain circumstances, could prevent completion of construction activities once undertaken. Certain infrastructure asset investments may remain in construction phases for a prolonged period and, accordingly, may not be cash generative for a prolonged period. Recourse against the contractor may be subject to liability caps or may be subject to default or insolvency on the part of the contractor.
- The operation of infrastructure assets is exposed to potential unplanned interruptions caused by significant catastrophic or force majeure events. These risks could, among other effects, adversely impact the cash flows available from investments in infrastructure assets, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, litigation, or penalties for regulatory or contractual non-compliance. Force majeure events that are incapable of, or too costly to, cure may also have a permanent adverse effect on an investment.
- The management of the business or operations of an infrastructure asset may be contracted to a third party management company unaffiliated with us. Although it would be possible to replace any such operator, the failure of such an operator to adequately perform its duties or to act in ways that are in our best interest, or the breach by an operator of applicable agreements or laws, rules and regulations, could have an adverse effect on the investment's financial condition or results of operations. Infrastructure investments may involve the subcontracting of design and construction activities in respect of projects, and as a result our investments are subject to the risks that contractual provisions passing liabilities to a subcontractor could be ineffective, the subcontractor fails to perform services which it has agreed to perform and the subcontractor becomes insolvent.

## [Table of Contents](#)

Infrastructure investments often involve an ongoing commitment to a municipal, state, federal or foreign government or regulatory agencies. The nature of these obligations exposes us to a higher level of regulatory control than typically imposed on other businesses and may require us to rely on complex government licenses, concessions, leases or contracts, which may be difficult to obtain or maintain. Infrastructure investments may require operators to manage such investments and such operators' failure to comply with laws, including prohibitions against bribing of government officials, may adversely affect the value of such investments and cause us serious reputational and legal harm. Revenues for such investments may rely on contractual agreements for the provision of services with a limited number of counterparties, and are consequently subject to counterparty default risk. The operations and cash flow of infrastructure investments are also more sensitive to inflation and, in certain cases, commodity price risk. Furthermore, services provided by infrastructure investments may be subject to rate regulations by government entities that determine or limit prices that may be charged. Similarly, users of applicable services or government entities in response to such users may react negatively to any adjustments in rates and thus reduce the profitability of such infrastructure investments.

### ***Our investments in the life sciences industry may expose us to increased risks.***

Investments by BXLS may expose us to increased risks. For example,

- BXLS's strategies include, among others, investments that are referred to as "corporate partnership" transactions. Corporate partnership transactions are risk-sharing collaborations with biopharmaceutical and medical device partners on drug and medical device development programs and investments in royalty streams of pre-commercial biopharmaceutical products. BXLS's ability to source corporate partnership transactions has been, and will continue to be, in part dependent on the ability of special purpose development companies to identify, diligence, negotiate and in many cases, take the lead in executing the agreed development plans with respect to, a corporate partnership transaction. Moreover, as such special purpose development companies are jointly owned by us or our affiliates and unaffiliated life sciences investors, we (and our funds) are not the sole beneficiaries of such sourcing strategies and capabilities of such special purpose development companies. In addition, payments to BXLS under such corporate partnerships (which can include future royalty or other milestone-based payments) are often contingent upon the achievement of certain milestones, including approvals of the applicable product candidate and/or product sales thresholds, over which BXLS may not have the ability to exercise meaningful control.
- Life sciences and healthcare companies are subject to extensive regulation by the U.S. Food and Drug Administration, similar foreign regulatory authorities and, to a lesser extent, other federal and state agencies. These companies are subject to the expense, delay and uncertainty of the product approval process, and there can be no guarantee that a particular product candidate will obtain regulatory approval. In addition, the current regulatory framework may change or additional regulations may arise at any stage during the product development phase of an investment, which may delay or prevent regulatory approval or impact applicable exclusivity periods. If a company in which our funds are invested is unable to obtain regulatory approval for a product candidate, or a product candidate in which our funds are invested does not obtain regulatory approval, in a timely fashion or at all, the value of our investment would be adversely impacted. In addition, in connection with certain corporate partnership transactions, our special purpose development companies will be contractually obligated to run clinical trials. Further, a clinical trial (including enrollment therein) or regulatory approval process for pharmaceuticals has and may in the future be delayed, otherwise hindered or abandoned as a result of epidemics (including COVID-19), which could have a negative impact on the ability of the investment to engage in trials or receive approvals, and thereby could adversely affect the performance of the investment. In the event such clinical trials do not comply with the complicated regulatory requirements applicable thereto, such special purpose development companies may be subject to regulatory actions.



---

## [Table of Contents](#)

- Intellectual property often constitutes an important part of a life sciences company's assets and competitive strengths, particularly for royalty monetization transactions. To the extent such companies' intellectual property positions with respect to products in which BXLS invests, whether through a royalty monetization or otherwise, are challenged, invalidated or circumvented, the value of BXLS's investment may be impaired. The success of a life sciences investment depends in part on the ability of the biopharmaceutical or medical device companies in whose products BXLS invests to obtain and defend patent rights and other intellectual property rights that are important to the commercialization of such products. The patent positions of such companies can be highly uncertain and often involve complex legal, scientific and factual questions.
- The commercial success of products could be compromised if governmental or third party payers do not provide coverage and reimbursement, breach, rescind or modify their contracts or reimbursement policies or delay payments for such products. In both the U.S. and foreign markets, the successful sale of a life sciences company's product depends on the ability to obtain and maintain adequate coverage and reimbursement from third party payers, including government healthcare programs and private insurance plans. Governments and third party payers continue to pursue aggressive initiatives to contain costs and manage drug utilization and are increasingly focused on the effectiveness, benefits and costs of similar treatments, which could result in lower reimbursement rates and narrower populations for whom the products in which BXLS invests will be reimbursed by payers. For example, in the U.S., Federal legislation has passed that modifies coverage, reimbursement and pricing policies for certain products. Although certain components of such legislation have yet to be implemented or defined by regulatory agencies, such legislation may result in the unavailability of adequate third party payer reimbursement to enable BXLS to realize an appropriate return on its investment.

### ***Our funds may be forced to dispose of investments at a disadvantageous time.***

Our funds may make investments of which they do not advantageously dispose of prior to the date the applicable fund is dissolved, either by expiration of such fund's term or otherwise. Although we generally expect that our funds will dispose of investments prior to dissolution or that investments will be suitable for in-kind distribution at dissolution, we may not be able to do so. The general partners of our funds have only a limited ability to extend the term of the fund with the consent of fund investors or the advisory board of the fund, as applicable, and therefore, we may be required to sell, distribute or otherwise dispose of investments at a disadvantageous time prior to dissolution. This would result in a lower than expected return on the investments and, perhaps, on the fund itself.

### ***Hedge fund investments are subject to numerous additional risks.***

Investments by our funds of hedge funds in other hedge funds, as well as investments by our credit-focused, real estate debt and other hedge funds and similar products, are subject to numerous additional risks, including the following:

- Certain of the funds in which we invest are newly established funds without any operating history or are managed by management companies or general partners who may not have as significant track records as a more established manager.
- Generally, the execution of third-party hedge funds' investment strategies is subject to the sole discretion of the management company or the general partner of such funds. As a result, we do not have the ability to control the investment activities of such funds, including with respect to the selection of investment opportunities, any deviation from stated or expected investment strategy, the liquidation of positions and the use of leverage to finance the purchase of investments, each of which may impact our ability to generate a successful return on our investment in such underlying fund.

---

## [Table of Contents](#)

- Hedge funds may engage in speculative trading strategies, including short selling, which is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. A fund may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the fund is otherwise unable to borrow securities that are necessary to hedge or cover its positions.
- Hedge funds are exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem or otherwise, thus causing the fund to suffer a loss. Counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the fund has concentrated its transactions with a single or small group of counterparties. Generally, hedge funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the funds' internal consideration of the creditworthiness of their counterparties may prove insufficient. The absence of a regulated market to facilitate settlement may increase the potential for losses.
- Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This "systemic risk" may adversely affect the financial intermediaries (such as clearing agencies, clearing houses, banks, securities firms and exchanges) with which the hedge funds interact on a daily basis.
- The efficacy of investment and trading strategies depends largely on the ability to establish and maintain an overall market position in a combination of financial instruments. A hedge fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including systems failures or human error. In such event, the funds might only be able to acquire some but not all of the components of the position, or if the overall position were to need adjustment, the funds might not be able to make such adjustment. As a result, the funds would not be able to achieve the market position selected by the management company or general partner of such funds, and might incur a loss in liquidating their position.
- Hedge funds are subject to risks due to potential illiquidity of assets. Hedge funds may make investments or hold trading positions in markets that are volatile and which may become illiquid. Timely divestiture or sale of trading positions can be impaired by decreased trading volume, increased price volatility, concentrated trading positions, limitations on the ability to transfer positions in highly specialized or structured transactions to which they may be a party, and changes in industry and government regulations. It may be impossible or costly for hedge funds to liquidate positions rapidly in order to meet margin calls, withdrawal requests or otherwise, particularly if there are other market participants seeking to dispose of similar assets at the same time or the relevant market is otherwise moving against a position or in the event of trading halts or daily price movement limits on the market or otherwise. Any "gate" or similar limitation on withdrawals with respect to hedge funds may not be effective in mitigating such risk. Moreover, these risks may be exacerbated for our funds of hedge funds. For example, if one of our funds of hedge funds were to invest a significant portion of its assets in two or more hedge funds that each had illiquid positions in the same issuer, the illiquidity risk for our funds of hedge funds would be compounded. For example, in 2008 many hedge funds, including some of our hedge funds, experienced significant declines in value. In many cases, these declines in value were both provoked and exacerbated by margin calls and forced selling of assets. Moreover, certain of our funds of hedge funds were invested in third party hedge funds that halted redemptions in the face of illiquidity and other issues, which precluded those funds of hedge funds from receiving their capital back on request.
- Hedge fund investments are subject to risks relating to investments in commodities, futures, options and other derivatives, the prices of which are highly volatile and may be subject to the theoretically unlimited risk of loss in certain circumstances, including if the fund writes a call option. Price movements of

---

## [Table of Contents](#)

commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them and prevailing exchange rates. In addition, hedge funds' assets are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or counterparties. Most U.S. commodities exchanges limit fluctuations in certain commodity interest prices during a single day by imposing "daily price fluctuation limits" or "daily limits," the existence of which may reduce liquidity or effectively curtail trading in particular markets.

As a result of their affiliation with us, our hedge funds may from time to time be restricted from trading in certain securities (e.g., publicly traded securities issued by our current or potential portfolio companies). This may limit their ability to acquire and/or subsequently dispose of investments in connection with transactions that would otherwise generally be permitted in the absence of such affiliation.

### ***We are subject to risks in using prime brokers, custodians, counterparties, administrators and other agents.***

Many of our funds depend on the services of prime brokers, custodians, counterparties, administrators and other agents to carry out certain securities and derivatives transactions. The terms of these contracts are often customized and complex, and many of these arrangements occur in markets or relate to products that are not subject to regulatory oversight, although the Dodd-Frank Act and the European Market Infrastructure Regulation provide for regulation of the derivatives market. In particular, some of our funds utilize prime brokerage arrangements with a relatively limited number of counterparties, which has the effect of concentrating the transaction volume (and related counterparty default risk) of these funds with these counterparties.

Our funds are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur suddenly and without notice to us. Moreover, if a counterparty defaults, we may be unable to take action to cover our exposure, either because we lack contractual recourse or because market conditions make it difficult to take effective action. This inability could occur in times of market stress, which is when defaults are most likely to occur.

In addition, our risk management process may not accurately anticipate the impact of market stress or counterparty financial condition, and as a result, we may not have taken sufficient action to reduce our risks effectively. Default risk may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large participant could lead to significant liquidity problems for other participants, which may in turn expose us to significant losses.

Although we have risk management processes to ensure that we are not exposed to a single counterparty for significant periods of time, given the large number and size of our funds, we often have large positions with a single counterparty. For example, most of our funds have credit lines. If the lender under one or more of those credit lines were to become insolvent, we may have difficulty replacing the credit line and one or more of our funds may face liquidity problems.

In the event of a counterparty default, particularly a default by a major investment bank or a default by a counterparty to a significant number of our contracts, one or more of our funds may have outstanding trades that they cannot settle or are delayed in settling. As a result, these funds could incur material losses and the resulting market impact of a major counterparty default could harm our businesses, results of operation and financial condition. In addition, under certain local clearing and settlement regimes in Europe, we or our funds could be subject to settlement discipline fines. See "— Complex regulatory regimes and potential regulatory changes in jurisdictions outside the United States could adversely affect our business."

---

## [Table of Contents](#)

In the event of the insolvency of a prime broker, custodian, counterparty or any other party that is holding assets of our funds as collateral, our funds might not be able to recover equivalent assets in full as they will rank among the prime broker's, custodian's or counterparty's unsecured creditors in relation to the assets held as collateral. In addition, our funds' cash held with a prime broker, custodian or counterparty generally will not be segregated from the prime broker's, custodian's or counterparty's own cash, and our funds may therefore rank as unsecured creditors in relation thereto. If our derivatives transactions are cleared through a derivatives clearing organization, the CFTC has issued final rules regulating the segregation and protection of collateral posted by customers of cleared and uncleared swaps. The CFTC is also working to provide new guidance regarding prime broker arrangements and intermediation generally with regard to trading on swap execution facilities.

The counterparty risks that we face have increased in complexity and magnitude as a result of disruption in the financial markets in recent years. For example, in certain areas the number of counterparties we face has increased and may continue to increase, which may result in increased complexity and monitoring costs. Conversely, in certain other areas, the consolidation and elimination of counterparties has increased our concentration of counterparty risk and decreased the universe of potential counterparties, and our funds are generally not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. In addition, counterparties have in the past and may in the future react to market volatility by tightening underwriting standards and increasing margin requirements for all categories of financing, which may decrease the overall amount of leverage available and increase the costs of borrowing.

### ***Underwriting activities by our capital markets services business expose us to risks.***

Blackstone Securities Partners L.P. may act as an underwriter, syndicator or placement agent in securities offerings and, through affiliated entities, loan syndications. We may incur losses and be subject to reputational harm to the extent that, for any reason, we are unable to sell securities or indebtedness we purchased or placed as an underwriter, syndicator or placement agent at the anticipated price levels or at all. As an underwriter, syndicator or placement agent, we also may be subject to liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings we underwrite, syndicate or place.

### **Risks Related to Our Organizational Structure**

***The significant voting power of holders of our Series I preferred stock and Series II preferred stock may limit the ability of holders of our common stock to influence our business.***

Holders of our common stock are entitled to vote pursuant to Delaware law with respect to:

- A conversion of the legal entity form of Blackstone,
- A transfer, domestication or continuance of Blackstone to a foreign jurisdiction,
- Any amendment of our certificate of incorporation to change the par value of our common stock or the powers, preferences or special rights of our common stock in a way that would affect our common stock adversely,
- Any amendment of our certificate of incorporation that requires for action the vote of a greater number or portion of the holders of common stock than is required by any section of Delaware law, and
- Any amendment of our certificate of incorporation to elect to become a close corporation under Delaware law. In addition, our certificate of incorporation provides voting rights to holders of our common stock on the following additional matters:
- A sale, exchange or disposition of all or substantially all of our assets,
- A merger, consolidation or other business combination,

## [Table of Contents](#)

- Any amendment of our certificate of incorporation or bylaws enlarging the obligations of the common stockholders,
- Any amendment of our certificate of incorporation requiring the vote of the holders of a percentage of the voting power of the outstanding common stock and Series I preferred stock, voting together as a single class, to take any action in a manner that would have the effect of reducing such voting percentage, and
- Any amendments of our certificate of incorporation that are not included in the specified set of amendments that the Series II Preferred Stockholder has the sole right to vote on

Furthermore, our certificate of incorporation provides that the holders of at least 66 2/3% of the voting power of the outstanding shares of common stock and Series I preferred stock may vote to require the Series II Preferred Stockholder to transfer its shares of Series II preferred stock to a successor Series II Preferred Stockholder designated by the holders of at least a majority of the voting power of the outstanding shares of common stock and Series I preferred stock.

Other matters that are required to be submitted to a vote of the holders of our common stock generally require the approval of a majority of the voting power of our outstanding shares of common stock and Series I preferred stock, voting together as a single class, including certain sales, exchanges or other dispositions of all or substantially all of our assets, a merger, consolidation or other business combination, certain amendments to our certificate of incorporation and the designation of a successor Series II Preferred Stockholder. Holders of our Series I preferred stock, as such, will collectively be entitled to a number of votes equal to the aggregate number of Blackstone Holdings Partnership Units held by the limited partners of the Blackstone Holdings Partnerships on the relevant record date and will vote together with holders of our common stock as a single class. As of February 17, 2023, Blackstone Partners L.L.C., an entity owned by the senior managing directors of Blackstone and controlled by Mr. Schwarzman, owned the only share of Series I preferred stock outstanding, representing approximately 39.7% of the total combined voting power of the common stock and Series I preferred stock, taken together.

Our certificate of incorporation and bylaws contain additional provisions affecting the holders of our common stock, including certain limits on the ability of the holders of our common stock to call meetings, to acquire information about our operations and to influence the manner or direction of our management. In addition, any person that beneficially owns 20% or more of the common stock then outstanding (other than the Series II Preferred Stockholder or its affiliates, a direct or subsequently approved transferee of the Series II Preferred Stockholder or its affiliates or a person or group that has acquired such stock with the prior approval of our board of directors) is unable to vote such stock on any matter submitted to such stockholders.

***We are not required to comply with certain provisions of U.S. securities laws relating to proxy statements and certain related matters.***

We are not required to file proxy statements or information statements under Section 14 of the Exchange Act except in circumstances where a vote of holders of our common stock is required under our certificate of incorporation or Delaware law, such as a merger, business combination or sale of all or substantially all of our assets. In addition, we will generally not be subject to the “say-on-pay” and “say-on-frequency” provisions of the Dodd-Frank Act. As a result, our common stockholders do not have an opportunity to provide a non-binding vote on the compensation of our named executive officers. Moreover, holders of our common stock are not able to bring matters before our annual meeting of stockholders or nominate directors at such meeting, nor are they generally able to submit stockholder proposals under Rule 14a-8 of the Exchange Act.

---

## [Table of Contents](#)

***We are a controlled company and as a result qualify for some exceptions from certain corporate governance and other requirements of the New York Stock Exchange.***

Because the Series II Preferred Stockholder holds more than 50% of the voting power for the election of directors, we are a “controlled company” and fall within exceptions from certain corporate governance and other requirements of the rules of the New York Stock Exchange. Pursuant to these exceptions, controlled companies may elect not to comply with certain corporate governance requirements of the New York Stock Exchange, including the requirements (a) that a majority of our board of directors consist of independent directors, (b) that we have a nominating and corporate governance committee that is composed entirely of independent directors, (c) that we have a compensation committee that is composed entirely of independent directors, and (d) that the compensation committee be required to consider certain independence factors when engaging compensation consultants, legal counsel and other committee advisers. While we currently have a majority independent board of directors, we have elected to avail ourselves of the other exceptions. Accordingly, our common stockholders generally do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

***Potential conflicts of interest may arise among the Series II Preferred Stockholder and the holders of our common stock.***

Blackstone Group Management L.L.C., an entity owned by senior managing directors of Blackstone and controlled by Mr. Schwarzman, is the sole holder of the Series II Preferred stock. As a result, conflicts of interest may arise among the Series II Preferred Stockholder, on the one hand, and us and our holders of our common stock, on the other hand. The Series II Preferred Stockholder has the ability to influence our business and affairs through its ownership of Series II Preferred stock, the Series II Preferred Stockholder’s general ability to appoint our board of directors, and provisions under our certificate of incorporation requiring Series II Preferred Stockholder approval for certain corporate actions (in addition to approval by our board of directors). If the holders of our common stock are dissatisfied with the performance of our board of directors, they have no ability to remove any of our directors, with or without cause.

Further, through its ability to elect our board of directors, the Series II Preferred Stockholder has the ability to indirectly influence the determination of the amount and timing of our investments and dispositions, cash expenditures, indebtedness, issuances of additional partnership interests, tax liabilities and amounts of reserves, each of which can affect the amount of cash that is available for distribution to holders of Blackstone Holdings Partnership Units.

In addition, conflicts may arise relating to the selection, structuring and disposition of investments and other transactions, declaring dividends and other distributions and other matters due to the fact that our senior managing directors hold their Blackstone Holdings Partnership Units directly or through pass-through entities that are not subject to corporate income taxation. See “Part III. Item 13. Certain Relationships and Related Transactions, and Director Independence” and “Part III. Item 10. Directors, Executive Officers and Corporate Governance.”

***Our certificate of incorporation states that the Series II Preferred Stockholder is under no obligation to consider the separate interests of the other stockholders and contains provisions limiting the liability of the Series II Preferred Stockholder.***

Subject to applicable law, our certificate of incorporation contains provisions limiting the duties owed by the holder of our Series II preferred stock and contains provisions allowing the Series II Preferred Stockholder to favor its own interests and the interests of its controlling persons over us and the holders of our common stock. Our certificate of incorporation contains provisions stating that the Series II Preferred Stockholder is under no obligation to consider the separate interests of the other stockholders (including, without limitation, the tax

---

## [Table of Contents](#)

consequences to such stockholders) in deciding whether or not to authorize us to take (or decline to authorize us to take) any action as well as provisions stating that the Series II Preferred Stockholder shall not be liable to the other stockholders for damages for any losses, liabilities or benefits not derived by such stockholders in connection with such decisions. See “— Potential conflicts of interest may arise among the Series II Preferred Stockholder and the holders of our common stock.”

***The Series II Preferred Stockholder will not be liable to Blackstone or holders of our common stock for any acts or omissions unless there has been a final and non-appealable judgment determining that the Series II Preferred Stockholder acted in bad faith or engaged in fraud or willful misconduct and we have also agreed to indemnify the Series II Preferred Stockholder to a similar extent.***

Even if there is deemed to be a breach of the obligations set forth in our certificate of incorporation, our certificate of incorporation provides that the Series II Preferred Stockholder will not be liable to us or the holders of our common stock for any acts or omissions unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that the Series II Preferred Stockholder or its officers and directors acted in bad faith or engaged in fraud or willful misconduct. These provisions are detrimental to the holders of our common stock because they restrict the remedies available to stockholders for actions of the Series II Preferred Stockholder.

In addition, we have agreed to indemnify the Series II Preferred Stockholder and our former general partner and its controlling affiliates and any current or former officer or director of any of Blackstone or its subsidiaries, the Series II Preferred Stockholder or former general partner and certain other specified persons (collectively, the “Indemnitees”), to the fullest extent permitted by law, against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts incurred by any Indemnitee. We have agreed to provide this indemnification if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of Blackstone, and with respect to any alleged conduct resulting in a criminal proceeding against the Indemnitee, such person had no reasonable cause to believe that such person’s conduct was unlawful. We have also agreed to provide this indemnification for criminal proceedings.

***The Series II Preferred Stockholder may transfer its interest in the sole share of Series II preferred stock which could materially alter our operations.***

Without the approval of any other stockholder, the Series II Preferred Stockholder may transfer the sole outstanding share of our Series II preferred stock held by it to a third party upon receipt of approval to do so by our board of directors and satisfaction of certain other requirements. Further, the members or other interest holders of the Series II Preferred Stockholder may sell or transfer all or part of their outstanding equity or other interests in the Series II Preferred Stockholder at any time without our approval. A new holder of our Series II preferred stock or new controlling members of the Series II Preferred Stockholder may appoint directors to our board of directors who have a different philosophy and/or investment objectives from those of our current directors. A new holder of our Series II Preferred stock, new controlling members of the Series II Preferred Stockholder and/or the directors they appoint to our board of directors could also have a different philosophy for the management of our business, including the hiring and compensation of our investment professionals. If any of the foregoing were to occur, we could experience difficulty in forming new funds and other investment vehicles and in making new investments, and the value of our existing investments, our business, our results of operations and our financial condition could materially suffer.

---

## [Table of Contents](#)

***We intend to pay regular dividends to holders of our common stock, but our ability to do so may be limited by cash flow from operations and available liquidity, our holding company structure, applicable provisions of Delaware law and contractual restrictions.***

Our intention to pay to holders of common stock a quarterly dividend representing approximately 85% of Blackstone Inc.'s share of Distributable Earnings, subject to adjustment by amounts determined by Blackstone's board of directors to be necessary or appropriate to provide for the conduct of its business, to make appropriate investments in its business and our 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 dividends to stockholders for any ensuing quarter. All of the foregoing is subject to the qualification that the declaration and payment of any dividends are at the sole discretion of our board of directors, and may change at any time, including, without limitation, to reduce such quarterly dividends or to eliminate such dividends entirely.

Blackstone Inc. is a holding company and has no material assets other than the ownership of the partnership units in Blackstone Holdings held through wholly owned subsidiaries. Blackstone Inc. has no independent means of generating revenue. Accordingly, we intend to cause Blackstone Holdings to make distributions to its partners, including Blackstone Inc.'s wholly owned subsidiaries, to fund any dividends Blackstone Inc. may declare on our common stock.

Our ability to make dividends to our stockholders will depend on a number of factors, including among others general economic and business conditions, our strategic plans and prospects, our business and investment opportunities, our financial condition and operating results, including the timing and extent of our realizations, working capital requirements and anticipated cash needs, contractual restrictions and obligations including fulfilling our current and future capital commitments, legal, tax and regulatory restrictions, restrictions and other implications on the payment of dividends by us to holders of our common stock or payment of distributions by our subsidiaries to us and such other factors as our board of directors may deem relevant. Our ability to pay dividends is also subject to the availability of lawful funds therefor as determined in accordance with the Delaware General Corporation Law.

***The amortization of finite-lived intangible assets and non-cash equity-based compensation results in expenses that may increase the net loss we record in certain periods or cause us to record a net loss in periods during which we would otherwise have recorded net income.***

As of December 31, 2022, we have \$217.3 million of finite-lived intangible assets (in addition to \$1.9 billion of goodwill), net of accumulated amortization. These finite-lived intangible assets are from the initial public offering ("IPO") and subsequent business acquisitions. We are amortizing these finite-lived intangibles over their estimated useful lives, which range from three to twenty years, using the straight-line method, with a weighted-average remaining amortization period of 7.1 years as of December 31, 2022. We also record non-cash equity-based compensation from grants made in the ordinary course of business and in connection with other business acquisitions. The amortization of these finite-lived intangible assets and of this non-cash equity-based compensation will increase our expenses during the relevant periods. These expenses may increase the net loss we record in certain periods or cause us to record a net loss in periods during which we would otherwise have recorded net income. A substantial and sustained decline in our share price could result in an impairment of intangible assets or goodwill leading to a further reduction in net income or increase to net loss in the relevant period.



---

## [Table of Contents](#)

***We are required to pay our senior managing directors for most of the benefits relating to any additional tax depreciation or amortization deductions we may claim as a result of the tax basis step-up we received as part of the reorganization we implemented in connection with our IPO or receive in connection with future exchanges of our common stock and related transactions.***

As part of the reorganization we implemented in connection with our IPO, we purchased interests in our business from our pre-IPO owners. In addition, holders of partnership units in Blackstone Holdings (other than Blackstone Inc.'s wholly owned subsidiaries), subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings Partnerships, may up to four times each year (subject to the terms of the exchange agreement) exchange their Blackstone Holdings Partnership Units for shares of Blackstone Inc.'s common stock on a one-for-one basis. A Blackstone Holdings limited partner must exchange one partnership unit in each of the Blackstone Holdings Partnerships to effect an exchange for a share of common stock. The purchase and subsequent exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Blackstone Holdings that otherwise would not have been available. These increases in tax basis may increase (for tax purposes) depreciation and amortization and therefore reduce the amount of tax that we would otherwise be required to pay in the future, although the IRS may challenge all or part of that tax basis increase, and a court could sustain such a challenge.

We have entered into tax receivable agreements with our senior managing directors and other pre-IPO owners that provides for the payment by us to the counterparties of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of these increases in tax basis and of certain other tax benefits related to entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. This payment obligation is an obligation of Blackstone Inc. and/or its wholly owned subsidiaries and not of Blackstone Holdings. As such, the cash distributions to public stockholders may vary from holders of Blackstone Holdings Partnership Units (held by Blackstone personnel and others) to the extent payments are made under the tax receivable agreements to selling holders of Blackstone Holdings Partnership Units. As the payments reflect actual tax savings received by Blackstone entities, there may be a timing difference between the tax savings received by Blackstone entities and the cash payments to selling holders of Blackstone Holdings Partnership Units. While the actual increase in tax basis, as well as the amount and timing of any payments under this agreement, will vary depending upon a number of factors, including the timing of exchanges, the price of our common stock at the time of the exchange, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that as a result of the size of the increases in the tax basis of the tangible and intangible assets of Blackstone Holdings, the payments that we may make under the tax receivable agreements will be substantial. The payments under a tax receivable agreement are not conditioned upon a tax receivable agreement counterparty's continued ownership of us. We may need to incur debt to finance payments under the tax receivable agreement to the extent our cash resources are insufficient to meet our obligations under the tax receivable agreements as a result of timing discrepancies or otherwise.

Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase, the tax receivable agreement counterparties will not reimburse us for any payments previously made under the tax receivable agreement. As a result, in certain circumstances payments to the counterparties under the tax receivable agreement could be in excess of our actual cash tax savings. Our ability to achieve benefits from any tax basis increase, and the payments to be made under the tax receivable agreements, will depend upon a number of factors, as discussed above, including the timing and amount of our future income.

---

## [Table of Contents](#)

***If Blackstone Inc. were deemed an “investment company” under the 1940 Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.***

An entity will generally be deemed to be an “investment company” for purposes of the 1940 Act if: (a) it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities, or (b) absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We believe that we are engaged primarily in the business of providing asset management and capital markets services and not in the business of investing, reinvesting or trading in securities. We also believe that the primary source of income from each of our businesses is properly characterized as income earned in exchange for the provision of services. We hold ourselves out as an asset management and capital markets firm and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we do not believe that Blackstone Inc. is an “orthodox” investment company as defined in section 3(a)(1)(A) of the 1940 Act and described in clause (a) in the first sentence of this paragraph. Furthermore, Blackstone Inc. does not have any material assets other than its equity interests in certain wholly owned subsidiaries, which in turn will have no material assets (other than intercompany debt) other than general partner interests in the Blackstone Holdings Partnerships. These wholly owned subsidiaries are the sole general partners of the Blackstone Holdings Partnerships and are vested with all management and control over the Blackstone Holdings Partnerships. We do not believe the equity interests of Blackstone Inc. in its wholly owned subsidiaries or the general partner interests of these wholly owned subsidiaries in the Blackstone Holdings Partnerships are investment securities. Moreover, because we believe that the capital interests of the general partners of our funds in their respective funds are neither securities nor investment securities, we believe that less than 40% of Blackstone Inc.’s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis are comprised of assets that could be considered investment securities. Accordingly, we do not believe Blackstone Inc. is an inadvertent investment company by virtue of the 40% test in section 3(a)(1)(C) of the 1940 Act as described in clause (b) in the first sentence of this paragraph. In addition, we believe Blackstone Inc. is not an investment company under section 3(b)(1) of the 1940 Act because it is primarily engaged in a non-investment company business.

The 1940 Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the 1940 Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. We intend to conduct our operations so that Blackstone Inc. will not be deemed to be an investment company under the 1940 Act. If anything were to happen which would cause Blackstone Inc. to be deemed to be an investment company under the 1940 Act, requirements imposed by the 1940 Act, including limitations on our capital structure, ability to transact business with affiliates (including us) and ability to compensate key employees, could make it impractical for us to continue our business as currently conducted, impair the agreements and arrangements between and among Blackstone Inc., Blackstone Holdings and our senior managing directors, or any combination thereof, and materially adversely affect our business, financial condition and results of operations. In addition, we may be required to limit the amount of investments that we make as a principal or otherwise conduct our business in a manner that does not subject us to the registration and other requirements of the 1940 Act.

***Other anti-takeover provisions in our charter documents could delay or prevent a change in control.***

In addition to the provisions described elsewhere relating to the Series II Preferred Stockholder’s control, other provisions in our certificate of incorporation and bylaws may discourage, delay or prevent a merger or acquisition that a stockholder may consider favorable by, for example:

- permitting our board of directors to issue one or more series of preferred stock,

## [Table of Contents](#)

- providing for the loss of voting rights for the common stock,
- requiring advance notice for stockholder proposals and nominations if they are ever permitted by applicable law,
- placing limitations on convening stockholder meetings,
- prohibiting stockholder action by written consent unless such action is consent to by the Series II Preferred Stockholder, and
- imposing super-majority voting requirements for certain amendments to our certificate of incorporation.

These provisions may also discourage acquisition proposals or delay or prevent a change in control.

### **Risks Related to Our Common Stock**

#### ***The price of our common stock may decline due to the large number of shares of common stock eligible for future sale and for exchange.***

The market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market in the future or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell shares of common stock in the future at a time and at a price that we deem appropriate. We had a total of 706,369,856 shares of common stock outstanding as of February 17, 2023. Subject to the lock-up restrictions described below, we may issue and sell in the future additional shares of common stock. Limited partners of Blackstone Holdings owned an aggregate of 444,056,162 Blackstone Holdings Partnership Units outstanding as of February 17, 2023. In connection with our initial public offering, we entered into an exchange agreement with holders of Blackstone Holdings Partnership Units (other than Blackstone Inc.'s wholly owned subsidiaries) so that these holders, subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings Partnerships, may up to four times each year (subject to the terms of the exchange agreement) exchange their Blackstone Holdings Partnership Units for shares of Blackstone Inc. common stock on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. A Blackstone Holdings limited partner must exchange one partnership unit in each of the Blackstone Holdings Partnerships to effect an exchange for a share of common stock. The common stock we issue upon such exchanges would be "restricted securities," as defined in Rule 144 under the Securities Act, unless we register such issuances. However, we have entered into a registration rights agreement with the limited partners of the Blackstone Holdings Partnerships that requires us to register these shares of common stock under the Securities Act and we have filed registration statements that cover the delivery of common stock issued upon exchange of Blackstone Holdings Partnership Units. See "Part III. Item 13. Certain Relationships and Related Transactions, and Director Independence — Transactions with Related Persons — Registration Rights Agreement." While the partnership agreements of the Blackstone Holdings Partnerships and related agreements contractually restrict the ability of Blackstone personnel to transfer the Blackstone Holdings Partnership Units or Blackstone Inc. common stock they hold and require that they maintain a minimum amount of equity ownership during their employ by us, these contractual provisions may lapse over time or be waived, modified or amended at any time.

As of February 17, 2023, we had granted 40,265,273 outstanding deferred restricted shares of common stock and 18,107,045 outstanding deferred restricted Blackstone Holdings Partnership Units to our non-senior managing director professionals and senior managing directors under the Blackstone Inc. Amended and Restated 2007 Equity Incentive Plan ("2007 Equity Incentive Plan"). The aggregate number of shares of common stock and Blackstone Holdings Partnership Units (together, "Shares") covered by our 2007 Equity Incentive Plan is increased on the first day of each fiscal year during its term by a number of Shares equal to the positive difference, if any, of (a) 15% of the aggregate number of Shares outstanding on the last day of the immediately preceding fiscal year (excluding Blackstone Holdings Partnership Units held by Blackstone Inc. or its wholly owned subsidiaries) minus (b) the aggregate number of Shares covered by our 2007 Equity Incentive Plan as of such date (unless the

---

## [Table of Contents](#)

administrator of the 2007 Equity Incentive Plan should decide to increase the number of Shares covered by the plan by a lesser amount). An aggregate of 168,978,288 additional Shares were available for grant under our 2007 Equity Incentive Plan as of February 17, 2023. We have filed a registration statement and intend to file additional registration statements on Form S-8 under the Securities Act to register common stock covered by the 2007 Equity Incentive Plan (including pursuant to automatic annual increases). Any such Form S-8 registration statement will automatically become effective upon filing. Accordingly, common stock registered under such registration statement will be available for sale in the open market.

In addition, the Blackstone Holdings partnership agreements authorize the wholly owned subsidiaries of Blackstone Inc. which are the general partners of those partnerships to issue an unlimited number of additional partnership securities of the Blackstone Holdings Partnerships with such designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to the Blackstone Holdings Partnership Units, and which may be exchangeable for our shares of common stock.

***Our certificate of incorporation also provides us with a right to acquire all of the then outstanding shares of common stock under specified circumstances, which may adversely affect the price of our shares of common stock and the ability of holders of shares of common stock to participate in further growth in our stock price.***

Our certificate of incorporation provides that, if at any time, less than 10% of the total shares of any class of our stock then outstanding (other than Series I preferred stock and Series II preferred stock) is held by persons other than the Series II Preferred Stockholder and its affiliates, we may exercise our right to call and purchase all of the then outstanding shares of common stock held by persons other than the Series II Preferred Stockholder or its affiliates or assign this right to the Series II Preferred Stockholder or any of its affiliates. As a result, a stockholder may have his or her shares of common stock purchased from him or her at an undesirable time or price and in a manner which adversely affects the ability of a stockholder to participate in further growth in our stock price.

***Our amended and restated bylaws designate the Court of Chancery of the State of Delaware or the federal district courts of the United States of America, as applicable, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with Blackstone or our directors, officers or other employees.***

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a breach of fiduciary duty owed by any of our current or former directors, officers, stockholders or employees to us or our stockholders, (c) any action asserting a claim against us arising under the Delaware General Corporation Law (the "DGCL"), our certificate of incorporation or our bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (d) any action asserting a claim against us that is governed by the internal affairs doctrine.

Our amended and restated bylaws further provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States, including, in each case, the applicable rules and regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provision in our amended and restated bylaws. This choice-of-forum provision may limit a stockholder's ability to bring a claim in a different judicial forum, including one that it may find favorable or convenient for a specified class of disputes with Blackstone or our directors, officers, other stockholders or employees, which may discourage such lawsuits. Alternatively, if a court were to

---

[Table of Contents](#)

find this provision of our amended and restated bylaws inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

Our principal executive offices are located in leased office space at 345 Park Avenue, New York, New York. As of December 31, 2022, we also leased offices in Cambridge, Dublin, Hong Kong, London, Los Angeles, Luxembourg, Miami, Mumbai, San Francisco, Shanghai, Singapore, Sydney, Tokyo and other cities around the world. We consider these facilities to be suitable and adequate for the management and operations of our business.

**Item 3. Legal Proceedings**

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. See “— Item 1A. Risk Factors” above. We are not currently subject to any pending legal (including judicial, regulatory, administrative or arbitration) proceedings that we expect to have a material impact on our consolidated financial statements. However, given the inherent unpredictability of these types of proceedings and the potentially large and/or indeterminate amounts that could be sought, an adverse outcome in certain matters could have a material effect on Blackstone’s financial results in any particular period. See “Part II. Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 19. Commitments and Contingencies — Contingencies — Litigation.”

**Item 4. Mine Safety Disclosures**

Not applicable.

## Part II.

### Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange (“NYSE”) under the symbol “BX.”

The number of holders of record of our common stock as of February 17, 2023 was 72. This does not include the number of stockholders that hold shares in “street name” through banks or broker-dealers. Blackstone Partners L.L.C. is the sole holder of the single share of Series I preferred stock outstanding and Blackstone Group Management L.L.C. is the sole holder of the single share of Series II preferred stock outstanding.

The following table sets forth the quarterly per share dividends earned for the periods indicated. Each quarter’s dividends are declared and paid in the following quarter.

|                | <u>2022</u>    | <u>2021</u>    |
|----------------|----------------|----------------|
| First Quarter  | \$ 1.32        | \$ 0.82        |
| Second Quarter | 1.27           | 0.70           |
| Third Quarter  | 0.90           | 1.09           |
| Fourth Quarter | 0.91           | 1.45           |
|                | <u>\$ 4.40</u> | <u>\$ 4.06</u> |

#### Dividend Policy

Our intention is to pay to holders of common stock a quarterly dividend representing approximately 85% of Blackstone Inc.’s share of Distributable Earnings, subject to adjustment by amounts determined by our board of directors to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and dividends to stockholders for any ensuing quarter. The dividend amount could also be adjusted upward in any one quarter.

For Blackstone’s definition of Distributable Earnings, see “— Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Financial Measures and Indicators.”

All of the foregoing is subject to the qualification that the declaration and payment of any dividends are at the sole discretion of our board of directors and our board of directors may change our dividend policy at any time, including, without limitation, to reduce such quarterly dividends or even to eliminate such dividends entirely.

Because Blackstone Inc. is a holding company and has no material assets, other than its ownership of partnership units in Blackstone Holdings (held through wholly owned subsidiaries), intercompany loans receivable and deferred tax assets, we fund any dividends by Blackstone Inc. by causing Blackstone Holdings to make distributions to its partners, including Blackstone Inc. (through its wholly owned subsidiaries). If Blackstone Holdings makes such distributions, the limited partners of Blackstone Holdings will be entitled to receive equivalent distributions pro-rata based on their partnership interests in Blackstone Holdings. Blackstone Inc. then dividends its share of such distributions, net of taxes and amounts payable under the tax receivable agreements, to our stockholders on a pro-rata basis.

Because the publicly traded entity and/or its wholly owned subsidiaries must pay taxes and make payments under the tax receivable agreements described in “—Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 18. Related Party Transactions,” the amounts ultimately paid as dividends by Blackstone Inc. to common stockholders in respect of each fiscal year are generally expected to be

## [Table of Contents](#)

less, on a per share or per unit basis, than the amounts distributed by the Blackstone Holdings Partnerships to the Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships in respect of their Blackstone Holdings Partnership Units. Following Blackstone's conversion from a limited partnership to a corporation, we expect to pay more corporate income taxes than we would have as a limited partnership, which will increase this difference between the per share dividend and per unit distribution amounts.

Dividends are treated as qualified dividends to the extent of Blackstone's current and accumulated earnings and profits, with any excess dividends treated as a return of capital to the extent of the stockholder's basis.

In addition, the partnership agreements of the Blackstone Holdings Partnerships provide for cash distributions, which we refer to as "tax distributions," to the partners of such partnerships if the wholly owned subsidiaries of Blackstone Inc. which are the general partners of the Blackstone Holdings Partnerships determine that the taxable income of the relevant partnership will give rise to taxable income for its partners. Generally, these tax distributions will be computed based on our estimate of the net taxable income of the relevant partnership allocable to a partner multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the non-deductibility of certain expenses and the character of our income). The Blackstone Holdings Partnerships will make tax distributions only to the extent distributions from such partnerships for the relevant year were otherwise insufficient to cover such estimated assumed tax liabilities.

### **Share Repurchases in the Fourth Quarter of 2022**

On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to \$2.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date. During the three months ended December 31, 2022, no shares of common stock were repurchased. As of December 31, 2022, the amount remaining available for repurchases under the program was \$1.1 billion. See "— Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 16. Earnings Per Share and Stockholders' Equity — Share Repurchase Program" and "— Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Share Repurchase Program" for further information regarding this repurchase program.

As permitted by our policies and procedures governing transactions in our securities by our directors, executive officers and other employees, from time to time some of these persons may establish plans or arrangements complying with Rule 10b5-1 under the Exchange Act, and similar plans and arrangements relating to our shares and Blackstone Holdings Partnership Units.

### **Item 6. (Reserved)**

### **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis should be read in conjunction with Blackstone Inc.'s consolidated financial statements and the related notes included within this Annual Report on Form 10-K.*

*This section of this Form 10-K generally discusses 2022 and 2021 items and year to year comparisons between 2022 and 2021. [For the discussion of 2021 compared to 2020](#) see "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of Blackstone's Annual Report on Form 10-K for the year ended December 31, 2021, which specific discussion is incorporated herein by reference.*

---

## [Table of Contents](#)

In this report, references to “Blackstone,” the “Company,” “we,” “us” or “our” refer to Blackstone Inc. and its consolidated subsidiaries.

### **Our Business**

Blackstone is one of the world’s leading investment firms. Our business is organized into four segments: Real Estate, Private Equity, Credit & Insurance and Hedge Fund Solutions. For more information about our business segments, see “Part I. Item 1. Business — Business Segments.”

We generate revenue from fees earned pursuant to contractual arrangements with funds, fund investors and fund portfolio companies (including management, transaction and monitoring fees), and from capital markets services. We also invest in the vehicles we manage and we are entitled to a pro-rata share of the results of the vehicle (a “pro-rata allocation”). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, we are entitled to a disproportionate allocation of the income otherwise allocable to the investors (“Performance Allocations”). In carry funds, such allocations are commonly referred to as carried interest. In certain structures, we receive a contractual incentive fee from an investment vehicle in the event that specified cumulative investment returns are achieved (an “Incentive Fee,” and together with Performance Allocations, “Performance Revenues”). The composition of our revenues will vary based on market conditions and the cyclicity of the different businesses in which we operate. Net investment gains and investment income generated by the Blackstone Funds are driven by value created by our operating and strategic initiatives as well as overall market conditions. Fair values are affected by changes in the fundamentals of our portfolio company and other investments, the industries in which they operate, the overall economy and other market conditions.

### **Business Environment**

Blackstone’s businesses are materially affected by conditions in the financial markets and economic conditions in the U.S., Europe, Asia and, to a lesser extent, elsewhere in the world.

In 2022, the market environment was one of the most challenging since the global financial crisis as central banks around the world pursued monetary policy tightening amid high, persistent inflation. In the U.S., annual inflation reached 9.1% in June 2022 but subsequently declined to 6.5% in December 2022. In Eurozone economies, inflation reached 10.6% in October 2022 before decreasing to 9.2% in December 2022. The U.S. Federal Reserve raised the federal funds target range seven times over the course of 2022, beginning the year at 0.0%-0.25% and reaching 4.25%-4.50% in December. In February 2023, the Federal Reserve further raised the federal funds target range to 4.50%-4.75% and reiterated its anticipation that ongoing increases would be appropriate in order to return to the U.S. Federal Reserve’s long term inflation target of 2%. Economists expect inflation to continue moderating from 2022 highs, but remain above the U.S. Federal Reserve’s long run target of 2% for a period of time.

Despite monetary policy tightening, economic growth, employment rates and consumer health indicators have demonstrated resilience. The Bureau of Economic Analysis’ advance estimate of U.S. real GDP growth indicated growth of 2.1% in 2022, down from 5.9% in 2021. The U.S. unemployment rate remained at the pre-pandemic level of 3.5% in December 2022, down from 3.9% in December 2021, indicating a robust labor market. Retail sales increased 9.2% year-over-year in 2022, driven in part by higher prices. In manufacturing, however, the Institute for Supply Management Purchasing Managers’ Index decreased to 48.4 in December 2022, down from 58.8 in December 2021, signaling a contraction in the U.S. manufacturing sector for the first time since May 2020. While the U.S. economy demonstrated relative strength, other major economies experienced less robust fundamentals. In China, there was 0% economic growth in the fourth quarter of 2022 and 3% for the year – the second lowest level since 1976. Most economists believe an economic recession in 2023 is highly probable in the U.K., but somewhat less probable in the Eurozone.



---

## [Table of Contents](#)

The S&P 500 declined 18% in 2022 with most sectors down for the year. The telecom sector experienced the largest decline, down 40%, while energy was the best performing sector, up 65%. The price of West Texas Intermediate crude oil increased 7% in 2022 to \$80 per barrel, and remained at approximately that same level in February 2023. The Henry Hub Natural Gas spot price increased 20% to \$4.48 during the year, but has subsequently fallen to \$2.57 as of February 14, 2023.

Volatility increased materially as the CBOE Volatility Index rose 26% in 2022. Capital markets and transaction activity declined materially, with U.S. initial public offering volumes down 93% and U.S. announced merger and acquisition deal volumes down 43% compared to 2021.

The ten-year Treasury yield increased by 273 basis points to a fourteen-year high of 4.24% in October 2022 and ended the year lower at 3.87%. Since year end, the rate has risen slightly to 3.92% as of February 22, 2023. Meanwhile, short term rates remain on an upward trajectory as three-month LIBOR increased by 4.56% to 4.82% during 2022 and has since increased to 4.93% as of February 22, 2023.

In credit markets, the S&P leveraged loan index decreased by 0.6% and the Credit Suisse high yield bond index declined by 11% in 2022. High yield spreads widened by 144 basis points in 2022, while issuance decreased 77%.

While showing some recent signs of moderating in the U.S., inflation remains meaningfully elevated. In response, the Federal Reserve has indicated that it anticipates further interest rate increases will be appropriate in order to achieve inflation at the rate of two percent over the longer term. The economic consensus predicts multiple additional moderate interest rate increases in the remainder of 2023, with some economists predicting a first reduction by the end of 2023. The possibility of a period of economic slowdown or recession has contributed, and in the near term may continue to contribute, to market volatility.

### **Notable Transactions**

On January 10, 2022, Blackstone issued \$500 million aggregate principal amount of 2.550% senior notes due March 30, 2032 and \$1 billion aggregate principal amount of 3.200% senior notes due January 30, 2052.

On June 1, 2022, Blackstone issued €500 million aggregate principal amount of 3.500% senior notes due June 1, 2034.

On June 3, 2022, Blackstone entered into an amended and restated \$4.135 billion revolving credit facility. The amendment and restatement to the credit facility, among other things, increased the amount of available borrowings and extended the maturity date from November 24, 2025 to June 3, 2027.

On November 3, 2022, Blackstone issued \$600 million aggregate principal amount of 5.900% senior notes due November 3, 2027 and a \$900 million aggregate principal amount of 6.200% senior notes due April 22, 2033.

For additional information see Note 13. "Borrowings" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data."

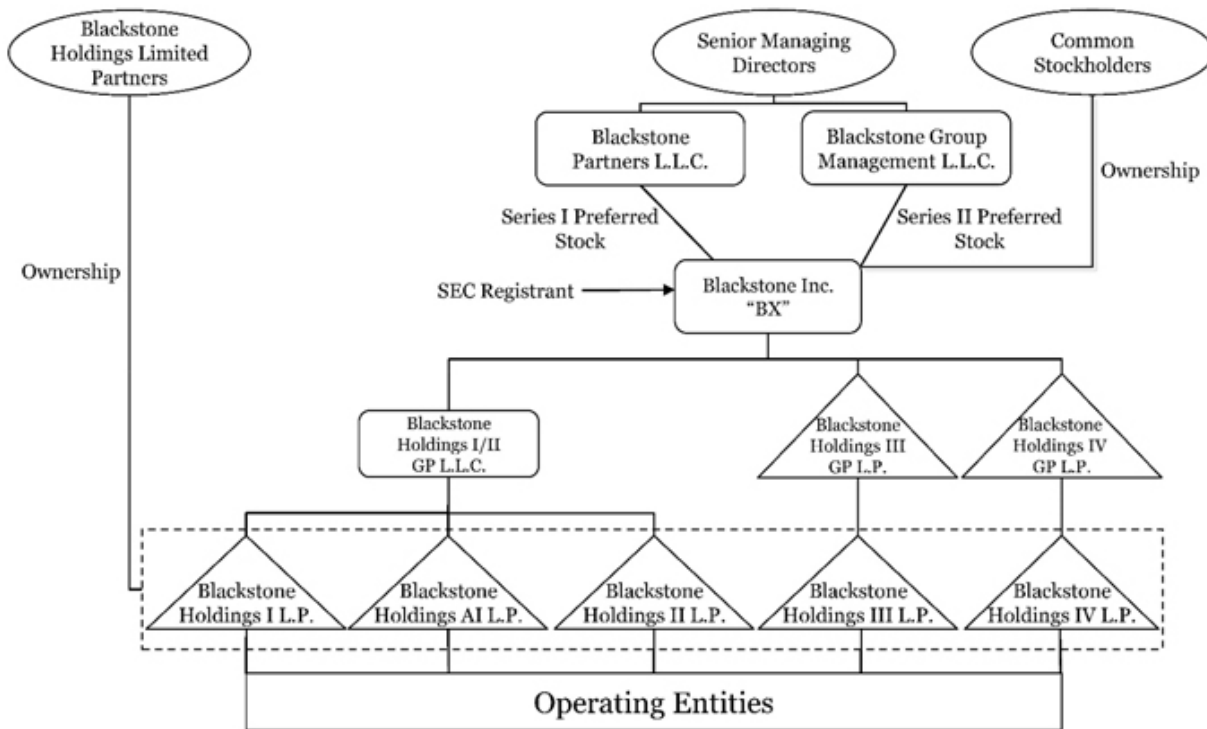
### **Organizational Structure**

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as "common stock," and to reclassify its Class B and Class C common stock into a new "Series I preferred stock" and "Series II preferred stock," respectively. Each new stock has the same rights and powers of its predecessor. For additional information, see Note 1. "Organization" and Note 16. "Earnings Per Share and Stockholders' Equity — Stockholders' Equity" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" of this filing.

## [Table of Contents](#)

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. For additional information, see Note 1. "Organization" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data."

The simplified diagram below depicts our current organizational structure. The diagram does not depict all of our subsidiaries, including intermediate holding companies through which certain of the subsidiaries depicted are held.



### Key Financial Measures and Indicators

We manage our business using certain financial measures and key operating metrics since we believe these metrics measure the productivity of our investment activities. We prepare our Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See "— Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 2. Summary of Significant Accounting Policies" and "— Critical Accounting Policies." Our key non-GAAP financial measures and operating indicators and metrics are discussed below.

### Distributable Earnings

Distributable Earnings is derived from Blackstone's segment reported results. Distributable Earnings is used to assess performance and amounts available for dividends to Blackstone stockholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. Distributable Earnings is the sum of Segment Distributable Earnings plus Net Interest and Dividend Income (Loss) less Taxes and Related Payables. Distributable Earnings excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Distributable Earnings.

---

## [Table of Contents](#)

Net Interest and Dividend Income (Loss) is presented on a segment basis and is equal to Interest and Dividend Revenue less Interest Expense, adjusted for the impact of consolidation of Blackstone Funds, and interest expense associated with the Tax Receivable Agreement.

Taxes and Related Payables represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and including the Payable under the Tax Receivable Agreement. Further, the current tax provision utilized when calculating Taxes and Related Payables and Distributable Earnings reflects the benefit of deductions available to the company on certain expense items that are excluded from the underlying calculation of Segment Distributable Earnings and Total Segment Distributable Earnings, such as equity-based compensation charges and certain Transaction-Related Charges where there is a current tax provision or benefit. The economic assumptions and methodologies that impact the implied income tax provision are the same as those methodologies and assumptions used in calculating the current income tax provision for Blackstone's Consolidated Statements of Operations under GAAP, excluding the impact of divestitures and accrued tax contingencies and refunds which are reflected when paid or received. Management believes that including the amount payable under the Tax Receivable Agreement and utilizing the current income tax provision adjusted as described above when calculating Distributable Earnings is meaningful as it increases comparability between periods and more accurately reflects earnings that are available for distribution to stockholders.

### ***Segment Distributable Earnings***

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments. Blackstone believes it is useful to stockholders to review the measure that management uses in assessing segment performance. Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships, removes the amortization of intangible assets and 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. Segment Distributable Earnings excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Segment Distributable Earnings.

Net Realizations is presented on a segment basis and is the sum of Realized Principal Investment Income and Realized Performance Revenues (which refers to Realized Performance Revenues excluding Fee Related Performance Revenues), less Realized Performance Compensation (which refers to Realized Performance Compensation excluding Fee Related Performance Compensation and Equity-Based Performance Compensation).

Realized Performance Compensation reflects an increase in the aggregate Realized Performance Compensation paid to certain of our professionals above the amounts allocable to them based upon the percentage participation in the relevant performance plans previously awarded to them as a result of a compensation program that commenced during the three months ended June 30, 2021. For the full year 2022, Fee Related Compensation was decreased by the total amount of additional Performance Compensation awarded for the year. During the year ended December 31, 2022, Realized Performance Compensation was increased by an aggregate of \$77.0 million and Fee Related Compensation was decreased by a corresponding amount. In the year ended December 31, 2021, Realized Performance Compensation was increased by an aggregate of \$19.7 million and Fee Related Compensation was decreased by a corresponding amount. These changes to Realized Performance Compensation and Fee Related Compensation reduced Net Realizations, increased Fee Related

---

## [Table of Contents](#)

Earnings and had a neutral impact to Income Before Provision (Benefit) for Taxes and Distributable Earnings in the years ended December 31, 2022 and December 31, 2021.

### ***Fee Related Earnings***

Fee Related Earnings 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. Blackstone believes Fee Related Earnings is useful to stockholders as it provides insight into the profitability of the portion of Blackstone's business that is not dependent on realization activity. Fee Related Earnings equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis, and (b) Other Operating Expenses. Fee Related Earnings is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Fee Related Earnings.

Fee Related Compensation is presented on a segment basis and refers to the compensation expense, excluding Equity-Based Compensation, directly related to (a) Management and Advisory Fees, Net and (b) Fee Related Performance Revenues, referred to as Fee Related Performance Compensation.

Fee Related 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.

Other Operating Expenses is presented on a segment basis and is equal to General, Administrative and Other Expenses, adjusted to (a) remove the amortization of transaction-related intangibles, (b) remove certain expenses reimbursed by the Blackstone Funds which are netted against Management and Advisory Fees, Net in Blackstone's segment presentation, and (c) give effect to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

### ***Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization***

Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization ("Adjusted EBITDA"), is a supplemental measure used to assess performance derived from Blackstone's segment results and may be used to assess its ability to service its borrowings. Adjusted EBITDA represents Distributable Earnings plus the addition of (a) Interest Expense on a segment basis, (b) Taxes and Related Payables, and (c) Depreciation and Amortization. Adjusted EBITDA is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Adjusted EBITDA.

### ***Net Accrued Performance Revenues***

Net Accrued Performance Revenues is a non-GAAP financial measure Blackstone believes is useful to stockholders as an indicator of potential future realized performance revenues based on the current investment portfolio of the funds and vehicles we manage. Net Accrued Performance Revenues represents the accrued performance revenues receivable by Blackstone, net of the related accrued performance compensation payable by Blackstone, excluding performance revenues that have been realized but not yet distributed as of the reporting date and clawback amounts, if any. Net Accrued Performance Revenues is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Investments. See "— Non-GAAP Financial Measures" for our reconciliation of Net Accrued Performance Revenues and Note 2 "Summary of Significant Accounting Policies — Equity Method Investments" in the "Notes to Consolidated Financial Statements" in "— Item 8.

---

## [Table of Contents](#)

Financial Statements and Supplementary Data.” for additional information on the calculation of Investments — Accrued Performance Allocations.

### **Operating Metrics**

The alternative asset management business is primarily based on managing third party capital and does not require substantial capital investment to support rapid growth. Since our inception, we have developed and used various key operating metrics to assess and monitor the operating performance of our various alternative asset management businesses in order to monitor the effectiveness of our value creating strategies.

#### *Total and Fee-Earning Assets Under Management*

Total Assets Under Management refers to the assets we manage. We believe this measure is useful to stockholders as it represents the total capital for which we provide investment management services. Our Total Assets Under Management equals the sum of:

- (a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,
- (b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds, and our Hedge Fund Solutions drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods), and (2) our funds of hedge funds, our Hedge Fund Solutions registered investment companies, BREIT, and BEPIF,
- (c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,
- (d) the amount of debt and equity outstanding for our CLOs during the reinvestment period,
- (e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,
- (f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies,
- (g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT, and
- (h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

Our carry funds are commitment-based drawdown structured funds that do not permit investors to redeem their interests at their election. Our funds of hedge funds, hedge funds, funds structured like hedge funds and other open-ended funds in our Real Estate, Credit & Insurance and Hedge Fund Solutions segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually, quarterly or monthly), typically with 2 to 95 days’ notice, depending on the fund and the liquidity profile of the underlying assets. In our Perpetual Capital vehicles where redemption rights exist, Blackstone has the ability to fulfill redemption requests only (a) in Blackstone’s or the vehicles’ board’s discretion, as applicable, or (b) to the extent there is sufficient new capital. Investment advisory agreements related to certain separately managed accounts in our Credit & Insurance and Hedge Fund Solutions segments, excluding our BIS separately managed accounts, may generally be terminated by an investor on 30 to 90 days’ notice. Our BIS separately managed accounts can generally only be terminated for long-term underperformance, cause and certain other limited circumstances, in each case subject to Blackstone’s right to cure.

## [Table of Contents](#)

Fee-Earning Assets Under Management refers to the assets we manage on which we derive management fees and/or performance revenues. We believe this measure is useful to stockholders as it provides insight into the capital base upon which we can earn management fees and/or performance revenues. Our Fee-Earning Assets Under Management equals the sum of:

- (a) for our Private Equity segment funds and Real Estate segment carry funds, including certain BREDS and Hedge Fund Solutions funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,
- (b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,
- (c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,
- (d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, BEPIF, and certain of our Hedge Fund Solutions drawdown funds,
- (e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,
- (f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,
- (g) the aggregate par amount of collateral assets, including principal cash, of our CLOs, and
- (h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies.

Each of our segments may include certain Fee-Earning Assets Under Management on which we earn performance revenues but not management fees.

Our calculations of Total Assets Under Management and Fee-Earning Assets Under Management may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our calculation of Total Assets Under Management includes commitments to, and the fair value of, invested capital in our funds from Blackstone and our personnel, regardless of whether such commitments or invested capital are subject to fees. Our definitions of Total Assets Under Management and Fee-Earning Assets Under Management are not based on any definition of Total Assets Under Management and Fee-Earning Assets Under Management that is set forth in the agreements governing the investment funds that we manage.

For our carry funds, Total Assets Under Management includes the fair value of the investments held and uncalled capital commitments, whereas Fee-Earning Assets Under Management may include the total amount of capital commitments or the remaining amount of invested capital at cost depending on whether the investment period has expired or as specified by the fee terms of the fund. As such, in certain carry funds Fee-Earning Assets Under Management may be greater than Total Assets Under Management when the aggregate fair value of the remaining investments is less than the cost of those investments.

### *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. Perpetual Capital includes co-investment capital with an investor right to convert into Perpetual Capital. We believe this measure is useful to

---

## [Table of Contents](#)

stockholders as it represents capital we manage that has a longer duration and the ability to generate recurring revenues in a different manner than traditional fund structures.

### *Dry Powder*

Dry Powder represents the amount of capital available for investment or reinvestment, including general partner and employee capital, and is an indicator of the capital we have available for future investments. We believe this measure is useful to stockholders as it provides insight into the extent to which capital is available for Blackstone to deploy capital into investment opportunities as they arise.

### *Invested Performance Eligible Assets Under Management*

Invested Performance Eligible Assets Under Management represents invested capital at fair value, including capital closed for funds whose investment period has not yet commenced, on which performance revenues could be earned if certain hurdles are met. We believe Invested Performance Eligible Assets Under Management is useful to stockholders as it provides insight into the capital deployed that has the potential to generate performance revenues.

### **Recent Tax Developments**

Recent and future changes to tax laws and regulations may create uncertainty for our business and investment strategies and could have an adverse impact on us. For example, the recently enacted Inflation Reduction Act imposes, among other things, a minimum “book” tax on certain large corporations and creates a new excise tax on net stock repurchases made by certain publicly traded corporations after December 31, 2022. While the application of this new law is uncertain and we continue to evaluate its potential impact, these changes could materially change the amount and/or timing of tax Blackstone Inc. may be required to pay. For further discussion of potential consequences of changes in tax regulations, please see “— Item 1A. Risk Factors – Risks Related to Our Business – Changes in U.S. and foreign taxation of businesses and other tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely affect us, including by adversely impacting our effective tax rate and tax liability.”

### **Consolidated Results of Operations**

Following is a discussion of our consolidated results of operations. For a more detailed discussion of the factors that affected the results of our four business segments (which are presented on a basis that deconsolidates the investment funds, eliminates non-controlling ownership interests in Blackstone’s consolidated operating partnerships and removes the amortization of intangibles assets and Transaction-Related Charges) in these periods, see “—Segment Analysis” below.

## Table of Contents

The following table sets forth information regarding our consolidated results of operations and certain key operating metrics for the years ended December 31, 2022, 2021 and 2020:

|  | Year Ended December 31, |                     |                     | 2022 vs. 2021         |             | 2021 vs. 2020       |             |
|--|-------------------------|---------------------|---------------------|-----------------------|-------------|---------------------|-------------|
|  | 2022                    | 2021                | 2020                | \$                    | %           | \$                  | %           |
| (Dollars in Thousands)   |                         |                     |                     |                       |             |                     |             |
| <b>Revenues</b>  |                         |                     |                     |                       |             |                     |             |
| Management and Advisory Fees, Net  | \$ 6,303,315            | \$ 5,170,707        | \$ 4,092,549        | \$ 1,132,608          | 22%         | \$ 1,078,158        | 26%         |
| Incentive Fees   | 525,127                 | 253,991             | 138,661             | 271,136               | 107%        | 115,330             | 83%         |
| Investment Income (Loss)   |                         |                     |                     |                       |             |                     |             |
| Performance Allocations  |                         |                     |                     |                       |             |                     |             |
| Realized   | 5,381,640               | 5,653,452           | 2,106,000           | (271,812)             | -5%         | 3,547,452           | 168%        |
| Unrealized   | (3,435,056)             | 8,675,246           | (384,393)           | (12,110,302)          | n/m         | 9,059,639           | n/m         |
| Principal Investments  |                         |                     |                     |                       |             |                     |             |
| Realized   | 850,327                 | 1,003,822           | 391,628             | (153,495)             | -15%        | 612,194             | 156%        |
| Unrealized   | (1,563,849)             | 1,456,201           | (114,607)           | (3,020,050)           | n/m         | 1,570,808           | n/m         |
| Total Investment Income  | 1,233,062               | 16,788,721          | 1,998,628           | (15,555,659)          | -93%        | 14,790,093          | 740%        |
| Interest and Dividend Revenue  | 271,612                 | 160,643             | 125,231             | 110,969               | 69%         | 35,412              | 28%         |
| Other  | 184,557                 | 203,086             | (253,142)           | (18,529)              | -9%         | 456,228             | n/m         |
| <b>Total Revenues</b>  | <b>8,517,673</b>        | <b>22,577,148</b>   | <b>6,101,927</b>    | <b>(14,059,475)</b>   | <b>-62%</b> | <b>16,475,221</b>   | <b>270%</b> |
| <b>Expenses</b>  |                         |                     |                     |                       |             |                     |             |
| Compensation and Benefits  |                         |                     |                     |                       |             |                     |             |
| Compensation   | 2,569,780               | 2,161,973           | 1,855,619           | 407,807               | 19%         | 306,354             | 17%         |
| Incentive Fee Compensation   | 207,998                 | 98,112              | 44,425              | 109,886               | 112%        | 53,687              | 121%        |
| Performance Allocations Compensation   |                         |                     |                     |                       |             |                     |             |
| Realized   | 2,225,264               | 2,311,993           | 843,230             | (86,729)              | -4%         | 1,468,763           | 174%        |
| Unrealized   | (1,470,588)             | 3,778,048           | (154,516)           | (5,248,636)           | n/m         | 3,932,564           | n/m         |
| Total Compensation and Benefits  | 3,532,454               | 8,350,126           | 2,588,758           | (4,817,672)           | -58%        | 5,761,368           | 223%        |
| General, Administrative and Other  | 1,092,671               | 917,847             | 711,782             | 174,824               | 19%         | 206,065             | 29%         |
| Interest Expense   | 317,225                 | 198,268             | 166,162             | 118,957               | 60%         | 32,106              | 19%         |
| Fund Expenses  | 30,675                  | 10,376              | 12,864              | 20,299                | 196%        | (2,488)             | -19%        |
| <b>Total Expenses</b>  | <b>4,973,025</b>        | <b>9,476,617</b>    | <b>3,479,566</b>    | <b>(4,503,592)</b>    | <b>-48%</b> | <b>5,997,051</b>    | <b>172%</b> |
| <b>Other Income (Loss)</b>   |                         |                     |                     |                       |             |                     |             |
| Change in Tax Receivable Agreement Liability   | 22,283                  | (2,759)             | (35,383)            | 25,042                | n/m         | 32,624              | -92%        |
| Net Gains from Fund Investment Activities  | (105,142)               | 461,624             | 30,542              | (566,766)             | n/m         | 431,082             | n/m         |
| <b>Total Other Income (Loss)</b>   | <b>(82,859)</b>         | <b>458,865</b>      | <b>(4,841)</b>      | <b>(541,724)</b>      | <b>n/m</b>  | <b>463,706</b>      | <b>n/m</b>  |
| <b>Income Before Provision for Taxes</b>   | <b>3,461,789</b>        | <b>13,559,396</b>   | <b>2,617,520</b>    | <b>(10,097,607)</b>   | <b>-74%</b> | <b>10,941,876</b>   | <b>418%</b> |
| <b>Provision for Taxes</b>   | <b>472,880</b>          | <b>1,184,401</b>    | <b>356,014</b>      | <b>(711,521)</b>      | <b>-60%</b> | <b>828,387</b>      | <b>233%</b> |
| <b>Net Income</b>  | <b>2,988,909</b>        | <b>12,374,995</b>   | <b>2,261,506</b>    | <b>(9,386,086)</b>    | <b>-76%</b> | <b>10,113,489</b>   | <b>447%</b> |
| <b>Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities</b> |                         |                     |                     |                       |             |                     |             |
|  | (142,890)               | 5,740               | (13,898)            | (148,630)             | n/m         | 19,638              | n/m         |
| <b>Net Income Attributable to Non-Controlling Interests in Consolidated Entities</b>                   | <b>107,766</b>          | <b>1,625,306</b>    | <b>217,117</b>      | <b>(1,517,540)</b>    | <b>-93%</b> | <b>1,408,189</b>    | <b>649%</b> |
| <b>Net Income Attributable to Non-Controlling Interests in Blackstone Holdings</b>                     | <b>1,276,402</b>        | <b>4,886,552</b>    | <b>1,012,924</b>    | <b>(3,610,150)</b>    | <b>-74%</b> | <b>3,873,628</b>    | <b>382%</b> |
| <b>Net Income Attributable to Blackstone Inc.</b>  | <b>\$ 1,747,631</b>     | <b>\$ 5,857,397</b> | <b>\$ 1,045,363</b> | <b>\$ (4,109,766)</b> | <b>-70%</b> | <b>\$ 4,812,034</b> | <b>460%</b> |

n/m Not meaningful.



---

## [Table of Contents](#)

### **Year Ended December 31, 2022 Compared to Year Ended December 31, 2021**

#### *Revenues*

Revenues were \$8.5 billion for the year ended December 31, 2022, a decrease of \$14.1 billion, or 62%, compared to \$22.6 billion for the year ended December 31, 2021. The decrease in Revenues was primarily attributable to a decrease of \$15.6 billion in Investment Income (Loss), which is composed of decreases of \$15.1 billion in Unrealized Investment Income (Loss) and \$425.3 million in Realized Investment Income (Loss).

The \$15.1 billion decrease in Unrealized Investment Income (Loss) was primarily attributable to net unrealized depreciation of investments in the year ended December 31, 2022 compared to net unrealized appreciation of investment holdings in the year ended December 31, 2021 in the segments. Principal drivers of the decrease were:

- A decrease of \$6.7 billion in our Real Estate segment, primarily attributable to lower net unrealized appreciation of investments in BREP and Core+ during the year ended December 31, 2022 compared to the year ended December 31, 2021. BREP and Core+ carrying value increased 7.1% and 10.3%, respectively, in the year ended December 31, 2022 compared to increases of 43.8% and 25.0%, respectively, in the year ended December 31, 2021.
- A decrease of \$5.6 billion in our Private Equity segment, primarily attributable to net unrealized depreciation of investments in corporate private equity and lower net unrealized appreciation in Strategic Partners in the year ended December 31, 2022 compared to net unrealized appreciation of investments in the year ended December 31, 2021. Corporate private equity and Strategic Partners carrying value decreased 0.6% and increased 8.5%, respectively, in the year ended December 31, 2022 compared to increases of 42.2% and 61.2%, respectively, in the year ended December 31, 2021.
- A decrease of \$1.3 billion in our Credit & Insurance segment, primarily attributable to an unrealized loss on the ownership of Corebridge common stock based on the publicly traded price as of December 31, 2022.

The \$425.3 million decrease in Realized Investment Income (Loss) was primarily attributable to lower realized gains in our Private Equity segment, offset by higher realized gains in our Real Estate segment.

The \$1.1 billion increase in Management and Advisory Fees, Net was primarily due to increases in our Real Estate and Credit & Insurance segments of \$570.8 million and \$455.8 million, respectively. The increase in our Real Estate segment was primarily due to Fee-Earning Assets Under Management growth in Core+ real estate. The increase in our Credit & Insurance segment was primarily due to an increase in inflows in BCRED.

#### *Expenses*

Expenses were \$5.0 billion for the year ended December 31, 2022, a decrease of \$4.5 billion, compared to \$9.5 billion for the year ended December 31, 2021. The decrease was primarily attributable to a decrease of \$4.8 billion in Total Compensation and Benefits, composed of a decrease of \$5.3 billion in Performance Allocations Compensation and an increase of \$407.8 million in Compensation. The decrease in Performance Allocations Compensation was primarily due to the decrease in Investment Income (Loss) – Performance Allocations, on which a portion of Performance Allocations Compensation is based.

#### *Other Income (Loss)*

Other Income (Loss) was \$(82.9) million for the year ended December 31, 2022, a decrease of \$541.7 million, compared to \$458.9 million for the year ended December 31, 2021. The decrease in Other Income (Loss) was due to a decrease of \$566.8 million in Net Gains (Losses) from Fund Investment Activities, partially offset by an increase of \$25.0 million in Change in Tax Receivable Agreement Liability.

## [Table of Contents](#)

The decrease in Net Gains (Losses) from Fund Investment Activities was principally driven by decreases of \$265.4 million, \$159.8 million and \$111.2 million in our Private Equity, Real Estate and Hedge Fund Solutions segments, respectively. The decrease in our Private Equity segment was primarily due to unrealized depreciation and lower realized gains of investments in our consolidated private equity funds. The decreases in our Real Estate and Hedge Fund Solutions segments were primarily due to unrealized depreciation of investments in our consolidated real estate and hedge fund solutions funds.

The increase in Change in Tax Receivable Agreement Liability was primarily attributable to a change in our state tax apportionment.

### ***Provision (Benefit) for Taxes***

Blackstone's Provision for Taxes for the year ended December 31, 2022 was \$472.9 million, a decrease of \$711.5 million, compared to \$1.2 billion for the year ended December 31, 2021. This resulted in an effective tax rate of 13.7% and 8.7% based on our Income Before Provision for Taxes of \$3.5 billion and \$13.6 billion for the years ended December 31, 2022 and 2021, respectively.

The increase in Blackstone's effective tax rate for the year ended December 31, 2022, compared to the year ended December 31, 2021, resulted primarily from recent increases in Blackstone's state tax provisions for the jurisdictions in which it operates and larger benefits recorded in December 31, 2021 for valuation allowance releases.

During the year ended December 31, 2022, Blackstone recorded an out-of-period adjustment to revise the book investment basis used to calculate deferred tax assets and the deferred tax provision. The cumulative impact of the correction related to prior years resulted in a decrease in the Provision for Taxes and a corresponding increase to Deferred Tax Assets for the year ended December 31, 2022.

Additional information regarding our income taxes can be found in "— Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 15. Income Taxes" of this filing.

### ***Non-Controlling Interests in Consolidated Entities***

The Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities and Net Income Attributable to Non-Controlling Interests in Consolidated Entities is attributable to the consolidated Blackstone Funds. The amounts of these items vary directly with the performance of the consolidated Blackstone Funds and largely eliminate the amount of Other Income (Loss) — Net Gains (Losses) from Fund Investment Activities from the Net Income (Loss) Attributable to Blackstone Inc.

Net Income Attributable to Non-Controlling Interests in Blackstone Holdings is derived from the Income Before Provision (Benefit) for Taxes at the Blackstone Holdings level, excluding the Net Gains (Losses) from Fund Investment Activities and the percentage allocation of the income between Blackstone personnel and others who are limited partners of Blackstone Holdings and Blackstone after considering any contractual arrangements that govern the allocation of income such as fees allocable to Blackstone.

For the years ended December 31, 2022 and 2021, the Net Income Before Taxes allocated to Blackstone personnel and others who are limited partners of Blackstone Holdings was 39.7% and 41.3%, respectively. The decrease of 1.6% was primarily due to the conversion of Blackstone Holdings Partnership Units to shares of common stock and the vesting of shares of common stock.

The Other Income (Loss) — Change in Tax Receivable Agreement Liability was entirely allocated to Blackstone Inc.

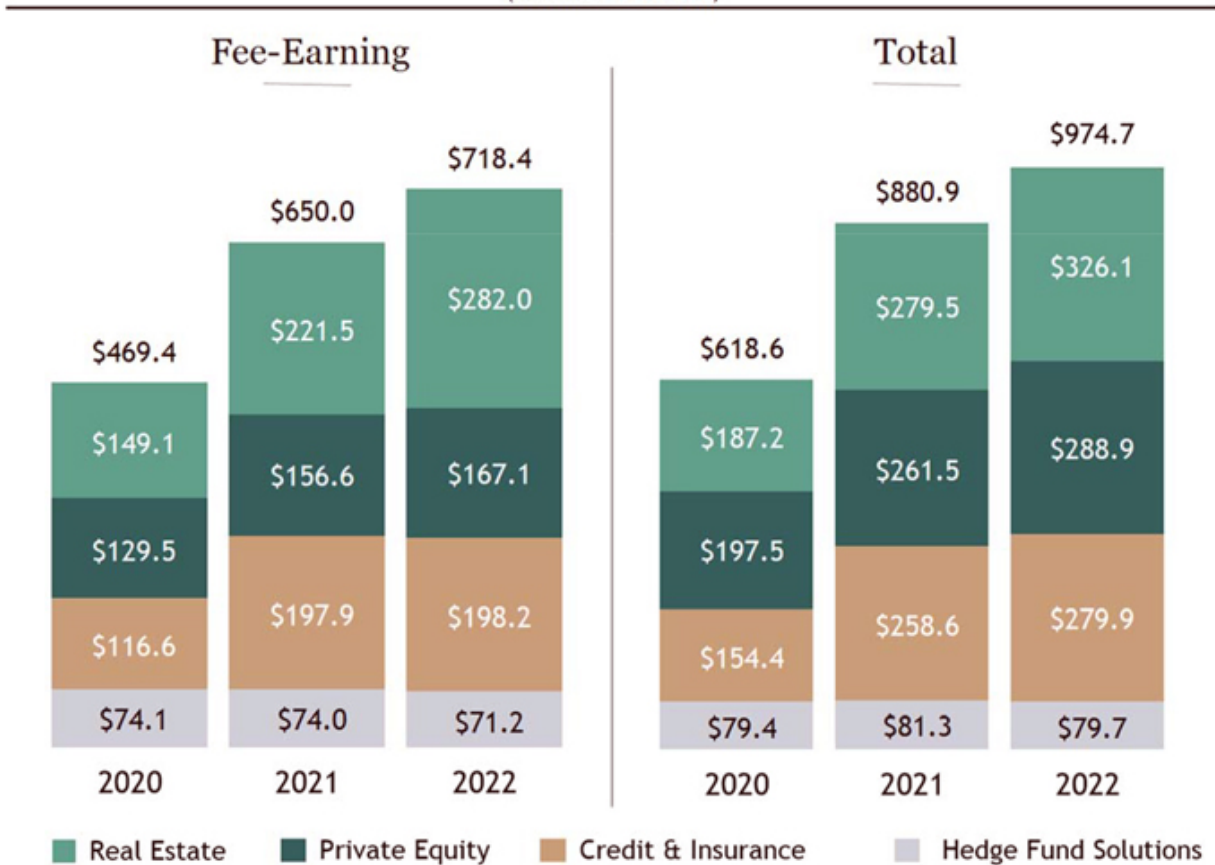
**Operating Metrics**

**Total and Fee-Earning Assets Under Management**

The following graphs and tables summarize the Fee-Earning Assets Under Management by Segment and Total Assets Under Management by Segment, followed by a rollforward of activity for the years ended December 31, 2022, 2021 and 2020. For a description of how Assets Under Management and Fee-Earning Assets Under Management are determined, please see “—Key Financial Measures and Indicators — Operating Metrics — Total and Fee-Earning Assets Under Management.”

## Assets Under Management

(Dollars in Billions)



Note: Totals may not add due to rounding.

[Table of Contents](#)

|   | Year Ended December 31, |                       |                       |                      |                       |                       |                       |                       |                      |                       |
|---|-------------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
|   | 2022                    |                       |                       |                      |                       | 2021                  |                       |                       |                      |                       |
|   | Real Estate             | Private Equity        | Credit & Insurance    | Hedge Fund Solutions | Total                 | Real Estate           | Private Equity        | Credit & Insurance    | Hedge Fund Solutions | Total                 |
|   | (Dollars in Thousands)  |                       |                       |                      |                       |                       |                       |                       |                      |                       |
| Fee-Earning Assets Under Management     |                         |                       |                       |                      |                       |                       |                       |                       |                      |                       |
| Balance, Beginning of Period            | \$ 221,476,699          | \$ 156,556,959        | \$ 197,900,832        | \$ 74,034,568        | \$ 649,969,058        | \$ 149,121,461        | \$ 129,539,630        | \$ 116,645,413        | \$ 74,126,610        | \$ 469,433,114        |
| Inflows (a)                             | 98,569,361              | 20,408,720            | 43,116,181            | 10,175,526           | 172,269,788           | 73,051,751            | 37,527,024            | 103,311,869           | 10,656,310           | 224,546,954           |
| Outflows (b)                            | (20,168,572)            | (3,799,650)           | (22,426,317)          | (11,698,834)         | (58,093,373)          | (3,092,934)           | (3,693,890)           | (11,948,060)          | (14,704,010)         | (33,438,894)          |
| Net Inflows (Outflows)                  | 78,400,789              | 16,609,070            | 20,689,864            | (1,523,308)          | 114,176,415           | 69,958,817            | 33,833,134            | 91,363,809            | (4,047,700)          | 191,108,060           |
| Realizations (c)                        | (22,661,825)            | (9,111,472)           | (8,644,654)           | (1,988,241)          | (42,406,192)          | (14,210,387)          | (13,187,981)          | (12,775,234)          | (1,569,057)          | (41,742,659)          |
| Market Activity (d)(g)                  | 4,751,490               | 3,028,295             | (11,783,111)          | 650,933              | (3,352,393)           | 16,606,808            | 6,372,176             | 2,666,844             | 5,524,715            | 31,170,543            |
| Balance, End of Period (e)              | <u>\$ 281,967,153</u>   | <u>\$ 167,082,852</u> | <u>\$ 198,162,931</u> | <u>\$ 71,173,952</u> | <u>\$ 718,386,888</u> | <u>\$ 221,476,699</u> | <u>\$ 156,556,959</u> | <u>\$ 197,900,832</u> | <u>\$ 74,034,568</u> | <u>\$ 649,969,058</u> |
| Increase (Decrease)                     | \$ 60,490,454           | \$ 10,525,893         | \$ 262,099            | \$ (2,860,616)       | \$ 68,417,830         | \$ 72,355,238         | \$ 27,017,329         | \$ 81,255,419         | \$ (92,042)          | \$ 180,535,944        |
| Increase (Decrease)                     | 27%                     | 7%                    | —                     | -4%                  | 11%                   | 49%                   | 21%                   | 70%                   | —                    | 38%                   |
| Annualized Base Management Fee Rate (f) | 0.97%                   | 1.10%                 | 0.62%                 | 0.77%                | 0.88%                 | 1.09%                 | 1.10%                 | 0.55%                 | 0.86%                | 0.92%                 |

|   | Year Ended December 31, |                       |                       |                      |                       |
|---|-------------------------|-----------------------|-----------------------|----------------------|-----------------------|
|   | 2020                    |                       |                       |                      |                       |
|   | Real Estate             | Private Equity        | Credit & Insurance    | Hedge Fund Solutions | Total                 |
|   | (Dollars in Thousands)  |                       |                       |                      |                       |
| Fee-Earning Assets Under Management     |                         |                       |                       |                      |                       |
| Balance, Beginning of Period            | \$ 128,214,137          | \$ 97,773,964         | \$ 106,450,747        | \$ 75,636,004        | \$ 408,074,852        |
| Inflows (a)                             | 28,071,474              | 45,359,946            | 26,035,009            | 9,712,930            | 109,179,359           |
| Outflows (b)                            | (3,517,881)             | (5,956,364)           | (9,417,126)           | (12,538,753)         | (31,430,124)          |
| Net Inflows (Outflows)                  | 24,553,593              | 39,403,582            | 16,617,883            | (2,825,823)          | 77,749,235            |
| Realizations (c)                        | (9,007,492)             | (7,290,931)           | (5,506,288)           | (1,346,147)          | (23,150,858)          |
| Market Activity (d)(g)                  | 5,361,223               | (346,985)             | (916,929)             | 2,662,576            | 6,759,885             |
| Balance, End of Period (e)              | <u>\$ 149,121,461</u>   | <u>\$ 129,539,630</u> | <u>\$ 116,645,413</u> | <u>\$ 74,126,610</u> | <u>\$ 469,433,114</u> |
| Increase (Decrease)                     | \$ 20,907,324           | \$ 31,765,666         | \$ 10,194,666         | \$ (1,509,394)       | \$ 61,358,262         |
| Increase (Decrease)                     | 16%                     | 32%                   | 10%                   | -2%                  | 15%                   |
| Annualized Base Management Fee Rate (f) | 1.14%                   | 1.00%                 | 0.57%                 | 0.81%                | 0.91%                 |

[Table of Contents](#)

|                                      | Year Ended December 31, |                |                    |                      |                |                |                |                    |                      |                |
|--------------------------------------|-------------------------|----------------|--------------------|----------------------|----------------|----------------|----------------|--------------------|----------------------|----------------|
|                                      | 2022                    |                |                    |                      |                | 2021           |                |                    |                      |                |
|                                      | Real Estate             | Private Equity | Credit & Insurance | Hedge Fund Solutions | Total          | Real Estate    | Private Equity | Credit & Insurance | Hedge Fund Solutions | Total          |
|                                      | (Dollars in Thousands)  |                |                    |                      |                |                |                |                    |                      |                |
| <b>Total Assets Under Management</b> |                         |                |                    |                      |                |                |                |                    |                      |                |
| Balance, Beginning of Period         | \$ 279,474,105          | \$ 261,471,007 | \$ 258,622,467     | \$ 81,334,141        | \$ 880,901,720 | \$ 187,191,247 | \$ 197,549,222 | \$ 154,393,590     | \$ 79,422,869        | \$ 618,556,928 |
| Inflows (a)                          | 90,199,877              | 52,706,725     | 72,038,472         | 11,094,365           | 226,039,439    | 75,257,777     | 53,858,227     | 129,433,685        | 11,921,965           | 270,471,654    |
| Outflows (b)                         | (13,577,103)            | (3,989,728)    | (22,995,061)       | (11,499,687)         | (52,061,579)   | (5,145,881)    | (2,969,032)    | (13,411,898)       | (14,562,917)         | (36,089,728)   |
| Net Inflows (Outflows)               | 76,622,774              | 48,716,997     | 49,043,411         | (405,322)            | 173,977,860    | 70,111,896     | 50,889,195     | 116,021,787        | (2,640,952)          | 234,381,926    |
| Realizations (c)                     | (37,061,836)            | (24,235,386)   | (18,352,741)       | (2,117,677)          | (81,767,640)   | (19,490,016)   | (36,616,307)   | (19,475,414)       | (1,627,766)          | (77,209,503)   |
| Market Activity (d)(h)               | 7,111,861               | 2,949,524      | (9,405,107)        | 904,859              | 1,561,137      | 41,660,978     | 49,648,897     | 7,682,504          | 6,179,990            | 105,172,369    |
| Balance, End of Period (e)           | \$ 326,146,904          | \$ 288,902,142 | \$ 279,908,030     | \$ 79,716,001        | \$ 974,673,077 | \$ 279,474,105 | \$ 261,471,007 | \$ 258,622,467     | \$ 81,334,141        | \$ 880,901,720 |
| Increase (Decrease)                  | \$ 46,672,799           | \$ 27,431,135  | \$ 21,285,563      | \$ (1,618,140)       | \$ 93,771,357  | \$ 92,282,858  | \$ 63,921,785  | \$ 104,228,877     | \$ 1,911,272         | \$ 262,344,792 |
| Increase (Decrease)                  | 17%                     | 10%            | 8%                 | -2%                  | 11%            | 49%            | 32%            | 68%                | 2%                   | 42%            |

|                                      | Year Ended December 31, |                |                    |                      |                |
|--------------------------------------|-------------------------|----------------|--------------------|----------------------|----------------|
|                                      | 2020                    |                |                    |                      |                |
|                                      | Real Estate             | Private Equity | Credit & Insurance | Hedge Fund Solutions | Total          |
|                                      | (Dollars in Thousands)  |                |                    |                      |                |
| <b>Total Assets Under Management</b> |                         |                |                    |                      |                |
| Balance, Beginning of Period         | \$ 163,156,064          | \$ 182,886,109 | \$ 144,342,178     | \$ 80,738,112        | \$ 571,122,463 |
| Inflows (a)                          | 33,426,600              | 23,030,463     | 28,141,077         | 10,415,356           | 95,013,496     |
| Outflows (b)                         | (3,836,842)             | (2,707,863)    | (9,380,391)        | (13,353,437)         | (29,278,533)   |
| Net Inflows (Outflows)               | 29,589,758              | 20,322,600     | 18,760,686         | (2,938,081)          | 65,734,963     |
| Realizations (c)                     | (16,256,579)            | (17,304,777)   | (7,670,738)        | (1,392,894)          | (42,624,988)   |
| Market Activity (d)(h)               | 10,702,004              | 11,645,290     | (1,038,536)        | 3,015,732            | 24,324,490     |
| Balance, End of Period (e)           | \$ 187,191,247          | \$ 197,549,222 | \$ 154,393,590     | \$ 79,422,869        | \$ 618,556,928 |
| Increase (Decrease)                  | \$ 24,035,183           | \$ 14,663,113  | \$ 10,051,412      | \$ (1,315,243)       | \$ 47,434,465  |
| Increase (Decrease)                  | 15%                     | 8%             | 7%                 | -2%                  | 8%             |

## [Table of Contents](#)

- (a) Inflows include contributions, capital raised, other increases in available capital (recallable capital and increased side-by-side commitments), purchases, inter-segment allocations and acquisitions.
- (b) Outflows represent redemptions, client withdrawals and decreases in available capital (expired capital, expense drawdowns and decreased side-by-side commitments).
- (c) Realizations represent realization proceeds from the disposition or other monetization of assets, current income or capital returned to investors from CLOs.
- (d) Market activity includes realized and unrealized gains (losses) on portfolio investments and the impact of foreign exchange rate fluctuations.
- (e) Total and Fee-Earning Assets Under Management are reported in the segment where the assets are managed.
- (f) Annualized Base Management Fee Rate represents annualized year to date Base Management Fee divided by the average of the beginning of year and each quarter end's Fee-Earning Assets Under Management in the reporting period.
- (g) For the year ended December 31, 2022, the impact to Fee-Earning Assets Under Management from foreign exchange rate fluctuations was \$(3.5) billion, \$(123.5) million, \$(1.7) billion, \$(573.2) million, and \$(5.9) billion for the Real Estate, Private Equity, Credit & Insurance, Hedge Fund Solutions and Total segments, respectively. For the year ended December 31, 2021, the impact to Fee-Earning Assets Under Management from foreign exchange rate fluctuations was \$(2.1) billion, \$(1.1) billion and \$(3.2) billion for the Real Estate, Credit & Insurance and Total segments, respectively. For the year ended December 31, 2020, such impact was \$2.4 billion, \$1.0 billion and \$3.5 billion for the Real Estate, Credit & Insurance and Total segments, respectively.
- (h) For the year ended December 31, 2022, the impact to Total Assets Under Management from foreign exchange rate fluctuations was \$(6.6) billion, \$(1.5) billion, \$(2.1) billion, \$(571.4) million, and \$(10.8) billion for the Real Estate, Private Equity, Credit & Insurance, Hedge Fund Solutions and Total segments, respectively. For the year ended December 31, 2021, the impact to Total Assets Under Management from foreign exchange rate fluctuations was \$(3.2) billion, \$(1.2) billion, \$(1.2) billion and \$(5.6) billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively. For the year ended December 31, 2020, such impact was \$4.2 billion, \$642.6 million, \$1.2 billion and \$6.1 billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively.

### *Fee-Earning Assets Under Management*

Fee-Earning Assets Under Management were \$718.4 billion at December 31, 2022, an increase of \$68.4 billion, or 11%, compared to \$650.0 billion at December 31, 2021. The net increase was due to:

- In our Real Estate segment, an increase of \$60.5 billion from \$221.5 billion at December 31, 2021 to \$282.0 billion at December 31, 2022. The net increase was due to inflows of \$98.6 billion and market appreciation of \$4.8 billion, offset by realizations of \$22.7 billion and outflows of \$20.2 billion.
  - o Inflows were driven by \$38.7 billion from BREP and co-investment, primarily due to the commencement of the BREP X and BREP Asia III investment periods, \$27.7 billion from BREIT, \$17.8 billion from BREDS, primarily due to allocations of insurance capital and BREDS IV and \$13.3 billion from BPP and co-investment.
  - o Market appreciation was driven by appreciation of \$9.6 billion from Core+ real estate (which reflected \$2.8 billion of foreign exchange depreciation), partially offset by investment depreciation of \$4.8 billion from BREDS insurance vehicles and foreign exchange depreciation of \$639.2 million from BREP and co-investment.
  - o Realizations were driven by \$7.7 billion from BREIT, \$7.4 billion from BREDS, \$3.9 billion from BREP and co-investment and \$3.6 billion from BPP and co-investment.

## [Table of Contents](#)

- o Outflows were driven by \$10.6 billion from BREIT repurchases, \$7.1 billion from BREP and co-investment from uninvested reserves at the end of BREP IX's and BREP Asia II's investment periods and \$2.1 billion from BPP and co-investment.
- In our Private Equity segment, an increase of \$10.5 billion from \$156.6 billion at December 31, 2021 to \$167.1 billion at December 31, 2022. The net increase was due to inflows of \$20.4 billion and market appreciation of \$3.0 billion, offset by realizations of \$9.1 billion and outflows of \$3.8 billion.
  - o Inflows were driven by \$9.0 billion from Strategic Partners, \$6.0 billion from BIP, \$2.9 billion from Tactical Opportunities and \$1.5 billion from corporate private equity.
  - o Market appreciation was driven by \$2.9 billion from BIP.
  - o Realizations were driven by \$3.4 billion from Strategic Partners, \$2.6 billion from Tactical Opportunities and \$2.3 billion from corporate private equity.
  - o Outflows were driven by \$2.3 billion in BIP resulting from the change in the calculation of management fees to exclude unfunded commitments, \$469.3 million in Tactical Opportunities, \$381.4 million in multi-asset products and \$369.8 million from corporate private equity.
- In our Credit & Insurance segment, an increase of \$262.1 million from \$197.9 billion at December 31, 2021 to \$198.2 billion at December 31, 2022. The net increase was due to inflows of \$43.1 billion, offset by outflows of \$22.4 billion, market depreciation of \$11.8 billion and realizations of \$8.6 billion.
  - o Inflows were driven by \$19.4 billion from direct lending, \$7.4 billion from CLOs, \$5.6 billion from asset-based finance and \$4.0 billion from liquid credit strategies.
  - o Outflows were driven by \$11.3 billion from liquid credit strategies, \$3.5 billion from direct lending, \$3.2 billion from MLP strategies, and \$3.0 billion from BIS.
  - o Market depreciation was driven by depreciation of \$8.3 billion from liquid credit strategies and \$3.1 billion from private placement credit, which included \$1.7 billion of foreign exchange depreciation across the segment.
  - o Realizations were driven by \$3.1 billion from direct lending and \$2.1 billion from CLOs.
- In our Hedge Fund Solutions segment, a decrease of \$2.9 billion from \$74.0 billion at December 31, 2021 to \$71.2 billion at December 31, 2022. The net decrease was due to outflows of \$11.7 billion and realizations of \$2.0 billion, offset by inflows of \$10.2 billion and market appreciation of \$650.9 million.
  - o Outflows were driven by \$5.0 billion from customized solutions, \$3.6 billion from liquid and specialized solutions and \$3.1 billion from commingled products.
  - o Realizations were driven by \$1.9 billion from liquid and specialized solutions.
  - o Inflows were driven by \$7.9 billion from liquid and specialized solutions and \$1.9 billion from customized solutions.
  - o Market appreciation was driven by \$1.2 billion from customized solutions, partially offset by decreases of \$308.3 million from liquid and specialized solutions and \$223.1 million from commingled products.

### *Total Assets Under Management*

Total Assets Under Management were \$974.7 billion at December 31, 2022, an increase of \$93.8 billion, or 11%, compared to \$880.9 billion at December 31, 2021. The net increase was due to:

## [Table of Contents](#)

- In our Real Estate segment, an increase of \$46.7 billion from \$279.5 billion at December 31, 2021 to \$326.1 billion at December 31, 2022. The net increase was due to inflows of \$90.2 billion and market appreciation of \$7.1 billion, offset by realizations of \$37.1 billion and outflows of \$13.6 billion.
  - o Inflows were driven by \$34.0 billion from BREP, primarily from BREP X and BREP Asia III, \$27.7 billion from BREIT, \$14.5 billion from BREDS, primarily due to allocations of insurance capital and BREDS V, and \$12.9 billion from BPP and co-investment.
  - o Market appreciation was driven by \$9.7 billion from Core+ real estate and \$3.5 billion from BREP and co-investment, partially offset by a decrease of \$4.8 billion in BREDS insurance vehicles, all of which included \$6.6 billion of foreign exchange depreciation across the segment.
  - o Realizations were driven by \$22.3 billion from BREP and co-investment, \$7.7 billion from BREIT, \$3.7 billion from BPP and co-investment and \$3.3 billion from BREDS.
  - o Outflows were driven by \$10.6 billion from BREIT and \$2.1 billion from BPP and co-investment.
- In our Private Equity segment, an increase of \$27.4 billion from \$261.5 billion at December 31, 2021 to \$288.9 billion at December 31, 2022. The net increase was due to inflows of \$52.7 billion and market appreciation of \$2.9 billion, offset by realizations of \$24.2 billion and outflows of \$4.0 billion.
  - o Inflows were driven by \$19.7 billion from corporate private equity, \$14.2 billion from Strategic Partners, \$9.7 billion from BIP, \$4.2 billion from Tactical Opportunities and \$3.9 billion from BXG.
  - o Market appreciation was driven by \$3.4 billion from BIP and \$2.6 billion from Strategic Partners, partially offset by depreciation of \$2.2 billion from corporate private equity.
  - o Realizations were driven by \$10.5 billion from corporate private equity, \$7.4 billion from Strategic Partners and \$5.1 billion from Tactical Opportunities.
  - o Outflows were driven by \$1.6 billion from Strategic Partners, \$838.6 million from Tactical Opportunities and \$796.0 million from corporate private equity.
- In our Credit & Insurance segment, an increase of \$21.3 billion from \$258.6 billion at December 31, 2021 to \$279.9 billion at December 31, 2022. The net increase was due to inflows of \$72.0 billion, offset by outflows of \$23.0 billion, realizations of \$18.4 billion and market depreciation of \$9.4 billion.
  - o Inflows were driven by \$43.7 billion from direct lending, \$7.5 billion from CLOs, \$6.1 billion from our energy strategies, \$5.7 billion from asset-based finance and \$5.4 billion from liquid credit strategies.
  - o Outflows were driven by \$11.6 billion from liquid credit strategies, \$3.8 billion from direct lending, \$3.5 billion from MLP strategies and \$3.0 billion from BIS.
  - o Realizations were driven by \$10.5 billion from direct lending and \$2.1 billion from CLOs.
  - o Market depreciation was driven by depreciation of \$8.4 billion from liquid credit strategies and \$3.1 billion from private placement credit, all of which included \$2.1 billion of foreign exchange depreciation across the segment.
- In our Hedge Fund Solutions segment, a decrease of \$1.6 billion from \$81.3 billion at December 31, 2021 to \$79.7 billion at December 31, 2022. The net decrease was due to outflows of \$11.5 billion and realizations of \$2.1 billion, offset by inflows of \$11.1 billion and market appreciation of \$904.9 million.
  - o Outflows were driven by \$5.0 billion from customized solutions, \$3.3 billion from liquid and specialized solutions and \$3.2 billion from commingled products.
  - o Realizations were driven by \$2.1 billion from liquid and specialized solutions.

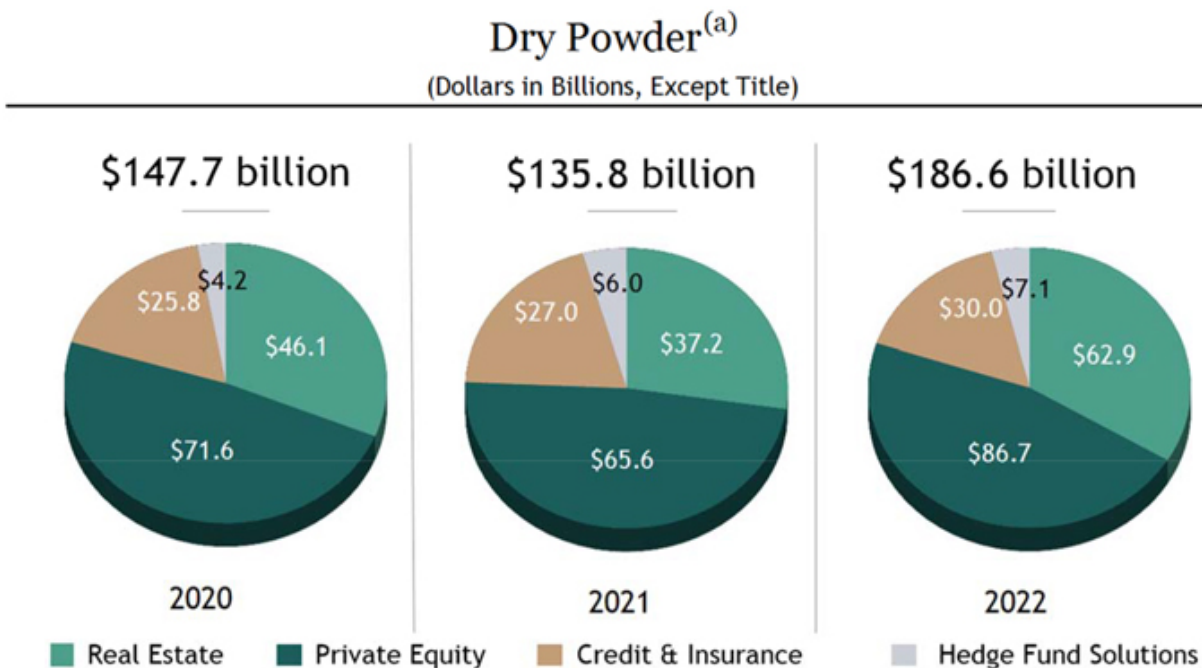


[Table of Contents](#)

- o Inflows were driven by \$9.0 billion from liquid and specialized solutions and \$1.7 billion from customized solutions.
- o Market appreciation was driven by \$1.4 billion from customized solutions, partially offset by decreases of \$236.4 million from liquid and specialized solutions and \$218.0 million from commingled products.

**Dry Powder**

The following presents our Dry Powder as of December 31 of each year:



Note: Totals may not add due to rounding.

(a) Represents illiquid drawdown funds, a component of Perpetual Capital and fee-paying co-investments; includes fee-paying third party capital as well as general partner and employee capital that does not earn fees. Amounts are reduced by outstanding capital commitments, for which capital has not yet been invested.

**Net Accrued Performance Revenues**

The following table presents the Accrued Performance Revenues, net of performance compensation, of the Blackstone Funds as of December 31, 2022 and 2021. Net Accrued Performance Revenues presented do not include clawback amounts, if any, which are disclosed in Note 19. "Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)" in the "Notes to Consolidated Financial Statements" in "—Item 8. Financial Statements and Supplementary Data" of this filing. See "— Non-GAAP Financial Measures" for our reconciliation of Net Accrued Performance Revenues.

## [Table of Contents](#)

|   | December 31,          |                 |
|---|-----------------------|-----------------|
|   | 2022                  | 2021            |
|   | (Dollars in Millions) |                 |
| Real Estate                                       |                       |                 |
| BREP IV   | \$ 6                  | \$ 22           |
| BREP V  | 4                     | 36              |
| BREP VI   | 21                    | 33              |
| BREP VII  | 115                   | 481             |
| BREP VIII   | 749                   | 962             |
| BREP IX   | 1,011                 | 901             |
| BREP Europe IV                                    | 48                    | 89              |
| BREP Europe V                                     | 44                    | 521             |
| BREP Europe VI                                    | 49                    | 253             |
| BREP Asia I                                       | 108                   | 126             |
| BREP Asia II                                      | 119                   | 162             |
| BPP   | 633                   | 505             |
| BEPIF   | —                     | 2               |
| BREDS   | 11                    | 46              |
| BTAS  | 25                    | 57              |
| Total Real Estate (a)                             | <u>2,944</u>          | <u>4,197</u>    |
| Private Equity                                    |                       |                 |
| BCP IV  | 6                     | 8               |
| BCP V   | 20                    | 45              |
| BCP VI  | 459                   | 469             |
| BCP VII   | 870                   | 1,313           |
| BCP VIII  | 256                   | 275             |
| BCP Asia I  | 144                   | 380             |
| BEP I   | 37                    | 27              |
| BEP II  | 27                    | —               |
| BEP III   | 136                   | 68              |
| BCEP I  | 205                   | 214             |
| Tactical Opportunities                            | 234                   | 382             |
| BXG   | —                     | 36              |
| Strategic Partners                                | 512                   | 489             |
| BIP   | 193                   | —               |
| BXLS  | 25                    | 21              |
| BTAS/Other  | 174                   | 211             |
| Total Private Equity (a)                          | <u>3,298</u>          | <u>3,939</u>    |
| Credit & Insurance                                | 312                   | 323             |
| Hedge Fund Solutions                              | 282                   | 280             |
| Total Blackstone Net Accrued Performance Revenues | <u>\$ 6,835</u>       | <u>\$ 8,738</u> |

Note: Totals may not add due to rounding.

(a) Real Estate and Private Equity include co-investments, as applicable

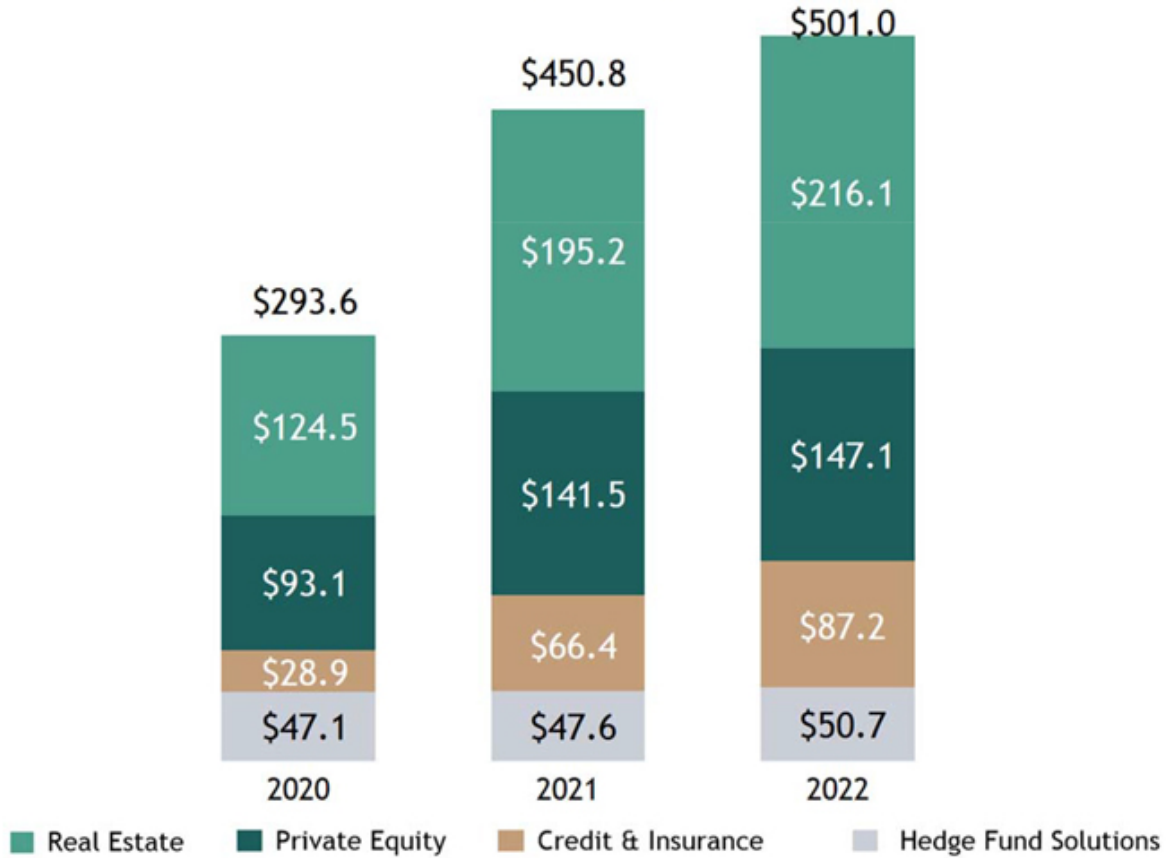
For the year ended December 31, 2022, Net Accrued Performance Revenues receivable decreased due to net realized distributions of \$3.5 billion, partially offset by net performance revenues of \$1.6 billion.

**Invested Performance Eligible Assets Under Management**

The following presents our Invested Performance Eligible Assets Under Management as of December 31 of each year:

## Invested Performance Eligible Assets Under Management

(Dollars in Billions)



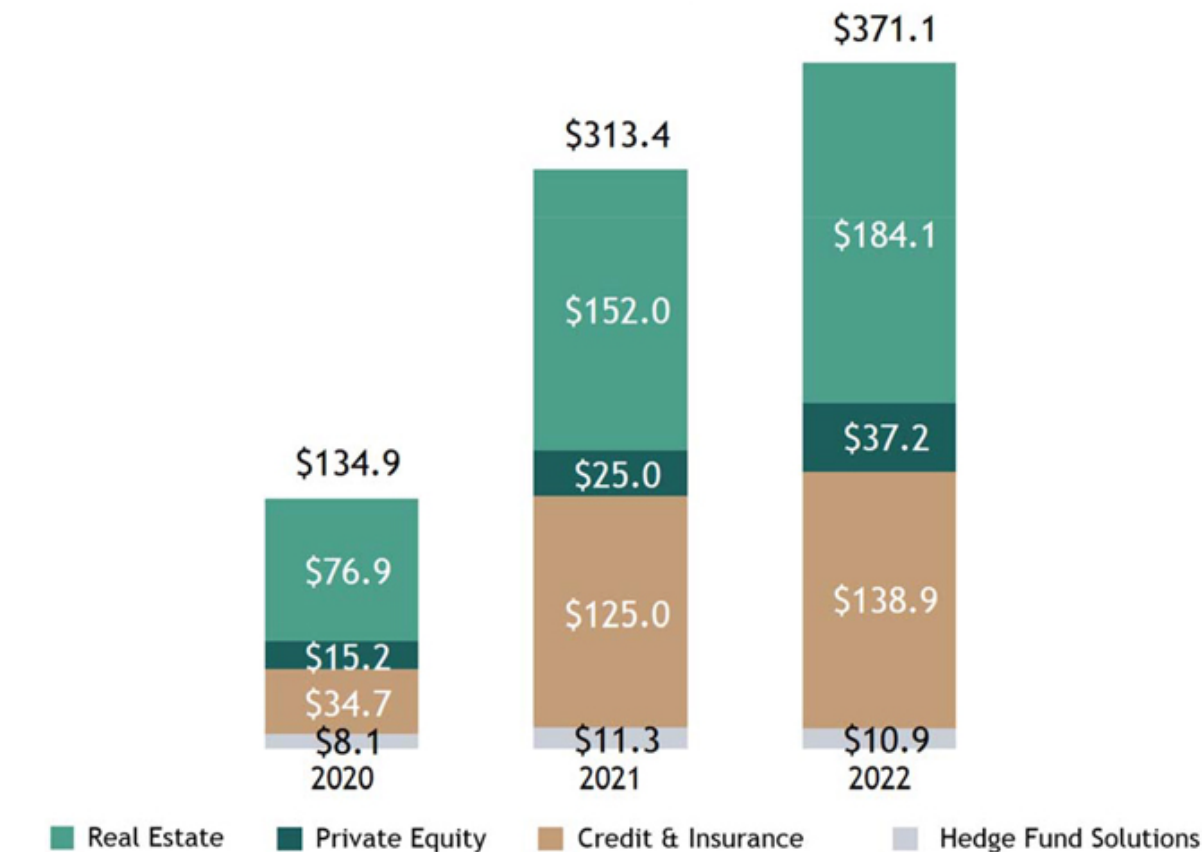
Note: Totals may not add due to rounding.

**Perpetual Capital**

The following presents our Perpetual Capital Total Assets Under Management as of December 31 of each year:

## Perpetual Capital Total Assets Under Management

(Dollars in Billions)



Note: Totals may not add due to rounding.

Perpetual Capital Total Assets Under Management were \$371.1 billion as of December 31, 2022, an increase of \$57.8 billion, or 18%, compared to \$313.4 billion as of December 31, 2021. Perpetual Capital Total Assets Under Management in our Real Estate, Credit & Insurance and Private Equity segments increased \$32.1 billion, \$13.9 billion and \$12.1 billion, respectively. Principal drivers of these increases were:

- In our Real Estate segment, net Total Assets Under Management growth in BREIT, BPP and insurance capital managed in the Real Estate segment resulted in increases of \$14.4 billion, \$12.2 billion and \$5.6 billion, respectively.
- In our Credit & Insurance segment, net Total Assets Under Management growth in direct lending resulted in an increase of \$23.7 billion, partially offset by a decrease of \$9.6 billion related to BIS, which includes \$5.6 billion of allocations to other segments.

---

[Table of Contents](#)

- In our Private Equity segment, net Total Assets Under Management growth in BIP resulted in an increase of \$12.1 billion.

***Investment Records***

Fund returns information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following tables present the investment record of our significant carry/drawdown funds and select perpetual capital strategies from inception through December 31, 2022:

## Table of Contents

### Carry/Drawdown Funds

| Fund (Investment Period<br>Beginning Date / Ending Date) (a) | Committed<br>Capital | Available<br>Capital (b) | Unrealized Investments |          |          | Realized Investments |      | Total Investments |      | Net IRRs (d) |       |
|--|----------------------|--------------------------|------------------------|----------|----------|----------------------|------|-------------------|------|--------------|-------|
|  |                      |                          | Value                  | MOIC (c) | % Public | Value                | MOIC | Value             | MOIC | Realized     | Total |
| (Dollars/Euros in Thousands, Except Where Noted)             |                      |                          |                        |          |          |                      |      |                   |      |              |       |
| <b>Real Estate</b>   |                      |                          |                        |          |          |                      |      |                   |      |              |       |
| Pre-BREP   | \$ 140,714           | \$ —                     | \$ —                   | n/a      | —        | \$ 345,190           | 2.5x | \$ 345,190        | 2.5x | 33%          | 33%   |
| BREP I (Sep 1994 / Oct 1996)                                 | 380,708              | —                        | —                      | n/a      | —        | 1,327,708            | 2.8x | 1,327,708         | 2.8x | 40%          | 40%   |
| BREP II (Oct 1996 / Mar 1999)                                | 1,198,339            | —                        | —                      | n/a      | —        | 2,531,614            | 2.1x | 2,531,614         | 2.1x | 19%          | 19%   |
| BREP III (Apr 1999 / Apr 2003)                               | 1,522,708            | —                        | —                      | n/a      | —        | 3,330,406            | 2.4x | 3,330,406         | 2.4x | 21%          | 21%   |
| BREP IV (Apr 2003 / Dec 2005)                                | 2,198,694            | —                        | 19,634                 | n/a      | —        | 4,641,310            | 1.7x | 4,660,944         | 1.7x | 12%          | 12%   |
| BREP V (Dec 2005 / Feb 2007)                                 | 5,539,418            | —                        | 5,293                  | n/a      | —        | 13,461,688           | 2.3x | 13,466,981        | 2.3x | 11%          | 11%   |
| BREP VI (Feb 2007 / Aug 2011)                                | 11,060,444           | 550,403                  | 224,331                | 1.5x     | 72%      | 27,524,614           | 2.5x | 27,748,945        | 2.5x | 13%          | 13%   |
| BREP VII (Aug 2011 / Apr 2015)                               | 13,501,492           | 1,505,995                | 3,069,372              | 0.8x     | 5%       | 28,074,443           | 2.4x | 31,143,815        | 2.0x | 22%          | 15%   |
| BREP VIII (Apr 2015 / Jun 2019)                              | 16,595,144           | 2,239,288                | 14,189,012             | 1.6x     | —        | 21,483,515           | 2.5x | 35,672,527        | 2.0x | 28%          | 17%   |
| BREP IX (Jun 2019 / Aug 2022)                                | 21,660,845           | 4,239,559                | 26,392,964             | 1.5x     | 1%       | 7,753,249            | 2.2x | 34,146,213        | 1.7x | 66%          | 30%   |
| *BREP X (Aug 2022 / Feb 2028)                                | 28,554,296           | 27,899,414               | 673,932                | 1.0x     | 70%      | —                    | n/a  | 673,932           | 1.0x | n/a          | n/m   |
| Total Global BREP  | \$ 102,352,802       | \$ 36,434,659            | \$ 44,574,538          | 1.4x     | 2%       | \$ 110,473,737       | 2.4x | \$ 155,048,275    | 2.0x | 18%          | 16%   |
| BREP Int'l (Jan 2001 / Sep 2005)                             | € 824,172            | € —                      | € —                    | n/a      | —        | € 1,373,170          | 2.1x | € 1,373,170       | 2.1x | 23%          | 23%   |
| BREP Int'l II (Sep 2005 / Jun 2008) (e)                      | 1,629,748            | —                        | —                      | n/a      | —        | 2,583,032            | 1.8x | 2,583,032         | 1.8x | 8%           | 8%    |
| BREP Europe III (Jun 2008 / Sep 2013)                        | 3,205,318            | 425,749                  | 247,709                | 0.5x     | —        | 5,821,023            | 2.4x | 6,068,732         | 2.0x | 19%          | 14%   |
| BREP Europe IV (Sep 2013 / Dec 2016)                         | 6,673,049            | 1,403,382                | 1,479,392              | 1.1x     | —        | 9,795,271            | 2.0x | 11,274,663        | 1.8x | 20%          | 13%   |
| BREP Europe V (Dec 2016 / Oct 2019)                          | 7,965,078            | 1,367,229                | 5,148,615              | 1.0x     | —        | 6,640,848            | 4.0x | 11,789,463        | 1.7x | 42%          | 12%   |
| *BREP Europe VI (Oct 2019 / Apr 2025)                        | 9,938,743            | 5,969,382                | 4,783,791              | 1.2x     | —        | 3,395,906            | 2.6x | 8,179,697         | 1.5x | 72%          | 21%   |
| Total BREP Europe  | € 30,236,108         | € 9,165,742              | € 11,659,507           | 1.1x     | —        | € 29,609,250         | 2.4x | € 41,268,757      | 1.8x | 17%          | 12%   |

continued ...

## Table of Contents

| Fund (Investment Period<br>Beginning Date / Ending Date) (a) | Committed<br>Capital | Available<br>Capital (b) | Unrealized Investments |          |          | Realized Investments |      | Total Investments |      | Net IRRs (d) |       |
|--|----------------------|--------------------------|------------------------|----------|----------|----------------------|------|-------------------|------|--------------|-------|
|  |                      |                          | Value                  | MOIC (c) | % Public | Value                | MOIC | Value             | MOIC | Realized     | Total |
| (Dollars/Euros in Thousands, Except Where Noted)             |                      |                          |                        |          |          |                      |      |                   |      |              |       |
| <b>Real Estate (continued)</b>                               |                      |                          |                        |          |          |                      |      |                   |      |              |       |
| BREP Asia I (Jun 2013 / Dec 2017)                            | \$ 4,263,411         | \$ 896,064               | \$ 2,124,032           | 1.4x     | 7%       | \$ 6,449,727         | 2.1x | \$ 8,573,759      | 1.9x | 20%          | 12%   |
| BREP Asia II (Dec 2017 / Mar 2022)                           | 7,371,119            | 1,602,346                | 7,174,021              | 1.3x     | —        | 1,120,645            | 1.8x | 8,294,666         | 1.4x | 37%          | 9%    |
| *BREP Asia III (Mar 2022 / Sep 2027)                         | 8,165,533            | 7,146,646                | 969,097                | 1.0x     | —        | —                    | n/a  | 969,097           | 1.0x | n/a          | n/m   |
| BREP Co-Investment (f)                                       | 7,298,715            | 38,573                   | 1,027,423              | 2.2x     | 1%       | 15,088,199           | 2.2x | 16,115,622        | 2.2x | 16%          | 16%   |
| Total BREP   | \$ 165,460,344       | \$ 55,930,215            | \$ 69,213,230          | 1.3x     | 2%       | \$ 169,347,054       | 2.4x | \$ 238,560,284    | 1.9x | 17%          | 15%   |
| *BREDS High-Yield (Various) (g)                              | 21,390,058           | 6,237,466                | 5,495,823              | 1.0x     | —        | 16,988,834           | 1.3x | 22,484,657        | 1.2x | 10%          | 9%    |
| <b>Private Equity</b>  |                      |                          |                        |          |          |                      |      |                   |      |              |       |
| <b>Corporate Private Equity</b>                              |                      |                          |                        |          |          |                      |      |                   |      |              |       |
| BCP I (Oct 1987 / Oct 1993)                                  | \$ 859,081           | \$ —                     | \$ —                   | n/a      | —        | \$ 1,741,738         | 2.6x | \$ 1,741,738      | 2.6x | 19%          | 19%   |
| BCP II (Oct 1993 / Aug 1997)                                 | 1,361,100            | —                        | —                      | n/a      | —        | 3,256,819            | 2.5x | 3,256,819         | 2.5x | 32%          | 32%   |
| BCP III (Aug 1997 / Nov 2002)                                | 3,967,422            | —                        | —                      | n/a      | —        | 9,184,688            | 2.3x | 9,184,688         | 2.3x | 14%          | 14%   |
| BCOM (Jun 2000 / Jun 2006)                                   | 2,137,330            | 24,575                   | 15,506                 | n/a      | —        | 2,951,163            | 1.4x | 2,966,669         | 1.4x | 6%           | 6%    |
| BCP IV (Nov 2002 / Dec 2005)                                 | 6,773,182            | 152,804                  | 27,262                 | n/a      | —        | 21,599,783           | 2.8x | 21,627,045        | 2.8x | 36%          | 36%   |
| BCP V (Dec 2005 / Jan 2011)                                  | 21,009,112           | 1,035,259                | 147,317                | 10.0x    | 94%      | 38,427,169           | 1.9x | 38,574,486        | 1.9x | 8%           | 8%    |
| BCP VI (Jan 2011 / May 2016)                                 | 15,195,536           | 1,371,319                | 6,884,406              | 1.9x     | 39%      | 25,313,360           | 2.2x | 32,197,766        | 2.2x | 16%          | 13%   |
| BCP VII (May 2016 / Feb 2020)                                | 18,863,710           | 1,700,509                | 20,808,070             | 1.6x     | 29%      | 11,591,230           | 2.5x | 32,399,300        | 1.8x | 35%          | 14%   |
| *BCP VIII (Feb 2020 / Feb 2026)                              | 25,448,173           | 14,407,242               | 14,852,797             | 1.3x     | 7%       | 963,311              | 2.6x | 15,816,108        | 1.4x | n/m          | 16%   |
| BCP IX (TBD)   | 15,186,750           | 15,186,749               | —                      | n/a      | —        | —                    | n/a  | —                 | n/a  | n/a          | n/a   |
| Energy I (Aug 2011 / Feb 2015)                               | 2,441,558            | 174,492                  | 676,282                | 1.8x     | 51%      | 4,033,227            | 2.0x | 4,709,509         | 2.0x | 14%          | 12%   |
| Energy II (Feb 2015 / Feb 2020)                              | 4,938,823            | 1,036,068                | 4,829,351              | 1.7x     | 55%      | 2,421,010            | 1.4x | 7,250,361         | 1.6x | 6%           | 8%    |
| *Energy III (Feb 2020 / Feb 2026)                            | 4,348,681            | 2,306,823                | 3,440,633              | 1.7x     | 31%      | 900,586              | 2.3x | 4,341,219         | 1.8x | 66%          | 45%   |
| BCP Asia I (Dec 2017 / Sep 2021)                             | 2,452,208            | 705,009                  | 2,959,002              | 1.8x     | 43%      | 1,404,049            | 4.8x | 4,363,051         | 2.3x | 102%         | 32%   |
| *BCP Asia II (Sep 2021 / Sep 2027)                           | 6,554,504            | 6,028,901                | 490,646                | 1.1x     | —        | —                    | n/a  | 490,646           | 1.1x | n/a          | n/m   |
| Core Private Equity I (Jan 2017 / Mar 2021) (h)              | 4,764,585            | 1,158,509                | 7,473,755              | 2.0x     | —        | 2,264,712            | 4.1x | 9,738,467         | 2.2x | 55%          | 21%   |
| *Core Private Equity II (Mar 2021 / Mar 2026)<br>(h)         | 8,190,362            | 5,733,109                | 2,712,287              | 1.1x     | —        | 9,592                | n/a  | 2,721,879         | 1.1x | n/a          | 8%    |
| Total Corporate Private Equity                               | \$ 144,492,117       | \$ 51,021,368            | \$ 65,317,314          | 1.6x     | 23%      | \$ 126,062,437       | 2.2x | \$ 191,379,751    | 1.9x | 16%          | 15%   |

continued ...

## Table of Contents

| Fund (Investment Period<br>Beginning Date / Ending Date) (a)    | Committed<br>Capital | Available<br>Capital (b) | Unrealized Investments |             |           | Realized Investments |             | Total Investments    |             | Net IRRs (d) |            |
|---|----------------------|--------------------------|------------------------|-------------|-----------|----------------------|-------------|----------------------|-------------|--------------|------------|
|   |                      |                          | Value                  | MOIC (c)    | % Public  | Value                | MOIC        | Value                | MOIC        | Realized     | Total      |
| (Dollars/Euros in Thousands, Except Where Noted)                |                      |                          |                        |             |           |                      |             |                      |             |              |            |
| <b>Private Equity (continued)</b>                               |                      |                          |                        |             |           |                      |             |                      |             |              |            |
| <b>Tactical Opportunities</b>                                   |                      |                          |                        |             |           |                      |             |                      |             |              |            |
| *Tactical Opportunities (Various)                               | \$ 22,505,129        | \$ 7,091,481             | \$ 11,849,998          | 1.2x        | 8%        | \$ 20,931,450        | 1.9x        | \$ 32,781,448        | 1.6x        | 17%          | 11%        |
| *Tactical Opportunities Co-Investment and<br>Other (Various)    | 16,292,816           | 7,257,964                | 5,219,779              | 1.7x        | 6%        | 8,238,659            | 1.6x        | 13,458,438           | 1.6x        | 18%          | 18%        |
| <b>Total Tactical Opportunities</b>                             | <b>\$ 38,797,945</b> | <b>\$ 14,349,445</b>     | <b>\$ 17,069,777</b>   | <b>1.3x</b> | <b>8%</b> | <b>\$ 29,170,109</b> | <b>1.8x</b> | <b>\$ 46,239,886</b> | <b>1.6x</b> | <b>18%</b>   | <b>13%</b> |
| <b>Growth</b>   |                      |                          |                        |             |           |                      |             |                      |             |              |            |
| *BXG I (Jul 2020 / Jul 2025)                                    | \$ 5,046,626         | \$ 1,221,647             | \$ 3,656,100           | 1.0x        | 4%        | \$ 386,207           | 3.2x        | \$ 4,042,307         | 1.1x        | n/m          | —          |
| BXG II (TBD)  | 3,516,615            | 3,516,615                | —                      | n/a         | —         | —                    | n/a         | —                    | n/a         | n/a          | n/a        |
| <b>Total Growth</b>   | <b>\$ 8,563,241</b>  | <b>\$ 4,738,262</b>      | <b>\$ 3,656,100</b>    | <b>1.0x</b> | <b>4%</b> | <b>\$ 386,207</b>    | <b>3.2x</b> | <b>\$ 4,042,307</b>  | <b>1.1x</b> | <b>n/m</b>   | <b>—</b>   |
| <b>Strategic Partners (Secondaries)</b>                         |                      |                          |                        |             |           |                      |             |                      |             |              |            |
| Strategic Partners I-V (Various) (i)                            | 11,447,898           | 644,174                  | 385,776                | n/a         | —         | 16,940,272           | n/a         | 17,326,048           | 1.7x        | n/a          | 13%        |
| Strategic Partners VI (Apr 2014 / Apr 2016) (i)                 | 4,362,750            | 883,605                  | 1,018,226              | n/a         | —         | 4,045,375            | n/a         | 5,063,601            | 1.7x        | n/a          | 14%        |
| Strategic Partners VII (May 2016 / Mar 2019) (i)                | 7,489,970            | 1,701,454                | 4,452,664              | n/a         | —         | 6,005,682            | n/a         | 10,458,346           | 2.0x        | n/a          | 19%        |
| Strategic Partners Real Assets II (May 2017 /<br>Jun 2020) (i)  | 1,749,807            | 500,246                  | 1,063,951              | n/a         | —         | 1,040,172            | n/a         | 2,104,123            | 1.5x        | n/a          | 15%        |
| Strategic Partners VIII (Mar 2019 / Oct 2021) (i)               | 10,763,600           | 4,834,321                | 8,409,932              | n/a         | —         | 5,568,354            | n/a         | 13,978,286           | 1.8x        | n/a          | 38%        |
| *Strategic Partners Real Estate, SMA and Other<br>(Various) (i) | 8,989,890            | 3,162,325                | 3,200,753              | n/a         | —         | 3,420,427            | n/a         | 6,621,180            | 1.7x        | n/a          | 20%        |
| *Strategic Partners Infra III (Jun 2020 / Jul 2024)<br>(i)      | 3,250,100            | 1,659,121                | 1,205,224              | n/a         | —         | 124,956              | n/a         | 1,330,180            | 1.5x        | n/a          | 50%        |
| *Strategic Partners IX (Oct 2021 / Jan 2027) (i)                | 19,084,345           | 13,885,975               | 3,082,382              | n/a         | —         | 402,916              | n/a         | 3,485,298            | 1.3x        | n/a          | n/m        |
| <b>Total Strategic Partners (Secondaries)</b>                   | <b>\$ 67,138,360</b> | <b>\$ 27,271,221</b>     | <b>\$ 22,818,908</b>   | <b>n/a</b>  | <b>—</b>  | <b>\$ 37,548,154</b> | <b>n/a</b>  | <b>\$ 60,367,062</b> | <b>1.7x</b> | <b>n/a</b>   | <b>15%</b> |
| <b>Life Sciences</b>  |                      |                          |                        |             |           |                      |             |                      |             |              |            |
| Clarus IV (Jan 2018 / Jan 2020)                                 | 910,000              | 137,342                  | 881,088                | 1.6x        | 1%        | 258,348              | 2.0x        | 1,139,436            | 1.6x        | 24%          | 13%        |
| *BXL V (Jan 2020 / Jan 2025)                                    | 4,844,726            | 3,505,230                | 1,453,017              | 1.3x        | 3%        | 90,123               | 1.1x        | 1,543,140            | 1.3x        | n/m          | 3%         |

continued ...



## Table of Contents

| Fund (Investment Period<br>Beginning Date / Ending Date) (a) | Committed<br>Capital | Available<br>Capital (b) | Unrealized Investments |             |          | Realized Investments |             | Total Investments    |             | Net IRRs (d) |            |
|--|----------------------|--------------------------|------------------------|-------------|----------|----------------------|-------------|----------------------|-------------|--------------|------------|
|  |                      |                          | Value                  | MOIC (c)    | % Public | Value                | MOIC        | Value                | MOIC        | Realized     | Total      |
| (Dollars/Euros in Thousands, Except Where Noted)             |                      |                          |                        |             |          |                      |             |                      |             |              |            |
| <b>Credit</b>  |                      |                          |                        |             |          |                      |             |                      |             |              |            |
| Mezzanine / Opportunistic I (Jul 2007 / Oct 2011)            | \$ 2,000,000         | \$ 97,114                | \$ —                   | n/a         | —        | \$ 4,809,088         | 1.6x        | \$ 4,809,088         | 1.6x        | n/a          | 17%        |
| Mezzanine / Opportunistic II (Nov 2011 / Nov 2016)           | 4,120,000            | 997,504                  | 177,195                | 0.2x        | —        | 6,609,860            | 1.5x        | 6,787,055            | 1.4x        | n/a          | 10%        |
| Mezzanine / Opportunistic III (Sep 2016 / Jan 2021)          | 6,639,133            | 855,229                  | 3,953,100              | 1.1x        | —        | 5,627,867            | 1.6x        | 9,580,967            | 1.3x        | n/a          | 10%        |
| *Mezzanine / Opportunistic IV (Jan 2021 / Jan 2026)          | 5,016,771            | 3,704,951                | 2,161,842              | 1.0x        | —        | 96,886               | n/m         | 2,258,728            | 1.1x        | n/a          | 10%        |
| Stressed / Distressed I (Sep 2009 / May 2013)                | 3,253,143            | —                        | —                      | n/a         | —        | 5,777,098            | 1.3x        | 5,777,098            | 1.3x        | n/a          | 9%         |
| Stressed / Distressed II (Jun 2013 / Jun 2018)               | 5,125,000            | 547,430                  | 357,563                | 0.5x        | —        | 5,246,727            | 1.2x        | 5,604,290            | 1.1x        | n/a          | 1%         |
| *Stressed / Distressed III (Dec 2017 / Dec 2022)             | 7,356,380            | 2,644,832                | 3,371,955              | 0.9x        | —        | 2,861,521            | 1.4x        | 6,233,476            | 1.1x        | n/a          | 7%         |
| Energy I (Nov 2015 / Nov 2018)                               | 2,856,867            | 1,045,875                | 857,255                | 1.0x        | —        | 2,602,176            | 1.7x        | 3,459,431            | 1.5x        | n/a          | 10%        |
| *Energy II (Feb 2019 / Feb 2024)                             | 3,616,081            | 1,788,336                | 2,017,746              | 1.1x        | —        | 1,159,053            | 1.6x        | 3,176,799            | 1.2x        | n/a          | 22%        |
| European Senior Debt I (Feb 2015 / Feb 2019)                 | € 1,964,689          | € 325,719                | € 903,416              | 0.8x        | —        | € 2,283,901          | 1.4x        | € 3,187,317          | 1.2x        | n/a          | 2%         |
| *European Senior Debt II (Jun 2019 / Jun 2024)               | € 4,088,344          | € 1,077,989              | € 4,241,783            | 1.0x        | —        | € 1,488,677          | 1.7x        | € 5,730,460          | 1.1x        | n/a          | 11%        |
| <b>Total Credit Drawdown Funds (j)</b>                       | <b>\$ 46,889,033</b> | <b>\$ 13,179,395</b>     | <b>\$ 18,387,870</b>   | <b>0.9x</b> | <b>—</b> | <b>\$ 39,204,893</b> | <b>1.5x</b> | <b>\$ 57,592,763</b> | <b>1.2x</b> | <b>n/a</b>   | <b>10%</b> |

## [Table of Contents](#)

### Selected Perpetual Capital Strategies (k)

| Strategy (Inception Year) (a)                         | Investment Strategy | Total Assets Under Management | Total Net Return (l) |
|---|---------------------|-------------------------------|----------------------|
| (Dollars in Thousands, Except Where Noted)            |                     |                               |                      |
| <b>Real Estate</b>                                    |                     |                               |                      |
| BPP—Blackstone Property Partners Platform (2013) (m)  | Core+ Real Estate   | \$72,969,326                  | 11%                  |
| BREIT—Blackstone Real Estate Income Trust (2017) (n)  | Core+ Real Estate   | 68,523,348                    | 12%                  |
| BXMT—Blackstone Mortgage Trust (2013) (o)             | Real Estate Debt    | 6,551,022                     | 6%                   |
| <b>Private Equity</b>                                 |                     |                               |                      |
| BIP—Blackstone Infrastructure Partners (2019) (p)     | Infrastructure      | 28,122,520                    | 19%                  |
| <b>Credit</b>   |                     |                               |                      |
| BXSL—Blackstone Secured Lending Fund (2018) (q)       | U.S. Direct Lending | 11,077,225                    | 10%                  |
| BCRED—Blackstone Private Credit Fund (2021) (r)       | U.S. Direct Lending | 58,534,176                    | 8%                   |
| <b>Hedge Fund Solutions</b>                           |                     |                               |                      |
| BSCH—Blackstone Strategic Capital Holdings (2014) (s) | GP Stakes           | 10,090,273                    | 13%                  |

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

n/m Not meaningful generally due to the limited time since initial investment.

n/a Not applicable.

SMA Separately managed account.

\* Represents funds that are currently in their investment period.

(a) Excludes investment vehicles where Blackstone does not earn fees.

(b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or callable capital and may include leverage, less invested capital. This amount is not reduced by outstanding commitments to investments.

(c) Multiple of Invested Capital (“MOIC”) represents carrying value, before management fees, expenses and Performance Revenues, divided by invested capital.

(d) Unless otherwise indicated, Net Internal Rate of Return (“IRR”) represents the annualized inception to December 31, 2022 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of limited partner cash flows. Initial inception date of cash flows may differ from the Investment Period Beginning Date.

(e) The 8% Realized Net IRR and 8% Total Net IRR exclude investors that opted out of the Hilton investment opportunity. Overall BREP International II performance reflects a 7% Realized Net IRR and a 7% Total Net IRR.

(f) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment’s realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.

(g) BREDS High-Yield represents the flagship real estate debt drawdown funds only.

(h) Blackstone Core Equity Partners is a core private equity strategy which invests with a more modest risk profile and longer hold period than traditional private equity.

(i) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not applicable. Returns are calculated from results that are reported on a three-month lag from Strategic Partners’ fund financial statements and therefore do not include the impact of economic and market activities in the current quarter.

(j) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the credit drawdown funds presented.

---

## [Table of Contents](#)

- (k) Perpetual Capital vehicles excluded primarily consist of (1) investment vehicles that have been investing for less than one year, (2) assets managed for certain insurance clients, and (3) investment vehicles where Blackstone does not earn fees.
- (l) Unless otherwise indicated, Total Net Return represents the annualized inception to December 31, 2022 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of investor cash flows. Initial inception date of cash flows occurred during the Inception Year.
- (m) BPP represents the aggregate Total Assets Under Management and Total Net Return of the BPP platform, which comprises over 30 funds, co-investment and separately managed account vehicles. It includes certain vehicles managed as part of the BPP Platform but not classified as Perpetual Capital. As of December 31, 2022, these vehicles represented \$2.9 billion of Total Assets Under Management.
- (n) The BREIT Total Net Return reflects a per share blended return, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Total Net Returns are presented on an annualized basis and are from January 1, 2017.
- (o) The BXMT return reflects annualized market return of a shareholder invested in BXMT since inception through December 31, 2022, assuming reinvestment of all dividends received during the period. Return incorporates the closing NYSE stock price as of December 31, 2022. Total Net Return is from May 22, 2013.
- (p) Including co-investment vehicles, BIP Total Assets Under Management is \$35.2 billion.
- (q) The BXSL Total Assets Under Management and Total Net Return are reported on a one-quarter lag. Refer to BXSL public filings for current quarter results. BXSL Total Net Return reflects the change in Net Asset Value (“NAV”) per share, plus distributions per share (assuming dividends and distributions are reinvested in accordance with BXSL's dividend reinvestment plan) divided by the beginning NAV per share. Total Net Returns are presented on an annualized basis and are from November 20, 2018.
- (r) The BCRED Total Net Return reflects a per share blended return, assuming BCRED had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BCRED. These returns are not representative of the returns experienced by any particular investor or share class. Total Net Returns are presented on an annualized basis and are from January 7, 2021. Total Assets Under Management reflects gross asset value plus amounts borrowed or available to be borrowed under certain credit facilities. BCRED net asset value as of December 31, 2022 was \$22.7 billion.
- (s) BSCH represents the aggregate Total Assets Under Management and Total Net Return of BSCH I and BSCH II funds that invest as part of the GP Stakes strategy, which targets minority investment in the general partners of private equity and other private-market alternative asset management firms globally. Including co-investment vehicles that do not pay fees, BSCH Total Assets Under Management is \$10.9 billion.

[Table of Contents](#)

**Segment Analysis**

Discussed below is our Segment Distributable Earnings for each of our segments. This information is reflected in the manner utilized by our senior management to make operating decisions, assess performance and allocate resources. References to “our” sectors or investments may also refer to portfolio companies and investments of the underlying funds that we manage.

**Real Estate**

The following table presents the results of operations for our Real Estate segment:

|                                       | Year Ended December 31, |                     |                     | 2022 vs. 2021       |             | 2021 vs. 2020       |             |
|---------------------------------------|-------------------------|---------------------|---------------------|---------------------|-------------|---------------------|-------------|
|                                       | 2022                    | 2021                | 2020                | \$                  | %           | \$                  | %           |
|                                       | (Dollars in Thousands)  |                     |                     |                     |             |                     |             |
| <b>Management Fees, Net</b>           |                         |                     |                     |                     |             |                     |             |
| Base Management Fees                  | \$ 2,462,179            | \$ 1,895,412        | \$ 1,553,483        | \$ 566,767          | 30%         | \$ 341,929          | 22%         |
| Transaction and Other Fees, Net       | 171,424                 | 160,395             | 98,225              | 11,029              | 7%          | 62,170              | 63%         |
| Management Fee Offsets                | (10,538)                | (3,499)             | (13,020)            | (7,039)             | 201%        | 9,521               | -73%        |
| <b>Total Management Fees, Net</b>     | <b>2,623,065</b>        | <b>2,052,308</b>    | <b>1,638,688</b>    | <b>570,757</b>      | <b>28%</b>  | <b>413,620</b>      | <b>25%</b>  |
| Fee Related Performance Revenues      | 1,075,424               | 1,695,019           | 338,161             | (619,595)           | -37%        | 1,356,858           | 401%        |
| Fee Related Compensation              | (1,039,125)             | (1,161,349)         | (618,105)           | 122,224             | -11%        | (543,244)           | 88%         |
| Other Operating Expenses              | (315,331)               | (234,505)           | (183,132)           | (80,826)            | 34%         | (51,373)            | 28%         |
| <b>Fee Related Earnings</b>           | <b>2,344,033</b>        | <b>2,351,473</b>    | <b>1,175,612</b>    | <b>(7,440)</b>      | <b>—</b>    | <b>1,175,861</b>    | <b>100%</b> |
| Realized Performance Revenues         | 2,985,713               | 1,119,612           | 787,768             | 1,866,101           | 167%        | 331,844             | 42%         |
| Realized Performance Compensation     | (1,168,045)             | (443,220)           | (312,698)           | (724,825)           | 164%        | (130,522)           | 42%         |
| Realized Principal Investment Income  | 150,790                 | 196,869             | 24,764              | (46,079)            | -23%        | 172,105             | 695%        |
| <b>Net Realizations</b>               | <b>1,968,458</b>        | <b>873,261</b>      | <b>499,834</b>      | <b>1,095,197</b>    | <b>125%</b> | <b>373,427</b>      | <b>75%</b>  |
| <b>Segment Distributable Earnings</b> | <b>\$ 4,312,491</b>     | <b>\$ 3,224,734</b> | <b>\$ 1,675,446</b> | <b>\$ 1,087,757</b> | <b>34%</b>  | <b>\$ 1,549,288</b> | <b>92%</b>  |

n/m Not meaningful.

*Year Ended December 31, 2022 Compared to Year Ended December 31, 2021*

Segment Distributable Earnings were \$4.3 billion for the year ended December 31, 2022, an increase of \$1.1 billion, or 34%, compared to \$3.2 billion for the year ended December 31, 2021. The increase in Segment Distributable Earnings was primarily attributable to an increase of \$1.1 billion in Net Realizations.

Eighty percent of the aggregate net asset value of our global opportunistic and core+ real estate vehicles is concentrated in logistics, rental housing, hotels, life science office and data centers. We believe these sectors are more likely to withstand inflationary pressures given stronger relative cash flow growth, sustained robust demand and muted supply which has driven historically low vacancies. Certain of these sectors also benefit from shorter duration leases, providing opportunity to capture growth in an inflationary environment. Despite this strong operating performance, unrealized valuations in certain investments were adversely impacted by an environment characterized by higher interest rates and a rising cost of capital. Certain funds have exposure to more challenged sectors such as traditional U.S. office buildings and assets with long-term leases which could be further adversely impacted by the current environment. With respect to realizations and deployment, continuing capital market volatility and economic uncertainty have contributed to muted activity, and this is likely to continue until market conditions improve.

Fundraising in 2022 remained positive despite a challenging market backdrop and some near-term industry headwinds, Perpetual capital strategies, including BREIT, represent an increasing percentage of Total Assets Under

## [Table of Contents](#)

Management in our Real Estate segment. Beginning in late 2022, however, market volatility drove a material increase in BREIT repurchase requests, and pursuant to the terms of the vehicle, BREIT began to prorate such requests beginning in November 2022. Concurrently, BREIT inflows were materially reduced, particularly after proration was announced. A continuation or worsening of the current environment could further adversely affect net flows in certain perpetual capital strategies for a more extended period of time. However, we believe the long-term growth trajectory remains positive and that strong investment performance and investor under-allocation to such strategies should drive flows over the long-term. See “Part I. Item 1A. Risk Factors – Risks Related to our Business – We have increasingly undertaken business initiatives to increase the number and type of investment products we offer to individual investors, which could expose us to new and greater levels of risk.”

### *Fee Related Earnings*

Fee Related Earnings were \$2.3 billion for the year ended December 31, 2022, a decrease of \$7.4 million, compared to \$2.4 billion for the year ended December 31, 2021. The decrease in Fee Related Earnings was attributable to a decrease of \$619.6 million in Fee Related Performance Revenues and an increase of \$80.8 million in Other Operating Expenses, partially offset by an increase of \$570.8 million in Management Fees, Net and a decrease of \$122.2 million in Fee Related Compensation.

Fee Related Performance Revenues were \$1.1 billion for the year ended December 31, 2022, a decrease of \$619.6 million, compared to \$1.7 billion for the year ended December 31, 2021. The decrease was primarily due to the crystallization of BREIT performance revenues.

Other Operating Expenses were \$315.3 million for the year ended December 31, 2022, an increase of \$80.8 million, compared to \$234.5 million for the year ended December 31, 2021. The increase was primarily due to travel, entertainment, occupancy, technology-related expenses and professional fees.

Management Fees, Net were \$2.6 billion for the year ended December 31, 2022, an increase of \$570.8 million, compared to \$2.1 billion for the year ended December 31, 2021, primarily driven by an increase in Base Management Fees. Base Management Fees increased \$566.8 million primarily due to Fee-Earning Assets Under Management growth in Core+ real estate.

The annualized Base Management Fee Rate decreased from 1.09% at December 31, 2021 to 0.97% at December 31, 2022. The decrease was primarily due to the commencement of BREP X, for which a significant portion of management fees are on a fee holiday through December 31, 2022, and growth in BREDS insurance vehicles, which have a lower management fee rate.

Fee Related Compensation was \$1.0 billion for the year ended December 31, 2022, a decrease of \$122.2 million, compared to \$1.2 billion for the year ended December 31, 2021. The decrease was primarily due to a decrease in Fee Related Performance Revenues, partially offset by an increase in Management Fees, Net, both of which impact Fee Related Compensation.

### *Net Realizations*

Net Realizations were \$2.0 billion for the year ended December 31, 2022, an increase of \$1.1 billion, or 125%, compared to \$873.3 million for the year ended December 31, 2021. The increase in Net Realizations was attributable to an increase of \$1.9 billion in Realized Performance Revenues, partially offset by an increase of \$724.8 million in Realized Performance Compensation and a decrease of \$46.1 million in Realized Principal Investment Income.

Realized Performance Revenues were \$3.0 billion for the year ended December 31, 2022, an increase of \$1.9 billion, compared to \$1.1 billion for the year ended December 31, 2021. The increase was primarily due to higher Realized Performance Revenues in BREP.

## [Table of Contents](#)

Realized Performance Compensation was \$1.2 billion for the year ended December 31, 2022, an increase of \$724.8 million, compared to \$443.2 million for the year ended December 31, 2021. The increase was primarily due to the increase in Realized Performance Revenues.

Realized Principal Investment Income was \$150.8 million for the year ended December 31, 2022, a decrease of \$46.1 million, compared to \$196.9 million for the year ended December 31, 2021. The decrease was primarily due to the segment's allocation of the gain recognized in connection with the Pátria Investments Limited and Pátria Investimentos Ltda. (collectively, "Pátria") sale transactions during the first and third quarters of 2021.

### Fund Returns

Fund return information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following table presents the internal rates of return, except where noted, of our significant real estate funds:

| Fund (a)               | Year Ended December 31, |      |       |     |       |      | December 31, 2022<br>Inception to Date |     |       |     |
|------------------------|-------------------------|------|-------|-----|-------|------|--|-----|-------|-----|
|                        | 2022                    |      | 2021  |     | 2020  |      | Realized                               |     | Total |     |
|                        | Gross                   | Net  | Gross | Net | Gross | Net  | Gross                                  | Net | Gross | Net |
| BREP VII               | 4%                      | 2%   | 44%   | 36% | -22%  | -20% | 30%                                    | 22% | 21%   | 15% |
| BREP VIII              | 8%                      | 6%   | 57%   | 46% | 10%   | 7%   | 36%                                    | 28% | 23%   | 17% |
| BREP IX                | 18%                     | 13%  | 84%   | 63% | 35%   | 21%  | 96%                                    | 66% | 42%   | 30% |
| BREP Europe IV (b)     | -14%                    | -13% | 2%    | —   | -17%  | -15% | 28%                                    | 20% | 19%   | 13% |
| BREP Europe V (b)      | -1%                     | -2%  | 37%   | 29% | 1%    | —    | 52%                                    | 42% | 17%   | 12% |
| BREP Europe VI (b)     | 10%                     | 6%   | 71%   | 51% | 14%   | —    | 99%                                    | 72% | 33%   | 21% |
| BREP Asia I            | -1%                     | -2%  | 37%   | 29% | -5%   | -5%  | 27%                                    | 20% | 19%   | 12% |
| BREP Asia II           | 2%                      | 1%   | 31%   | 21% | 8%    | 4%   | 53%                                    | 37% | 14%   | 9%  |
| BREP Co-Investment (c) | 26%                     | 25%  | 77%   | 70% | 33%   | 32%  | 18%                                    | 16% | 18%   | 16% |
| BPP (d)                | 11%                     | 9%   | 20%   | 17% | 7%    | 6%   | n/a                                    | n/a | 13%   | 11% |
| BREIT (e)              | n/a                     | 8%   | n/a   | 30% | n/a   | 7%   | n/a                                    | n/a | n/a   | 12% |
| BREDS High-Yield (f)   | 3%                      | —    | 18%   | 13% | 5%    | 1%   | 15%                                    | 10% | 14%   | 9%  |
| BXMT (g)               | n/a                     | -24% | n/a   | 20% | n/a   | -18% | n/a                                    | n/a | n/a   | 6%  |

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

n/m Not meaningful generally due to the limited time since initial investment.

n/a Not applicable.

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Revenues.

(b) Euro-based internal rates of return.

(c) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment's realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.

## [Table of Contents](#)

- (d) The BPP platform, which comprises over 30 funds, co-investment and separately managed account vehicles, represents the Core+ real estate funds which invest with a more modest risk profile and lower leverage.
- (e) Reflects a per share blended return for each respective period, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Inception to date returns are presented on an annualized basis and are from January 1, 2017.
- (f) BREDS High-Yield represents the flagship real estate debt drawdown funds only. Inception to date returns are from July 1, 2009.
- (g) Reflects annualized return of a shareholder invested in BXMT as of the beginning of each period presented, assuming reinvestment of all dividends received during the period, and net of all fees and expenses incurred by BXMT. Return incorporates the closing NYSE stock price as of each period end. Inception to date returns are from May 22, 2013.

### *Funds With Closed Investment Periods*

The Real Estate segment has twelve funds with closed investment periods as of December 31, 2022: BREP IX, BREP VIII, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe V, BREP Europe IV, BREP Europe III, BREP Asia II, BREP Asia I and BREDS III. As of December 31, 2022, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe IV and BREP Europe III were above their carried interest thresholds (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would have been above their carried interest thresholds even if all remaining investments were valued at zero. BREP IX, BREP VIII, BREP Europe V, BREP Asia II, BREP Asia I and BREDS III were above their carried interest thresholds. Funds are considered above their carried interest thresholds based on the aggregate fund position, although individual limited partners may be below their respective carried interest thresholds in certain funds.

### *Private Equity*

The following table presents the results of operations for our Private Equity segment:

|  | Year Ended December 31, |                     |                     | 2022 vs. 2021       |             | 2021 vs. 2020       |             |
|--|-------------------------|---------------------|---------------------|---------------------|-------------|---------------------|-------------|
|  | 2022                    | 2021                | 2020                | \$                  | %           | \$                  | %           |
|  | (Dollars in Thousands)  |                     |                     |                     |             |                     |             |
| <b>Management and Advisory Fees, Net</b>       |                         |                     |                     |                     |             |                     |             |
| Base Management Fees                           | \$ 1,786,923            | \$ 1,521,273        | \$ 1,232,028        | \$ 265,650          | 17%         | \$ 289,245          | 23%         |
| Transaction, Advisory and Other Fees, Net      | 97,876                  | 174,905             | 82,440              | (77,029)            | -44%        | 92,465              | 112%        |
| Management Fee Offsets                         | (56,062)                | (33,247)            | (44,628)            | (22,815)            | 69%         | 11,381              | -26%        |
| <b>Total Management and Advisory Fees, Net</b> | <b>1,828,737</b>        | <b>1,662,931</b>    | <b>1,269,840</b>    | <b>165,806</b>      | <b>10%</b>  | <b>393,091</b>      | <b>31%</b>  |
| Fee Related Performance Revenues               | (648)                   | 212,128             | —                   | (212,776)           | n/m         | 212,128             | n/m         |
| Fee Related Compensation                       | (575,194)               | (662,824)           | (455,538)           | 87,630              | -13%        | (207,286)           | 46%         |
| Other Operating Expenses                       | (304,177)               | (264,468)           | (195,213)           | (39,709)            | 15%         | (69,255)            | 35%         |
| <b>Fee Related Earnings</b>                    | <b>948,718</b>          | <b>947,767</b>      | <b>619,089</b>      | <b>951</b>          | <b>—</b>    | <b>328,678</b>      | <b>53%</b>  |
| Realized Performance Revenues                  | 1,191,028               | 2,263,099           | 877,493             | (1,072,071)         | -47%        | 1,385,606           | 158%        |
| Realized Performance Compensation              | (544,229)               | (943,199)           | (366,949)           | 398,970             | -42%        | (576,250)           | 157%        |
| Realized Principal Investment Income           | 139,767                 | 263,368             | 72,089              | (123,601)           | -47%        | 191,279             | 265%        |
| <b>Net Realizations</b>                        | <b>786,566</b>          | <b>1,583,268</b>    | <b>582,633</b>      | <b>(796,702)</b>    | <b>-50%</b> | <b>1,000,635</b>    | <b>172%</b> |
| <b>Segment Distributable Earnings</b>          | <b>\$ 1,735,284</b>     | <b>\$ 2,531,035</b> | <b>\$ 1,201,722</b> | <b>\$ (795,751)</b> | <b>-31%</b> | <b>\$ 1,329,313</b> | <b>111%</b> |

n/m Not meaningful.

## [Table of Contents](#)

### *Year Ended December 31, 2022 Compared to Year Ended December 31, 2021*

Segment Distributable Earnings were \$1.7 billion for the year ended December 31, 2022, a decrease of \$795.8 million, compared to \$2.5 billion for the year ended December 31, 2021. The decrease in Segment Distributable Earnings was attributable to a decrease of \$796.7 million in Net Realizations.

Despite some recent signs of moderation, tight labor markets and wage inflation have put profit margin pressure on certain of our private equity portfolio companies, especially those in labor-intensive businesses. These impacts should be mitigated as inflation moderates. Moreover, the impact of such pressures on our overall private equity portfolio has been to some extent mitigated by its focus on investing in companies that are less impacted by rising input costs or that benefit from strong revenue growth and pricing power. With respect to realizations and deployment, continuing capital market volatility and economic uncertainty have contributed to more muted activity, and this is likely to continue until market conditions improve, which would negatively impact Segment Distributable Earnings in our Private Equity segment. Challenging market conditions have pressured investors' ability to allocate to private equity strategies and contributed to an already competitive fundraising environment. Despite these near-term headwinds and a slower pace of fundraising, our institutional fundraising has remained positive and we have advanced considerably toward our overall flagship fundraise goal.

In energy, favorable market conditions contributed to a meaningful increase in the value of certain energy investments, as energy, oil and gas prices remained elevated in 2022. This trend, in part due to decreased supply because of the ongoing war between Russia and Ukraine, has had a positive impact on our energy portfolio. Beyond this trend, however, increased scrutiny from regulators, investors and other market participants on the climate impact of oil and gas energy investments has weakened long-term growth prospects for traditional energy. The persistence of these weakened market fundamentals could negatively impact the performance of certain investments in our energy and corporate private equity funds.

#### *Fee Related Earnings*

Fee Related Earnings were \$948.7 million for the year ended December 31, 2022, an increase of \$1.0 million, compared to \$947.8 million for the year ended December 31, 2021. The increase in Fee Related Earnings was attributable to an increase of \$165.8 million in Management and Advisory Fees, Net and a decrease of \$87.6 million in Fee Related Compensation, partially offset by a decrease of \$212.8 million in Fee Related Performance Revenues and an increase of \$39.7 million in Other Operating Expenses.

Management and Advisory Fees, Net were \$1.8 billion for the year ended December 31, 2022, an increase of \$165.8 million, compared to \$1.7 billion for the year ended December 31, 2021, primarily driven by an increase in Base Management Fees, partially offset by a decrease in Transaction and Advisory Fees, Net and Management Fee Offsets. Base Management Fees increased \$265.7 million primarily due to (a) the commencement of Strategic Partners GP Solutions and Strategic Partners IX's investment periods during the three months ended June 30, 2021 and the three months ended December 31, 2021, respectively, and (b) Fee-Earning Assets Under Management Growth in BIP. Transaction, Advisory and Other Fees, Net increased \$77.0 million primarily due to deal activity in BXCM. Management Fee Offsets increased \$22.8 million primarily due to the launch of Strategic Partners IX during the three months ended December 31, 2021.

Fee Related Compensation was \$575.2 million for the year ended December 31, 2022, a decrease of \$87.6 million, compared to \$662.8 million for the year ended December 31, 2021. The decrease was primarily due to a decrease in Fee Related Performance Revenues, partially offset by an increase in Management and Advisory Fees, Net, both of which impact Fee Related Compensation.

Fee Related Performance Revenues was \$(0.6) million for the year ended December 31, 2022, a decrease of \$212.8 million, compared to \$212.1 million for the year ended December 31, 2021. The decrease was primarily due to BIP performance revenues crystallizing at December 31, 2021, with the amount for the year ended December 31, 2022 representing a true up to the prior year Fee Related Performance Revenue.



---

## [Table of Contents](#)

Other Operating Expenses were \$304.2 million for the year ended December 31, 2022, an increase of \$39.7 million, compared to \$264.5 million for the year ended December 31, 2021. The increase was primarily due to travel and entertainment, occupancy and technology related expenses, and professional fees.

### *Net Realizations*

Net Realizations were \$786.6 million for the year ended December 31, 2022, a decrease of \$796.7 million, compared to \$1.6 billion for the year ended December 31, 2021. The decrease in Net Realizations was attributable to decreases of \$1.1 billion in Realized Performance Revenues and \$123.6 million in Realized Principal Investment Income, partially offset by an increase of \$399.0 million in Realized Performance Compensation.

Realized Performance Revenues were \$1.2 billion for the year ended December 31, 2022, a decrease of \$1.1 billion, compared to \$2.3 billion for the year ended December 31, 2021. The decrease was primarily due to lower Realized Performance Revenues in corporate private equity and Tactical Opportunities, partially offset by higher Realized Performance Revenues in Strategic Partners.

Realized Principal Investment Income was \$139.8 million for the year ended December 31, 2022, a decrease of \$123.6 million, compared to \$263.4 million for the year ended December 31, 2021. The decrease was primarily due to the segment's allocation of the gain recognized in connection with the Pátria sale transactions during the first and third quarters of 2021.

Realized Performance Compensation was \$544.2 million for the year ended December 31, 2022, a decrease of \$399.0 million, compared to \$943.2 million for the year ended December 31, 2021. The decrease was primarily due to the decrease in Realized Performance Revenues.

### *Fund Returns*

Fund returns information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

## Table of Contents

The following table presents the internal rates of return of our significant private equity funds:

| Fund (a)  | Year Ended December 31, |      |       |      |       |      | December 31, 2022<br>Inception to Date |      |       |     |
|---|-------------------------|------|-------|------|-------|------|--|------|-------|-----|
|   | 2022                    |      | 2021  |      | 2020  |      | Realized                               |      | Total |     |
|   | Gross                   | Net  | Gross | Net  | Gross | Net  | Gross                                  | Net  | Gross | Net |
| BCP V   | 48%                     | 24%  | 223%  | 103% | 14%   | 5%   | 10%                                    | 8%   | 10%   | 8%  |
| BCP VI  | 12%                     | 11%  | 19%   | 16%  | 18%   | 16%  | 20%                                    | 16%  | 17%   | 13% |
| BCP VII   | -12%                    | -11% | 44%   | 36%  | 11%   | 9%   | 43%                                    | 35%  | 20%   | 14% |
| BCP VIII  | 4%                      | —    | n/a   | n/a  | n/a   | n/a  | n/m                                    | n/m  | 31%   | 16% |
| BEP I   | 57%                     | 46%  | 78%   | 59%  | -19%  | -18% | 18%                                    | 14%  | 15%   | 12% |
| BEP II  | 36%                     | 33%  | 56%   | 53%  | -31%  | -31% | 9%                                     | 6%   | 12%   | 8%  |
| BEP III   | 42%                     | 31%  | 86%   | 56%  | n/m   | n/m  | 97%                                    | 66%  | 70%   | 45% |
| BCP Asia I  | -38%                    | -35% | 193%  | 158% | 56%   | 42%  | 137%                                   | 102% | 46%   | 32% |
| BCEP I (b)  | —                       | —    | 55%   | 50%  | 33%   | 29%  | 61%                                    | 55%  | 24%   | 21% |
| BCEP II (b)                                       | 14%                     | 9%   | n/a   | n/a  | n/a   | n/a  | n/a                                    | n/a  | 14%   | 8%  |
| Tactical Opportunities                            | -2%                     | -4%  | 37%   | 28%  | 19%   | 15%  | 21%                                    | 17%  | 15%   | 11% |
| Tactical Opportunities Co-Investment and Other    | —                       | 4%   | 67%   | 57%  | 14%   | 11%  | 19%                                    | 18%  | 20%   | 18% |
| BXG I   | -13%                    | -13% | 50%   | 29%  | n/m   | n/m  | n/m                                    | n/m  | 6%    | —   |
| Strategic Partners VI (c)                         | -6%                     | -7%  | 51%   | 47%  | -9%   | -9%  | n/a                                    | n/a  | 19%   | 14% |
| Strategic Partners VII (c)                        | -3%                     | -5%  | 75%   | 66%  | -7%   | -8%  | n/a                                    | n/a  | 24%   | 19% |
| Strategic Partners Real Assets II (c)             | 15%                     | 13%  | 26%   | 23%  | 10%   | 6%   | n/a                                    | n/a  | 19%   | 15% |
| Strategic Partners VIII (c)                       | 3%                      | 2%   | 132%  | 113% | 6%    | 2%   | n/a                                    | n/a  | 47%   | 38% |
| Strategic Partners Real Estate, SMA and Other (c) | 20%                     | 15%  | 41%   | 40%  | 2%    | 2%   | n/a                                    | n/a  | 21%   | 20% |
| Infra III (c)                                     | 51%                     | 37%  | 81%   | 54%  | n/m   | n/m  | n/a                                    | n/a  | 79%   | 50% |
| BIP   | 26%                     | 20%  | 41%   | 33%  | 6%    | 1%   | n/a                                    | n/a  | 25%   | 19% |
| Clarus IV   | 4%                      | 2%   | 34%   | 26%  | 3%    | —    | 30%                                    | 24%  | 21%   | 13% |
| BXLS V  | 10%                     | 2%   | 13%   | -4%  | n/m   | n/m  | n/m                                    | n/m  | 17%   | 3%  |

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

n/m Not meaningful generally due to the limited time since initial investment.

n/a Not applicable.

SMA Separately managed account.

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Revenues.

(b) BCEP is a core private equity strategy which invests with a more modest risk profile and longer hold period than traditional private equity.

(c) Realizations are treated as return of capital until fully recovered and therefore inception to date realized returns are not applicable. Returns are calculated from results that are reported on a three month lag from Strategic Partners' fund financial statements and therefore do not include the impact of economic and market activities in the current quarter.

### Funds With Closed Investment Periods

The corporate private equity funds within the Private Equity segment have nine funds with closed investment periods: BCP IV, BCP V, BCP VI, BCP VII, BCOM, BEP I, BEP II, BCEP I and BCP Asia I. As of December 31, 2022, BCP IV

## [Table of Contents](#)

was above its carried interest threshold (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would still be above its carried interest threshold even if all remaining investments were valued at zero. BCP V is comprised of two fund classes, the BCP V “main fund” and BCP V-AC fund. Within these fund classes, the general partner is subject to equalization such that (a) the general partner accrues carried interest when the respective carried interest for either fund class is positive and (b) the general partner realizes carried interest so long as clawback obligations, if any, for either of the respective fund classes are fully satisfied. BCP V, BCP VI, BCP VII, BCOM, BEP I, BEP II, BCEP I and BCP Asia were above their respective carried interest thresholds. Funds are considered above their carried interest thresholds based on the aggregate fund position, although individual limited partners may be below their respective carried interest thresholds in certain funds. We are entitled to retain previously realized carried interest up to 20% of BCOM’s net gains. As a result, Performance Revenues are recognized from BCOM on current period gains and losses.

### **Credit & Insurance**

The following table presents the results of operations for our Credit & Insurance segment:

|                                       | Year Ended December 31, |                   |                   | 2022 vs. 2021     |             | 2021 vs. 2020     |             |
|---------------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------|-------------------|-------------|
|                                       | 2022                    | 2021              | 2020              | \$                | %           | \$                | %           |
|                                       | (Dollars in Thousands)  |                   |                   |                   |             |                   |             |
| <b>Management Fees, Net</b>           |                         |                   |                   |                   |             |                   |             |
| Base Management Fees                  | \$ 1,230,710            | \$ 765,905        | \$ 603,713        | \$ 464,805        | 61%         | \$ 162,192        | 27%         |
| Transaction and Other Fees, Net       | 34,624                  | 44,868            | 21,311            | (10,244)          | -23%        | 23,557            | 111%        |
| Management Fee Offsets                | (5,432)                 | (6,653)           | (10,466)          | 1,221             | -18%        | 3,813             | -36%        |
| <b>Total Management Fees, Net</b>     | <b>1,259,902</b>        | <b>804,120</b>    | <b>614,558</b>    | <b>455,782</b>    | <b>57%</b>  | <b>189,562</b>    | <b>31%</b>  |
| Fee Related Performance Revenues      | 374,721                 | 118,097           | 40,515            | 256,624           | 217%        | 77,582            | 191%        |
| Fee Related Compensation              | (529,784)               | (367,322)         | (261,214)         | (162,462)         | 44%         | (106,108)         | 41%         |
| Other Operating Expenses              | (264,181)               | (199,912)         | (165,114)         | (64,269)          | 32%         | (34,798)          | 21%         |
| <b>Fee Related Earnings</b>           | <b>840,658</b>          | <b>354,983</b>    | <b>228,745</b>    | <b>485,675</b>    | <b>137%</b> | <b>126,238</b>    | <b>55%</b>  |
| Realized Performance Revenues         | 147,413                 | 209,421           | 20,943            | (62,008)          | -30%        | 188,478           | 900%        |
| Realized Performance Compensation     | (63,846)                | (94,450)          | (3,476)           | 30,604            | -32%        | (90,974)          | n/m         |
| Realized Principal Investment Income  | 80,993                  | 70,796            | 7,970             | 10,197            | 14%         | 62,826            | 788%        |
| <b>Net Realizations</b>               | <b>164,560</b>          | <b>185,767</b>    | <b>25,437</b>     | <b>(21,207)</b>   | <b>-11%</b> | <b>160,330</b>    | <b>630%</b> |
| <b>Segment Distributable Earnings</b> | <b>\$ 1,005,218</b>     | <b>\$ 540,750</b> | <b>\$ 254,182</b> | <b>\$ 464,468</b> | <b>86%</b>  | <b>\$ 286,568</b> | <b>113%</b> |

n/m Not meaningful.

#### *Year Ended December 31, 2022 Compared to Year Ended December 31, 2021*

Segment Distributable Earnings were \$1.0 billion for the year ended December 31, 2022, an increase of \$464.5 million, or 86%, compared to \$540.8 million for the year ended December 31, 2021. The increase in Segment Distributable Earnings was attributable to an increase of \$485.7 million in Fee Related Earnings, partially offset by a decrease of \$21.2 million in Net Realizations.

While public spreads widened in 2022 amid market volatility and heightened uncertainty, rising interest rates and solid underlying company performance favorably impacted returns in our private credit strategies. While rising interest rates and the resulting higher cost of capital have the potential to negatively impact the free cash flow and credit quality of certain borrowers, the performance of our credit funds has generally benefited from rising interest rates as a substantial majority of the portfolio is floating rate. Rising costs resulting from heightened energy prices and input costs have contributed to margin pressures at certain of our Credit & Insurance segment investments. Such investments would continue to be negatively impacted by a sustained high rate of inflation if

---

## [Table of Contents](#)

they are unable to mitigate margin pressures, especially if concurrent with an increase in their debt service costs. If continued interest rate increases occur concurrently with a period of economic weakness or a slowdown in growth, portfolio performance in our Credit & Insurance segment may be negatively impacted. Continued market dislocation may create attractive deployment opportunities, particularly for our private credit strategies, as borrowers seek alternative lending sources. Nonetheless, significant market dislocation could limit the liquidity of certain assets traded in the credit markets, and this would impact our funds' ability to sell such assets at attractive prices or in a timely manner.

In energy, oil and gas prices remained elevated in 2022, in part due to decreased supply as a result of the ongoing war between Russia and Ukraine and heightened global demand. This short-term trend has had a positive impact on our energy portfolio. Beyond this short-term trend, however, increased scrutiny from regulators, investors and other market participants on the climate impact of oil and gas energy investments has weakened long-term market fundamentals for traditional energy. The persistence of these weakened market fundamentals could negatively impact the performance of certain investments in our credit funds.

Perpetual capital strategies, including BCRED, represent an increasing percentage of Total Assets Under Management in our Credit & Insurance segment. Beginning in late 2022, market volatility drove a material increase in BCRED repurchase requests and a material decrease in inflows. This led to minimal net flows in BCRED in the fourth quarter. A continuation or worsening of the current environment would further adversely affect our net flows for a more extended period of time. However, we believe the long-term growth trajectory remains positive and that strong investment performance and investor under-allocation to such private wealth strategies should drive flows over the long-term. See "Item 1A. Risk Factors – Risks Related to Our Business – We have increasingly undertaken business initiatives to increase the number and type of investment products we offer to individual investors, which could expose us to new and greater levels of risk" in this report.

### *Fee Related Earnings*

Fee Related Earnings were \$840.7 million for the year ended December 31, 2022, an increase of \$485.7 million, or 137%, compared to \$355.0 million for the year ended December 31, 2021. The increase in Fee Related Earnings was attributable to increases of \$455.8 million in Management Fees, Net and \$256.6 million in Fee Related Performance Revenues, partially offset by increases of \$162.5 million in Fee Related Compensation and \$64.3 million in Other Operating Expenses.

Management Fees, Net were \$1.3 billion for the year ended December 31, 2022, an increase of \$455.8 million, compared to \$804.1 million for the year ended December 31, 2021, primarily driven by an increase in Base Management Fees. Base Management Fees increased \$464.8 million primarily due to inflows in BCRED and BIS.

Fee Related Performance Revenues were \$374.7 million for the year ended December 31, 2022, an increase of \$256.6 million, compared to \$118.1 million for the year ended December 31, 2021. The increase was primarily due to performance and an increase in subscriptions in BCRED.

Fee Related Compensation was \$529.8 million for the year ended December 31, 2022, an increase of \$162.5 million, compared to \$367.3 million for the year ended December 31, 2021. The increase was primarily due to increases in Management Fees, Net and Fee Related Performance Revenues, both of which impact Fee Related Compensation.

Other Operating Expenses were \$264.2 million for the year ended December 31, 2022, an increase of \$64.3 million, compared to \$199.9 million for the year ended December 31, 2021. The increase was primarily due to travel, entertainment, occupancy and technology-related expenses and professional fees.

## [Table of Contents](#)

### *Net Realizations*

Net Realizations were \$164.6 million for the year ended December 31, 2022, a decrease of \$21.2 million, compared to \$185.8 million for the year ended December 31, 2021. The decrease in Net Realizations was attributable to a decrease of \$62.0 million in Realized Performance Revenues, partially offset by a decrease of \$30.6 million in Realized Performance Compensation.

Realized Performance Revenues were \$147.4 million for the year ended December 31, 2022, a decrease of \$62.0 million, compared to \$209.4 million for the year ended December 31, 2021. The decrease was primarily attributable to lower realized performance revenues in our mezzanine funds.

Realized Performance Compensation was \$63.8 million for the year ended December 31, 2022, a decrease of \$30.6 million, compared to \$94.5 million for the year ended December 31, 2021. The decrease was primarily due to the decrease in Realized Performance Revenues.

### *Composite Returns*

Composite returns information is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The composite returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future results of any particular fund or composite. An investment in Blackstone is not an investment in any of our funds or composites. There can be no assurance that any of our funds or composites or our other existing and future funds or composites will achieve similar returns.

The following table presents the return information for the Private Credit and Liquid Credit composites:

| Composite (a)      | Year Ended December 31, |     |       |     |       |     | Inception to<br>December 31, 2022 |     |
|--------------------|-------------------------|-----|-------|-----|-------|-----|-----------------------------------|-----|
|                    | 2022                    |     | 2021  |     | 2020  |     | Total                             |     |
|                    | Gross                   | Net | Gross | Net | Gross | Net | Gross                             | Net |
| Private Credit (b) | 7%                      | 4%  | 22%   | 16% | 1%    | -1% | 11%                               | 7%  |
| Liquid Credit (b)  | -3%                     | -3% | 5%    | 5%  | 4%    | 4%  | 5%                                | 4%  |

**The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.**

- (a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Allocations, net of tax advances.
- (b) Effective January 1, 2021, Credit returns are presented as separate returns for Private Credit and Liquid Credit instead of as a Credit Composite. Private Credit returns include mezzanine lending funds and middle market direct lending funds (including BXSL and BCRED), stressed/distressed strategies (including stressed/distressed funds and credit alpha strategies) and energy strategies. Liquid Credit returns include CLOs, closed-ended funds, open-ended funds and separately managed accounts. Only fee-earning funds exceeding \$100 million of fair value at the beginning of each respective quarter-end are included. Funds in liquidation, funds investing primarily in investment grade corporate credit and asset-based finance funds are excluded. Blackstone Funds that were contributed to BXC as part of Blackstone's acquisition of BXC in March 2008 and the pre-acquisition date performance for funds and vehicles acquired by BXC subsequent to March 2008, are also excluded. Private Credit and Liquid Credit's inception to date returns are from December 31, 2005. Prior periods have been updated to reflect this presentation.

## [Table of Contents](#)

### Operating Metrics

The following table presents information regarding our Invested Performance Eligible Assets Under Management:

|                        | Invested Performance<br>Eligible Assets Under<br>Management |               |               | Estimated % Above<br>High Water<br>Mark/Hurdle (a) |      |      |
|------------------------|---|---------------|---------------|--|------|------|
|                        | December 31,  |               |               | December 31,                                       |      |      |
|                        | 2022  | 2021          | 2020          | 2022   | 2021 | 2020 |
|                        | (Dollars in Thousands)                                      |               |               |  |      |      |
| Credit & Insurance (b) | \$ 87,175,669   | \$ 66,350,185 | \$ 28,944,333 | 93%  | 94%  | 58%  |

- (a) Estimated % Above High Water Mark/Hurdle represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Credit & Insurance managed fund has positive investment performance relative to a hurdle, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a hurdle return, thereby resulting in an increase in Estimated % Above High Water Mark/Hurdle.
- (b) For the Credit & Insurance managed funds, at December 31, 2022, the incremental appreciation needed for the 7% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles to reach their respective High Water Marks/Hurdles was \$2.0 billion, an increase of \$225.5 million, compared to \$1.8 billion at December 31, 2021. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles as of December 31, 2022, 47% were within 5% of reaching their respective High Water Mark.

### Hedge Fund Solutions

The following table presents the results of operations for our Hedge Fund Solutions segment:

|                                       | Year Ended December 31, |                   |                   | 2022 vs. 2021      |             | 2021 vs. 2020    |            |
|---------------------------------------|-------------------------|-------------------|-------------------|--------------------|-------------|------------------|------------|
|                                       | 2022                    | 2021              | 2020              | \$                 | %           | \$               | %          |
|                                       | (Dollars in Thousands)  |                   |                   |                    |             |                  |            |
| <b>Management Fees, Net</b>           |                         |                   |                   |                    |             |                  |            |
| Base Management Fees                  | \$ 565,226              | \$ 636,685        | \$ 582,830        | \$ (71,459)        | -11%        | \$ 53,855        | 9%         |
| Transaction and Other Fees, Net       | 6,193                   | 11,770            | 5,899             | (5,577)            | -47%        | 5,871            | 100%       |
| Management Fee Offsets                | (177)                   | (572)             | (650)             | 395                | -69%        | 78               | -12%       |
| <b>Total Management Fees, Net</b>     | <b>571,242</b>          | <b>647,883</b>    | <b>588,079</b>    | <b>(76,641)</b>    | <b>-12%</b> | <b>59,804</b>    | <b>10%</b> |
| Fee Related Compensation              | (186,672)               | (156,515)         | (161,713)         | (30,157)           | 19%         | 5,198            | -3%        |
| Other Operating Expenses              | (105,334)               | (94,792)          | (79,758)          | (10,542)           | 11%         | (15,034)         | 19%        |
| <b>Fee Related Earnings</b>           | <b>279,236</b>          | <b>396,576</b>    | <b>346,608</b>    | <b>(117,340)</b>   | <b>-30%</b> | <b>49,968</b>    | <b>14%</b> |
| Realized Performance Revenues         | 137,184                 | 290,980           | 179,789           | (153,796)          | -53%        | 111,191          | 62%        |
| Realized Performance Compensation     | (37,977)                | (76,701)          | (31,224)          | 38,724             | -50%        | (45,477)         | 146%       |
| Realized Principal Investment Income  | 24,706                  | 56,733            | 54,110            | (32,027)           | -56%        | 2,623            | 5%         |
| <b>Net Realizations</b>               | <b>123,913</b>          | <b>271,012</b>    | <b>202,675</b>    | <b>(147,099)</b>   | <b>-54%</b> | <b>68,337</b>    | <b>34%</b> |
| <b>Segment Distributable Earnings</b> | <b>\$ 403,149</b>       | <b>\$ 667,588</b> | <b>\$ 549,283</b> | <b>\$(264,439)</b> | <b>-40%</b> | <b>\$118,305</b> | <b>22%</b> |

n/m Not meaningful.

---

## [Table of Contents](#)

### *Year Ended December 31, 2022 Compared to Year Ended December 31, 2021*

Segment Distributable Earnings were \$403.1 million for the year ended December 31, 2022, a decrease of \$264.4 million, compared to \$667.6 million for the year ended December 31, 2021. The decrease in Segment Distributable Earnings was attributable to decreases of \$117.3 million in Fee Related Earnings and \$147.1 million in Net Realizations.

Strategies across our Hedge Fund Solutions segment navigated a year of significant market volatility caused by high inflation and escalating interest rates to generally outperform the broader market with significantly less volatility. The performance of some of the underlying managers in our Hedge Fund Solutions segment, however, was adversely impacted by the challenging market environment. Segment Distributable Earnings in the Hedge Fund Solutions segment would likely be negatively impacted by a significant or sustained weak market environment or decline in asset prices, including as a result of concerns over macroeconomic and geopolitical factors. In addition, while certain of our strategies are designed to benefit from a rising interest rate environment, in an environment concurrently characterized by high interest rates and weak equity markets, it may be difficult for funds in certain strategies to exceed interest rate-based performance hurdles to which such funds are subject, which would negatively impact our Segment Distributable Earnings.

Outperformance relative to the broader market by strategies in our Hedge Fund Solutions segment, particularly during times of meaningful equity market volatility, could contribute to increased flows in the segment. Despite significant volatility in 2022, however, overall in recent years markets have experienced relatively low volatility, which has at times resulted in certain investors reallocating capital away from traditional hedge fund strategies. To the extent markets experience a prolonged period of low volatility and outperform our hedge fund strategies, investors may seek to reallocate capital away from traditional hedge fund strategies, which could negatively impact net flows in our Hedge Fund Solutions segment. Conversely, outperformance by our Hedge Fund Solutions strategies in a weak market environment has in some cases resulted in such strategies representing an increasing portion of the value of certain investors' portfolios, which may limit such investors' ability to allocate additional capital to certain funds in the segment, or result in such investors seeking to withdraw capital from such funds. The Hedge Fund Solutions segment operates multiple business lines, manages strategies that are both long and short asset classes and generates a majority of its revenue through management fees. In that regard, the segment's revenues depend in part on our ability to successfully grow such existing diverse business lines and strategies and to identify and scale new ones to meet evolving investor appetites. In recent years we have shifted the mix of our product offerings to include more products whose performance-based fees represent a more significant proportion of the fees earned from such products than has historically been the case.

#### *Fee Related Earnings*

Fee Related Earnings were \$279.2 million for the year ended December 31, 2022, a decrease of \$117.3 million, compared to \$396.6 million for the year ended December 31, 2021. The decrease in Fee Related Earnings was primarily attributable to a decrease of \$76.6 million in Management Fees, Net and increases of \$30.2 million in Fee Related Compensation and \$10.5 million in Other Operating Expenses.

Management Fees, Net were \$571.2 million for the year ended December 31, 2022, a decrease of \$76.6 million, compared to \$647.9 million for the year ended December 31, 2021, primarily driven by a decrease in Base Management Fees. Base Management Fees decreased \$71.5 million primarily driven by a decrease in Fee-Earning Assets Under Management in customized solutions and commingled products.

Fee Related Compensation were \$186.7 million for the year ended December 31, 2022, an increase of \$30.2 million, compared to \$156.5 million for the year ended December 31, 2021. The increase was primarily due to compensation accruals, hiring and corporate allocations.

## [Table of Contents](#)

Other Operating Expenses were \$105.3 million for the year ended December 31, 2022, an increase of \$10.5 million, compared to \$94.8 million for the year ended December 31, 2021. The increase was primarily due to travel and entertainment, and occupancy related expenses.

### *Net Realizations*

Net Realizations were \$123.9 million for the year ended December 31, 2022, a decrease of \$147.1 million, compared to \$271.0 million for the year ended December 31, 2021. The decrease in Net Realizations was primarily attributable to decreases of \$153.8 million in Realized Performance Revenues and \$32.0 million in Realized Principal Investment Income, partially offset by a decrease of \$38.7 million in Realized Performance Compensation.

Realized Performance Revenues were \$137.2 million for the year ended December 31, 2022, a decrease of \$153.8 million, compared to \$291.0 million for the year ended December 31, 2021. The decrease was primarily driven by reduced Realized Performance Revenues in liquid and specialized solutions and in customized solutions and commingled products.

Realized Principal Investment Income was \$24.7 million for the year ended December 31, 2022, a decrease of \$32.0 million, compared to \$56.7 million for the year ended December 31, 2021. The decrease was primarily due to the segment's allocation of the gain recognized in the Pátria sale transaction in the first and third quarters of 2021.

Realized Performance Compensation was \$38.0 million for the year ended December 31, 2022, a decrease of \$38.7 million, compared to \$76.7 million for the year ended December 31, 2021. The decrease was primarily due to the decrease in Realized Performance Revenues.

### *Composite Returns*

Composite returns information is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The composite returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future results of any particular fund or composite. An investment in Blackstone is not an investment in any of our funds or composites. There can be no assurance that any of our funds or composites or our other existing and future funds or composites will achieve similar returns.

The following table presents the return information of the BAAM Principal Solutions Composite:

| Composite                              | Average Annual Returns (a)      |     |            |     |           |     |            |     |
|--|---------------------------------|-----|------------|-----|-----------|-----|------------|-----|
|  | Periods Ended December 31, 2022 |     |            |     |           |     |            |     |
|  | One Year                        |     | Three Year |     | Five Year |     | Historical |     |
|  | Gross                           | Net | Gross      | Net | Gross     | Net | Gross      | Net |
| BAAM Principal Solutions Composite (b) | 5%                              | 4%  | 6%         | 5%  | 6%        | 5%  | 7%         | 6%  |

**The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.**

- (a) Composite returns present a summarized asset-weighted return measure to evaluate the overall performance of the applicable class of Blackstone Funds.
- (b) BAAM's Principal Solutions ("BPS") Composite covers the period from January 2000 to present, although BAAM's inception date is September 1990. The BPS Composite includes only BAAM-managed commingled and customized multi-manager funds and accounts and does not include BAAM's individual investor solutions (liquid alternatives), strategic capital (seeding and GP minority stakes), strategic opportunities (co-invests), and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms.



## [Table of Contents](#)

BAAM-managed funds in liquidation and, in the case of net returns, non-fee-paying assets are also excluded. 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 BPS Composite does not represent the performance of an actual fund or account. The historical return is from January 1, 2000.

### *Operating Metrics*

The following table presents information regarding our Invested Performance Eligible Assets Under Management:

|  | Invested Performance Eligible Assets Under Management |               |               | Estimated % Above High Water Mark/Benchmark (a) |      |      |
|--|---|---------------|---------------|---|------|------|
|  | December 31,  |               |               | December 31,                                    |      |      |
|  | 2022  | 2021          | 2020          | 2022  | 2021 | 2020 |
|  | (Dollars in Thousands)                                |               |               |   |      |      |
| Hedge Fund Solutions Managed Funds (b) | \$ 50,664,202   | \$ 47,639,865 | \$ 47,088,501 | 85%   | 91%  | 75%  |

- (a) Estimated % Above High Water Mark/Benchmark represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Hedge Fund Solutions managed fund has positive investment performance relative to a benchmark, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a benchmark return, thereby resulting in an increase in Estimated % Above High Water Mark/Benchmark.
- (b) For the Hedge Fund Solutions managed funds, at December 31, 2022, the incremental appreciation needed for the 15% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks to reach their respective High Water Marks/Benchmarks was \$757.7 million, an increase of \$457.9 million, compared to \$299.8 million at December 31, 2021. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/ Benchmarks as of December 31, 2022, 59% were within 5% of reaching their respective High Water Mark.

### **Non-GAAP Financial Measures**

These non-GAAP financial measures are presented without the consolidation of any Blackstone Funds that are consolidated into the Consolidated Financial Statements. Consequently, all non-GAAP financial measures exclude the assets, liabilities and operating results related to the Blackstone Funds. See “— Key Financial Measures and Indicators” for our definitions of Distributable Earnings, Segment Distributable Earnings, Fee Related Earnings and Adjusted EBITDA.

## Table of Contents

The following table is a reconciliation of Net Income Attributable to Blackstone Inc. to Distributable Earnings, Total Segment Distributable Earnings, Fee Related Earnings and Adjusted EBITDA:

|   | Year Ended December 31, |                     |                     |
|---|-------------------------|---------------------|---------------------|
|   | 2022                    | 2021                | 2020                |
|   | (Dollars in Thousands)  |                     |                     |
| <b>Net Income Attributable to Blackstone Inc.</b>   | \$ 1,747,631            | \$ 5,857,397        | \$ 1,045,363        |
| Net Income Attributable to Non-Controlling Interests in Blackstone Holdings                     | 1,276,402               | 4,886,552           | 1,012,924           |
| Net Income Attributable to Non-Controlling Interests in Consolidated Entities                   | 107,766                 | 1,625,306           | 217,117             |
| Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | (142,890)               | 5,740               | (13,898)            |
| <b>Net Income</b>   | <b>2,988,909</b>        | <b>12,374,995</b>   | <b>2,261,506</b>    |
| Provision for Taxes   | 472,880                 | 1,184,401           | 356,014             |
| <b>Net Income Before Provision for Taxes</b>  | <b>3,461,789</b>        | <b>13,559,396</b>   | <b>2,617,520</b>    |
| Transaction-Related Charges (a)   | 57,133                  | 144,038             | 240,729             |
| Amortization of Intangibles (b)   | 60,481                  | 68,256              | 65,984              |
| Impact of Consolidation (c)   | 35,124                  | (1,631,046)         | (203,219)           |
| Unrealized Performance Revenues (d)   | 3,436,978               | (8,675,246)         | 384,758             |
| Unrealized Performance Allocations Compensation (e)   | (1,470,588)             | 3,778,048           | (154,516)           |
| Unrealized Principal Investment (Income) Loss (f)   | 1,235,529               | (679,767)           | 101,742             |
| Other Revenues (g)  | (183,754)               | (202,885)           | 253,693             |
| Equity-Based Compensation (h)   | 782,090                 | 559,537             | 333,767             |
| Administrative Fee Adjustment (i)   | 9,866                   | 10,188              | 5,265               |
| Taxes and Related Payables (j)  | (791,868)               | (759,682)           | (304,127)           |
| <b>Distributable Earnings</b>   | <b>6,632,780</b>        | <b>6,170,837</b>    | <b>3,341,596</b>    |
| Taxes and Related Payables (j)  | 791,868                 | 759,682             | 304,127             |
| Net Interest and Dividend Loss (k)  | 31,494                  | 33,588              | 34,910              |
| <b>Total Segment Distributable Earnings</b>   | <b>7,456,142</b>        | <b>6,964,107</b>    | <b>3,680,633</b>    |
| Realized Performance Revenues (l)   | (4,461,338)             | (3,883,112)         | (1,865,993)         |
| Realized Performance Compensation (m)   | 1,814,097               | 1,557,570           | 714,347             |
| Realized Principal Investment Income (n)  | (396,256)               | (587,766)           | (158,933)           |
| <b>Fee Related Earnings</b>   | <b>\$ 4,412,645</b>     | <b>\$ 4,050,799</b> | <b>\$ 2,370,054</b> |
| <b>Adjusted EBITDA Reconciliation</b>   |                         |                     |                     |
| <b>Distributable Earnings</b>   | <b>\$ 6,632,780</b>     | <b>\$ 6,170,837</b> | <b>\$ 3,341,596</b> |
| Interest Expense (o)  | 316,569                 | 196,632             | 165,022             |
| Taxes and Related Payables (j)  | 791,868                 | 759,682             | 304,127             |
| Depreciation and Amortization (p)   | 69,219                  | 52,187              | 35,136              |
| <b>Adjusted EBITDA</b>  | <b>\$ 7,810,436</b>     | <b>\$ 7,179,338</b> | <b>\$ 3,845,881</b> |

- (a) This adjustment removes Transaction-Related Charges, which are excluded from Blackstone's segment presentation. 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.

## Table of Contents

- (b) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation. This amount includes amortization of intangibles associated with Blackstone's investment in Pátria, which was historically accounted for under the equity method. As a result of Pátria's IPO in January 2021, equity method has been discontinued and there is no longer amortization of intangibles associated with the investment.
- (c) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
- (d) This adjustment removes Unrealized Performance Revenues on a segment basis. The Segment Adjustment represents the add back of performance revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.

|   | Year Ended December 31, |                     |                     |
|---|-------------------------|---------------------|---------------------|
|   | 2022                    | 2021                | 2020                |
|   | (Dollars in Thousands)  |                     |                     |
| GAAP Unrealized Performance Allocations | \$(3,435,056)           | \$ 8,675,246        | \$ (384,393)        |
| Segment Adjustment                      | (1,922)                 | —                   | (365)               |
| Unrealized Performance Revenues         | <u>\$(3,436,978)</u>    | <u>\$ 8,675,246</u> | <u>\$ (384,758)</u> |

- (e) This adjustment removes Unrealized Performance Allocations Compensation.
- (f) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis. The Segment Adjustment represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

|  | Year Ended December 31, |                   |                     |
|--|-------------------------|-------------------|---------------------|
|  | 2022                    | 2021              | 2020                |
|  | (Dollars in Thousands)  |                   |                     |
| GAAP Unrealized Principal Investment Income (Loss) | \$(1,563,849)           | \$ 1,456,201      | \$ (114,607)        |
| Segment Adjustment                                 | 328,320                 | (776,434)         | 12,865              |
| Unrealized Principal Investment Income (Loss)      | <u>\$(1,235,529)</u>    | <u>\$ 679,767</u> | <u>\$ (101,742)</u> |

- (g) This adjustment removes Other Revenues on a segment basis. The Segment Adjustment represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of certain Transaction-Related Charges.

|                    | Year Ended December 31, |                   |                     |
|--------------------|-------------------------|-------------------|---------------------|
|                    | 2022                    | 2021              | 2020                |
|                    | (Dollars in Thousands)  |                   |                     |
| GAAP Other Revenue | \$ 184,557              | \$ 203,086        | \$ (253,142)        |
| Segment Adjustment | (803)                   | (201)             | (551)               |
| Other Revenues     | <u>\$ 183,754</u>       | <u>\$ 202,885</u> | <u>\$ (253,693)</u> |

- (h) This adjustment removes Equity-Based Compensation on a segment basis.
- (i) This adjustment adds an amount equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

## Table of Contents

- (j) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and adjusted to exclude the tax impact of any divestitures. Related Payables represent tax-related payables including the amount payable under the Tax Receivable Agreement. See “— Key Financial Measures and Indicators — Distributable Earnings” for the full definition of Taxes and Related Payables.

|                                   | Year Ended December 31, |                   |                   |
|-----------------------------------|-------------------------|-------------------|-------------------|
|                                   | 2022                    | 2021              | 2020              |
|                                   | (Dollars in Thousands)  |                   |                   |
| Taxes                             | \$ 693,443              | \$ 703,075        | \$ 260,569        |
| Related Payables                  | 98,425                  | 56,607            | 43,558            |
| <b>Taxes and Related Payables</b> | <b>\$ 791,868</b>       | <b>\$ 759,682</b> | <b>\$ 304,127</b> |

- (k) This adjustment removes Interest and Dividend Revenue less Interest Expense on a segment basis. The Segment Adjustment represents (1) the add back of Interest and Dividend Revenue earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of interest expense associated with the Tax Receivable Agreement.

|                                       | Year Ended December 31, |                    |                    |
|---------------------------------------|-------------------------|--------------------|--------------------|
|                                       | 2022                    | 2021               | 2020               |
|                                       | (Dollars in Thousands)  |                    |                    |
| GAAP Interest and Dividend Revenue    | \$ 271,612              | \$ 160,643         | \$ 125,231         |
| Segment Adjustment                    | 13,463                  | 2,401              | 4,881              |
| <b>Interest and Dividend Revenue</b>  | <b>285,075</b>          | <b>163,044</b>     | <b>130,112</b>     |
| GAAP Interest Expense                 | 317,225                 | 198,268            | 166,162            |
| Segment Adjustment                    | (656)                   | (1,636)            | (1,140)            |
| <b>Interest Expense</b>               | <b>316,569</b>          | <b>196,632</b>     | <b>165,022</b>     |
| <b>Net Interest and Dividend Loss</b> | <b>\$ (31,494)</b>      | <b>\$ (33,588)</b> | <b>\$ (34,910)</b> |

- (l) This adjustment removes the total segment amount of Realized Performance Revenues.  
(m) This adjustment removes the total segment amount of Realized Performance Compensation.  
(n) This adjustment removes the total segment amount of Realized Principal Investment Income.  
(o) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.  
(p) This adjustment adds back Depreciation and Amortization on a segment basis.

## Table of Contents

The following tables are a reconciliation of Total GAAP Investments to Net Accrued Performance Revenues. Total GAAP Investments and Net Accrued Performance Revenues consist of the following:

|   | December 31,           |                      |
|---|------------------------|----------------------|
|   | 2022                   | 2021                 |
|   | (Dollars in Thousands) |                      |
| Investments of Consolidated Blackstone Funds      | \$ 5,136,966           | \$ 2,018,829         |
| Equity Method Investments                         |                        |                      |
| Partnership Investments                           | 5,530,419              | 5,635,212            |
| Accrued Performance Allocations                   | 12,360,684             | 17,096,873           |
| Corporate Treasury Investments                    | 1,053,540              | 658,066              |
| Other Investments                                 | 3,471,642              | 3,256,063            |
| Total GAAP Investments                            | <u>\$ 27,553,251</u>   | <u>\$ 28,665,043</u> |
| Accrued Performance Allocations - GAAP            | \$ 12,360,684          | \$ 17,096,873        |
| Impact of Consolidation (a)                       | —                      | 1                    |
| Due from Affiliates - GAAP (b)                    | 269,987                | 260,993              |
| Less: Net Realized Performance Revenues (c)       | (282,730)              | (1,294,884)          |
| Less: Accrued Performance Compensation - GAAP (d) | (5,512,796)            | (7,324,906)          |
| Net Accrued Performance Revenues                  | <u>\$ 6,835,145</u>    | <u>\$ 8,738,077</u>  |

(a) This adjustment adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.

(b) Represents GAAP accrued performance revenue recorded within Due from Affiliates.

(c) Represents Performance Revenues realized but not yet distributed as of the reporting date and are included in Distributable Earnings in the period they are realized.

(d) Represents GAAP accrued performance compensation associated with Accrued Performance Allocations and is recorded within Accrued Compensation and Benefits and Due to Affiliates.

## Liquidity and Capital Resources

### General

Blackstone's business model derives revenue primarily from third party Assets Under Management. Blackstone is not a capital or balance sheet intensive business and targets operating expense levels such that total management and advisory fees exceed total operating expenses each period. As a result, we require limited capital resources to support the working capital or operating needs of our businesses. We draw primarily on the long-term committed capital of our limited partner investors to fund the investment requirements of the Blackstone Funds and use our own realizations and cash flows to invest in growth initiatives, make commitments to our own funds, where our minimum general partner commitments are generally less than 5% of the limited partner commitments of a fund, and pay dividends to stockholders and distributions to holders of Holdings Units.

Fluctuations in our statement of financial condition result primarily from activities of the Blackstone Funds that are consolidated as well as business transactions, such as the issuance of senior notes described below. The majority economic ownership interests of such consolidated Blackstone Funds are reflected as Redeemable Non-Controlling Interests in Consolidated Entities, and Non-Controlling Interests in Consolidated Entities in the Consolidated Financial Statements. The consolidation of these Blackstone Funds has no net effect on Blackstone's Net Income or Equity. Additionally, fluctuations in our statement of financial condition also include appreciation or depreciation in Blackstone investments in the non-consolidated Blackstone Funds, additional investments and redemptions of such interests in the non-consolidated Blackstone Funds and the collection of receivables related to management and advisory fees.

## [Table of Contents](#)

Total Assets were \$42.5 billion as of December 31, 2022, an increase of \$1.3 billion from December 31, 2021. The increase in Total Assets was principally due to an increase of \$3.3 billion in total assets attributable to consolidated Blackstone Funds, partially offset by a decrease of \$1.5 billion in total assets attributable to consolidated operating partnerships. The increase in total assets attributable to consolidated Blackstone Funds was primarily due to an increase of \$3.1 billion in Investments. The increase in Investments was primarily due to two newly consolidated Blackstone Funds. The decrease in total assets attributable to consolidated operating partnerships was primarily due to a decrease of \$3.8 billion in Investments, partially offset by an increase of \$2.1 billion in Cash and Cash Equivalents. The decrease in Investments was primarily due to a decrease in Accrued Performance Allocations, primarily attributable to realizations in excess of unrealized performance allocations. The increase in Cash and Cash Equivalents was primarily due to bond issuances and borrowings during the year, as described in “— Sources and Uses of Liquidity.”

Total Liabilities were \$22.8 billion as of December 31, 2022, an increase of \$3.4 billion, or 17%, from December 31, 2021. The increase in Total Liabilities was principally due to an increase of \$1.9 billion in total liabilities attributable to consolidated operating partnerships and an increase of \$1.5 billion in total liabilities attributable to consolidated Blackstone Funds. The increase in total liabilities attributable to consolidated operating partnerships and consolidated Blackstone Funds was primarily due to increases of \$3.2 billion and \$1.4 billion, respectively, in Loans Payable, partially offset by a \$1.8 billion decrease in Accrued Compensation and Benefits attributable to consolidated operating partnerships. The increase in Loans Payable was primarily due to bond issuances and borrowings, as discussed in the previous paragraph. The decrease in Accrued Compensation and Benefits was primarily due to a decrease in performance compensation.

We have multiple sources of liquidity to meet our capital needs as described in “— Sources and Uses of Liquidity.”

### ***Sources and Uses of Liquidity***

We have multiple sources of liquidity to meet our capital needs, including annual cash flows, accumulated earnings in our businesses, the proceeds from our issuances of senior notes, liquid investments we hold on our balance sheet and access to our \$4.135 billion committed revolving credit facility. On June 3, 2022, Blackstone amended and restated its revolving credit facility to, among other things, increase the amount of the revolving credit facility from \$2.25 billion to \$4.135 billion and to extend the maturity date of the revolving credit facility from November 24, 2025 to June 3, 2027. As of December 31, 2022, Blackstone had \$4.3 billion in Cash and Cash Equivalents, \$1.1 billion invested in Corporate Treasury Investments and \$3.5 billion in Other Investments (which included \$3.1 billion of liquid investments), against \$11.0 billion in borrowings from our bond issuances, and no borrowings outstanding under our revolving credit facility.

On January 10, 2022, Blackstone issued \$500 million aggregate principal amount of 2.550% senior notes due March 30, 2032 and \$1 billion aggregate principal amount of 3.200% senior notes due January 30, 2052. For additional information see Note 13. “Borrowings” in the “Notes to Consolidated Financial Statements” in “— Item 8. Financial Statements and Supplementary Data” of this filing and “— Notable Transactions.”

On June 1, 2022, Blackstone issued €500 million aggregate principal amount of 3.500% senior notes due June 1, 2034. For additional information see Note 13. “Borrowings” in the “Notes to Consolidated Financial Statements” in “— Item 8. Financial Statements and Supplementary Data” of this filing and “— Notable Transactions.”

On November 3, 2022, Blackstone issued \$600 million aggregate principal amount of 5.900% senior notes due November 3, 2027 and \$900 million aggregate principal amount of 6.200% senior notes due April 22, 2033. For additional information see Note 13. “Borrowings” in the “Notes to Consolidated Financial Statements” in “— Item 8. Financial Statements and Supplementary Data” of this filing and “— Notable Transactions.”

---

## [Table of Contents](#)

In addition to the cash we received from our notes offerings and availability under our revolving credit facility, we expect to receive (a) cash generated from operating activities, (b) Performance Revenue realizations, and (c) realizations on the fund investments that we make. The amounts received from these three sources in particular may vary substantially from year to year and quarter to quarter depending on the frequency and size of realization events or net returns experienced by our investment funds. Our available capital could be adversely affected if there are prolonged periods of few substantial realizations from our investment funds accompanied by substantial capital calls for new investments from those investment funds. Therefore, Blackstone's commitments to our funds are taken into consideration when managing our overall liquidity and cash position.

We expect that our primary liquidity needs will be cash to (a) provide capital to facilitate the growth of our existing businesses, which principally includes funding our general partner and co-investment commitments to our funds, (b) provide capital for business expansion, (c) pay operating expenses, including cash compensation to our employees, and other obligations as they arise, (d) fund modest capital expenditures, (e) repay borrowings and related interest costs, (f) pay income taxes, (g) repurchase shares of our common stock and Blackstone Holdings Partnership Units pursuant to our repurchase program and (h) pay dividends to our stockholders and distributions to the holders of Blackstone Holdings Partnership Units. For a tabular presentation of Blackstone's contractual obligations and the expected timing of such see "— Contractual Obligations."

[Table of Contents](#)*Capital Commitments*

Our own capital commitments to our funds, the funds we invest in and our investment strategies as of December 31, 2022 consisted of the following:

| Fund                   | Blackstone and<br>General Partner |                         | Senior Managing Directors<br>and Certain Other<br>Professionals (a) |                         |
|------------------------|-----------------------------------|-------------------------|---|-------------------------|
|                        | Original<br>Commitment            | Remaining<br>Commitment | Original<br>Commitment  | Remaining<br>Commitment |
| (Dollars in Thousands) |                                   |                         |   |                         |
| <b>Real Estate</b>     |                                   |                         |   |                         |
| BREP VI                | \$ 750,000                        | \$ 36,809               | \$ 150,000  | \$ 12,270               |
| BREP VII               | 300,000                           | 33,240                  | 100,000   | 11,080                  |
| BREP VIII              | 300,000                           | 41,957                  | 100,000   | 13,986                  |
| BREP IX                | 300,000                           | 58,292                  | 100,000   | 19,431                  |
| BREP X                 | 300,000                           | 293,435                 | 100,000   | 97,810                  |
| BREP Europe III        | 100,000                           | 11,989                  | 35,000  | 3,996                   |
| BREP Europe IV         | 130,000                           | 24,074                  | 43,333  | 8,025                   |
| BREP Europe V          | 150,000                           | 26,592                  | 43,333  | 7,682                   |
| BREP Europe VI         | 130,000                           | 78,197                  | 43,333  | 26,066                  |
| BREP Asia I            | 50,000                            | 9,925                   | 16,667  | 3,308                   |
| BREP Asia II           | 70,707                            | 15,711                  | 23,569  | 5,237                   |
| BREP Asia III          | 80,573                            | 69,888                  | 26,858  | 23,296                  |
| BREDS III              | 50,000                            | 13,499                  | 16,667  | 4,500                   |
| BREDS IV               | 50,000                            | 20,819                  | —   | —                       |
| BREDS V                | 50,000                            | 50,000                  | —   | —                       |
| BPP                    | 314,909                           | 39,130                  | —   | —                       |
| Other (b)              | 24,087                            | 6,190                   | —   | —                       |
| Total Real Estate      | 3,150,276                         | 829,747                 | 798,760   | 236,687                 |

continued...



[Table of Contents](#)

| Fund                          | Blackstone and<br>General Partner |                         | Senior Managing Directors<br>and Certain Other<br>Professionals (a) |                         |
|-------------------------------|-----------------------------------|-------------------------|---|-------------------------|
|                               | Original<br>Commitment            | Remaining<br>Commitment | Original<br>Commitment  | Remaining<br>Commitment |
|                               | (Dollars in Thousands)            |                         |   |                         |
| <b>Private Equity</b>         |                                   |                         |   |                         |
| BCP V                         | \$ 629,356                        | \$ 30,642               | \$ —  | \$ —                    |
| BCP VI                        | 719,718                           | 82,829                  | 250,000   | 28,771                  |
| BCP VII                       | 500,000                           | 36,635                  | 225,000   | 16,486                  |
| BCP VIII                      | 500,000                           | 280,667                 | 225,000   | 126,300                 |
| BCP IX                        | 500,000                           | 500,000                 | 225,000   | 225,000                 |
| BEP I                         | 50,000                            | 4,728                   | —   | —                       |
| BEP II                        | 80,000                            | 14,633                  | 26,667  | 4,878                   |
| BEP III                       | 80,000                            | 42,124                  | 26,667  | 14,041                  |
| BEP IV                        | 26,087                            | 26,087                  | 8,696   | 8,696                   |
| BCEP I                        | 117,747                           | 27,016                  | 18,992  | 4,358                   |
| BCEP II                       | 160,000                           | 112,284                 | 32,640  | 22,906                  |
| BCP Asia I                    | 40,000                            | 10,428                  | 13,333  | 3,476                   |
| BCP Asia II                   | 100,000                           | 92,615                  | 33,333  | 30,872                  |
| Tactical Opportunities        | 460,508                           | 216,002                 | 153,503   | 72,001                  |
| Strategic Partners            | 1,227,927                         | 786,732                 | 166,907   | 99,263                  |
| BIP                           | 302,019                           | 84,708                  | —   | —                       |
| BXLS                          | 142,057                           | 98,450                  | 37,353  | 30,428                  |
| BXG                           | 150,838                           | 92,524                  | 50,110  | 30,827                  |
| Other (b)                     | 290,209                           | 28,126                  | —   | —                       |
| Total Private Equity          | 6,076,466                         | 2,567,230               | 1,493,201   | 718,303                 |
| <b>Credit &amp; Insurance</b> |                                   |                         |   |                         |
| Mezzanine / Opportunistic II  | 120,000                           | 29,197                  | 110,101   | 26,788                  |
| Mezzanine / Opportunistic III | 130,783                           | 38,766                  | 31,776  | 9,419                   |
| Mezzanine / Opportunistic IV  | 122,000                           | 85,882                  | 33,757  | 23,764                  |
| European Senior Debt I        | 63,000                            | 16,508                  | 56,882  | 14,905                  |
| European Senior Debt II       | 92,419                            | 38,359                  | 25,420  | 10,558                  |
| European Senior Debt III      | 50,000                            | 50,000                  | 16,667  | 16,667                  |
| Stressed / Distressed II      | 125,000                           | 51,695                  | 119,878   | 49,576                  |
| Stressed / Distressed III     | 151,000                           | 95,028                  | 32,678  | 20,565                  |
| Energy I                      | 80,000                            | 37,630                  | 75,445  | 35,487                  |
| Energy II                     | 150,000                           | 111,544                 | 26,614  | 19,791                  |
| Energy III                    | 75,918                            | 75,918                  | 25,306  | 25,306                  |
| Credit Alpha Fund             | 52,102                            | 19,752                  | 50,670  | 19,209                  |
| Credit Alpha Fund II          | 25,500                            | 12,550                  | 6,289   | 3,095                   |
| Other (b)                     | 148,784                           | 61,627                  | 20,407  | 4,396                   |
| Total Credit & Insurance      | 1,386,506                         | 724,456                 | 631,890   | 279,526                 |

continued...

[Table of Contents](#)

| Fund                        | Blackstone and General Partner |                      | Senior Managing Directors and Certain Other Professionals (a) |                      |
|-----------------------------|--------------------------------|----------------------|---|----------------------|
|                             | Original Commitment            | Remaining Commitment | Original Commitment   | Remaining Commitment |
| (Dollars in Thousands)      |                                |                      |   |                      |
| <b>Hedge Fund Solutions</b> |                                |                      |   |                      |
| Strategic Alliance I        | \$ 50,000                      | \$ 2,033             | \$ —  | \$ —                 |
| Strategic Alliance II       | 50,000                         | 1,482                | —   | —                    |
| Strategic Alliance III      | 22,000                         | 15,458               | —   | —                    |
| Strategic Alliance IV       | 15,000                         | 15,000               | —   | —                    |
| Strategic Holdings I        | 154,610                        | 27,429               | —   | —                    |
| Strategic Holdings II       | 50,000                         | 27,125               | —   | —                    |
| Horizon                     | 100,000                        | 27,765               | —   | —                    |
| Dislocation                 | 10,000                         | 8,176                | —   | —                    |
| Other (b)                   | 17,935                         | 8,528                | —   | —                    |
| Total Hedge Fund Solutions  | 469,545                        | 132,996              | —   | —                    |
| <b>Other</b>                |                                |                      |   |                      |
| Treasury (c)                | 1,016,299                      | 762,158              | —   | —                    |
|                             | <u>\$ 12,099,092</u>           | <u>\$ 5,016,587</u>  | <u>\$ 2,923,851</u>   | <u>\$ 1,234,516</u>  |

- (a) For some of the general partner commitments shown in the table above, we require our senior managing directors and certain other professionals to fund a portion of the commitment even though the ultimate obligation to fund the aggregate commitment is ours pursuant to the governing agreements of the respective funds. The amounts of the aggregate applicable general partner original and remaining commitment are shown in the table above. In addition, certain senior managing directors and other professionals may be required to fund a de minimis amount of the commitment in certain carry funds. We expect our commitments to be drawn down over time and to be funded by available cash and cash generated from operations and realizations. Taking into account prevailing market conditions and both the liquidity and cash or liquid investment balances, we believe that the sources of liquidity described above will be more than sufficient to fund our working capital requirements.
- (b) Represents capital commitments to a number of other funds in each respective segment.
- (c) Represents loan origination commitments, revolver commitments and capital market commitments.

For a tabular presentation of the timing of Blackstone's remaining capital commitments to our funds, the funds we invest in and our investment strategies see "— Contractual Obligations".

## [Table of Contents](#)

### *Borrowings*

As of December 31, 2022, Blackstone Holdings Finance Co. L.L.C. (the “Issuer”), an indirect subsidiary of Blackstone, had issued and outstanding the following senior notes (collectively the “Notes”):

| Senior Notes (a)      | Aggregate<br>Principal<br>Amount<br>(Dollars/Euros<br>in Thousands) |
|-----------------------|---|
| 4.750%, Due 2/15/2023 | \$ 400,000  |
| 2.000%, Due 5/19/2025 | € 300,000   |
| 1.000%, Due 10/5/2026 | € 600,000   |
| 3.150%, Due 10/2/2027 | \$ 300,000  |
| 5.900%, Due 11/3/2027 | \$ 600,000  |
| 1.625%, Due 8/5/2028  | \$ 650,000  |
| 1.500%, Due 4/10/2029 | € 600,000   |
| 2.500%, Due 1/10/2030 | \$ 500,000  |
| 1.600%, Due 3/30/2031 | \$ 500,000  |
| 2.000%, Due 1/30/2032 | \$ 800,000  |
| 2.550%, Due 3/30/2032 | \$ 500,000  |
| 6.200%, Due 4/22/2033 | \$ 900,000  |
| 3.500%, Due 6/1/2034  | € 500,000   |
| 6.250%, Due 8/15/2042 | \$ 250,000  |
| 5.000%, Due 6/15/2044 | \$ 500,000  |
| 4.450%, Due 7/15/2045 | \$ 350,000  |
| 4.000%, Due 10/2/2047 | \$ 300,000  |
| 3.500%, Due 9/10/2049 | \$ 400,000  |
| 2.800%, Due 9/30/2050 | \$ 400,000  |
| 2.850%, Due 8/5/2051  | \$ 550,000  |
| 3.200%, Due 1/30/2052 | \$ 1,000,000  |
|                       | <u>\$ 11,041,000</u>  |

(a) The Notes are unsecured and unsubordinated obligations of the Issuer and are fully and unconditionally guaranteed, jointly and severally, by Blackstone Inc. and each of the Blackstone Holdings Partnerships. The Notes contain customary covenants and financial restrictions that, among other things, limit the Issuer and the guarantors’ ability, subject to certain exceptions, to incur indebtedness secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or lease assets. The Notes also contain customary events of default. All or a portion of the Notes may be redeemed at our option, in whole or in part, at any time and from time to time, prior to their stated maturity, at the make-whole redemption price set forth in the Notes. If a change of control repurchase event occurs, the Notes are subject to repurchase at the repurchase price as set forth in the Notes.

Blackstone, through its indirect subsidiary Blackstone Holdings Finance Co. L.L.C., has a \$4.135 billion unsecured revolving credit facility (the “Credit Facility”) with Citibank, N.A., as administrative agent with a maturity date of June 3, 2027. Borrowings may also be made in U.K. sterling, euros, Swiss francs, Japanese yen or Canadian dollars, in each case subject to certain sub-limits. The Credit Facility contains customary representations, covenants and events of default. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee-earning assets under management, each tested quarterly.

## [Table of Contents](#)

For a tabular presentation of the payment timing of principal and interest due on Blackstone’s issued notes and revolving credit facility see “— Contractual Obligations”.

### *Contractual Obligations*

The following table sets forth information relating to our contractual obligations as of December 31, 2022 on a consolidated basis and on a basis deconsolidating the Blackstone Funds:

| Contractual Obligations  | 2023                   | 2024-2025           | 2026-2027           | Thereafter           | Total                |
|--|------------------------|---------------------|---------------------|----------------------|----------------------|
|  | (Dollars in Thousands) |                     |                     |                      |                      |
| Operating Lease Obligations (a)  | \$ 143,692             | \$ 309,731          | \$ 299,835          | \$ 672,196           | \$ 1,425,454         |
| Purchase Obligations   | 107,832                | 153,700             | 52,599              | 3,042                | 317,173              |
| Blackstone Issued Notes and Revolving Credit Facility (b)  | 400,000                | 321,150             | 1,542,300           | 8,777,550            | 11,041,000           |
| Interest on Blackstone Issued Notes and Revolving Credit Facility (c)                            | 353,058                | 690,541             | 666,235             | 3,549,518            | 5,259,352            |
| Blackstone Funds Debt Obligations Payable  | —                      | —                   | —                   | 1,450,000            | 1,450,000            |
| Blackstone Funds Capital Commitments to Investee Funds (d)                                       | 209,973                | —                   | —                   | —                    | 209,973              |
| Due to Certain Non-Controlling Interest Holders in Connection with Tax Receivable Agreements (e) | 64,634                 | 199,671             | 213,661             | 1,125,378            | 1,603,344            |
| Unrecognized Tax Benefits, Including Interest and Penalties (f)                                  | —                      | —                   | —                   | —                    | —                    |
| Blackstone Operating Entities Capital Commitments to Blackstone Funds and Other (g)              | 5,016,587              | —                   | —                   | —                    | 5,016,587            |
| Consolidated Contractual Obligations   | 6,295,776              | 1,674,793           | 2,774,630           | 15,577,684           | 26,322,883           |
| Blackstone Funds Debt Obligations Payable  | —                      | —                   | —                   | (1,450,000)          | (1,450,000)          |
| Blackstone Funds Capital Commitments to Investee Funds (d)                                       | (209,973)              | —                   | —                   | —                    | (209,973)            |
| Blackstone Operating Entities Contractual Obligations  | <u>\$ 6,085,803</u>    | <u>\$ 1,674,793</u> | <u>\$ 2,774,630</u> | <u>\$ 14,127,684</u> | <u>\$ 24,662,910</u> |

- (a) We lease our primary office space and certain office equipment under agreements that expire through 2043. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as building expenses, and utilities. To the extent these are fixed or determinable they are included in the table above. The table above includes operating leases that are recognized as Operating Lease Liabilities, short-term leases that are not recorded as Operating Lease Liabilities and leases that have been signed but not yet commenced which are not recorded as Operating Lease Liabilities. The amounts in this table are presented net of contractual sublease commitments.
- (b) Represents the principal amount due on the senior notes we issued assuming no pre-payments are made and the notes are held until their final maturity. As of December 31, 2022, we had no borrowings outstanding under our revolver.
- (c) Represents interest to be paid over the maturity of our senior notes which has been calculated assuming no pre-payments are made and debt is held until its final maturity date. These amounts include commitment fees for unutilized borrowings under our revolver.

## [Table of Contents](#)

- (d) These obligations represent commitments of the consolidated Blackstone Funds to make capital contributions to investee funds and portfolio companies. These amounts are generally due on demand and are therefore presented in the less than one year category.
- (e) Represents obligations by Blackstone's corporate subsidiary to make payments under the Tax Receivable Agreements to certain non-controlling interest holders for the tax savings realized from the taxable purchases of their interests in connection with the reorganization at the time of Blackstone's IPO in 2007 and subsequent purchases. The obligation represents the amount of the payments currently expected to be made, which are dependent on the tax savings actually realized as determined annually without discounting for the timing of the payments. As required by GAAP, the amount of the obligation included in the Consolidated Financial Statements and shown in Note 18. "Related Party Transactions" (see "— Item 8. Financial Statements and Supplementary Data") differs to reflect the net present value of the payments due to certain non-controlling interest holders.
- (f) As of December 31, 2022, there were no Unrecognized Tax Benefits, including Interest and Penalties. In addition, Blackstone is not able to make a reasonably reliable estimate of the timing of payments in individual years in connection with gross unrecognized benefits of \$153.6 million and interest of \$38.0 million; therefore, such amounts are not included in the above contractual obligations table.
- (g) These obligations represent commitments by us to provide general partner capital funding to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments. These amounts are generally due on demand and are therefore presented in the less than one year category; however, a substantial amount of the capital commitments are expected to be called over the next three years. We expect to continue to make these general partner capital commitments as we raise additional amounts for our investment funds over time.

### *Guarantees*

Blackstone and certain of its consolidated funds provide financial guarantees. The amounts and nature of these guarantees are described in Note 19. "Commitments and Contingencies — Contingencies — Guarantees" in the "Notes to Consolidated Financial Statements" in "—Item 8. Financial Statements and Supplementary Data" of this filing.

### *Indemnifications*

In many of its service contracts, Blackstone agrees to indemnify the third party service provider under certain circumstances. The terms of the indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined and has not been included in the above contractual obligations table or recorded in our Consolidated Financial Statements as of December 31, 2022.

### *Clawback Obligations*

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceed the amount due to Blackstone based on cumulative results of that fund. The amounts and nature of Blackstone's clawback obligations are described in Note 19. "Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" of this filing.

### *Share Repurchase Program*

On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to \$2.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

---

## [Table of Contents](#)

During the year ended December 31, 2022, Blackstone repurchased 3.9 million shares of common stock at a total cost of \$392.0 million. As of December 31, 2022, the amount remaining available for repurchases under the program was \$1.1 billion.

### *Dividends*

Our intention is to pay to holders of common stock a quarterly dividend representing approximately 85% of Blackstone Inc.'s share of Distributable Earnings, subject to adjustment by amounts determined by our board of directors to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and dividends to stockholders for any ensuing quarter. The dividend amount could also be adjusted upward in any one quarter.

For Blackstone's definition of Distributable Earnings, see "— Key Financial Measures and Indicators."

All of the foregoing is subject to the qualification that the declaration and payment of any dividends are at the sole discretion of our board of directors, and our board of directors may change our dividend policy at any time, including, without limitation, to reduce such quarterly dividends or even to eliminate such dividends entirely.

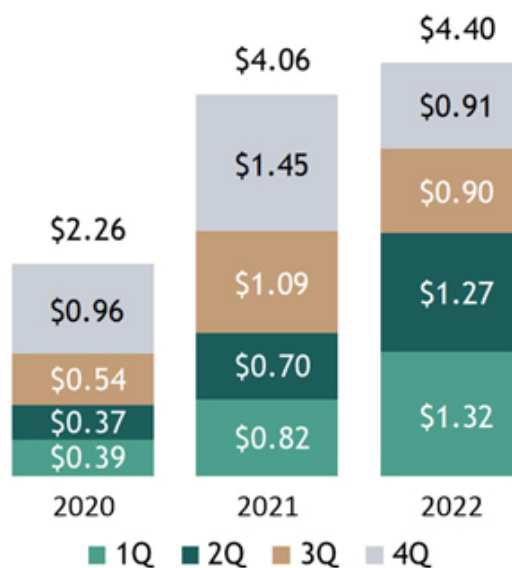
Because the publicly traded entity and/or its wholly owned subsidiaries must pay taxes and make payments under the tax receivable agreements, the amounts ultimately paid as dividends by Blackstone to common stockholders in respect of each fiscal year are generally expected to be less, on a per share or per unit basis, than the amounts distributed by the Blackstone Holdings Partnerships to the Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships in respect of their Blackstone Holdings Partnership Units. Following Blackstone's conversion from a limited partnership to a corporation, we expect to pay more corporate income taxes than we would have as a limited partnership, which will increase this difference between the per share dividend and per unit distribution amounts.

Dividends are treated as qualified dividends to the extent of Blackstone's current and accumulated earnings and profits, with any excess dividends treated as a return of capital to the extent of the stockholder's basis.

The following graph shows fiscal quarterly and annual per common stockholder dividends for 2022, 2021 and 2020. Dividends are declared and paid in the quarter subsequent to the quarter in which they are earned.

## Common Stockholder Dividends by Fiscal Year

(Dollars Per Share of Common Stock)



With respect to fiscal year 2022, we paid to stockholders of our common stock a dividend of \$1.32, \$1.27, \$0.90 and \$0.91 per share in respect of the first, second, third and fourth quarters, respectively, aggregating to \$4.40 per share of common stock. With respect to fiscal years 2021 and 2020, we paid stockholders of our common stock aggregate dividends of \$4.06 per share and \$2.26 per share, respectively.

### **Leverage**

We may under certain circumstances use leverage opportunistically and over time to create the most efficient capital structure for Blackstone and our stockholders. In addition to the borrowings from our notes issuances and our revolving credit facility, we may use reverse repurchase agreements, repurchase agreements and securities sold, not yet purchased. Reverse repurchase agreements are entered into primarily to take advantage of opportunistic yields otherwise absent in the overnight markets and also to use the collateral received to cover securities sold, not yet purchased. Repurchase agreements are entered into primarily to opportunistically yield higher spreads on purchased securities. The balances held in these financial instruments fluctuate based on Blackstone's liquidity needs, market conditions and investment risk profiles.

## [Table of Contents](#)

The following table presents information regarding these financial instruments in our Consolidated Statements of Financial Condition:

|                              | Repurchase<br>Agreements | Securities<br>Sold, Not Yet<br>Purchased |
|------------------------------|--------------------------|--|
|                              | (Dollars in Millions)    |  |
| Balance, December 31, 2022   | \$ 89.9                  | \$ 3.8                                   |
| Balance, December 31, 2021   | \$ 58.0                  | \$ 27.8                                  |
| Year Ended December 31, 2022 |                          |  |
| Average Daily Balance        | \$ 185.5                 | \$ 24.0                                  |
| Maximum Daily Balance        | \$ 419.5                 | \$ 27.8                                  |

### **Critical Accounting Policies**

We prepare our Consolidated Financial Statements in accordance with GAAP. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our Consolidated Financial Statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. Actual results may be affected negatively based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. We believe the following critical accounting policies could potentially produce materially different results if we were to change underlying assumptions, estimates and/or judgments. For a description of our accounting policies, see Note 2. "Summary of Significant Accounting Policies" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" of this filing.

### **Principles of Consolidation**

For a description of our accounting policy on consolidation, see Note 2. "Summary of Significant Accounting Policies — Consolidation" and Note 9. "Variable Interest Entities" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" for detailed information on Blackstone's involvement with VIEs. The following discussion is intended to provide supplemental information about how the application of consolidation principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

The determination that Blackstone holds a controlling financial interest in a Blackstone Fund or investment vehicle significantly changes the presentation of our consolidated financial statements. In our Consolidated Statements of Financial Position included in this filing, we present 100% of the assets and liabilities of consolidated VIEs along with a non-controlling interest which represents the portion of the consolidated vehicle's interests held by third parties. However, assets of our consolidated VIEs can only be used to settle obligations of the consolidated VIE and are not available for general use by Blackstone. Further, the liabilities of our consolidated VIEs do not have recourse to the general credit of Blackstone. In the Consolidated Statements of Operations, we eliminate any management fees, Incentive Fees, or Performance Allocations received or accrued from consolidated VIEs as they are considered intercompany transactions. We recognize 100% of the consolidated VIE's investment income (loss) and allocate the portion of that income (loss) attributable to third party ownership to non-controlling interests in arriving at Net Income Attributable to Blackstone Inc.



## [Table of Contents](#)

The assessment of whether we consolidate a Blackstone Fund or investment vehicle we manage requires the application of significant judgment. These judgments are applied both at the time we become involved with the VIE and on an ongoing basis and include, but are not limited to:

- Determining whether our management fees, Incentive Fees or Performance Allocations represent variable interests — We make judgments as to whether the fees we earn are commensurate with the level of effort required for those fees and at market rates. In making this judgment, we consider, among other things, the extent of third party investment in the entity and the terms of any other interests we hold in the VIE.
- Determining whether kick-out rights are substantive — We make judgments as to whether the third party investors in a partnership entity have the ability to remove the general partner, the investment manager or its equivalent, or to dissolve (liquidate) the partnership entity, through a simple majority vote. This includes an evaluation of whether barriers to exercise these rights exist.
- Concluding whether Blackstone has an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE — As there is no explicit threshold in GAAP to define “potentially significant,” management must apply judgment and evaluate both quantitative and qualitative factors to conclude whether this threshold is met.

### **Revenue Recognition**

For a description of our accounting policy on revenue recognition, see Note 2. “Summary of Significant Accounting Policies —Revenue Recognition” in the “Notes to Consolidated Financial Statements” in “— Item 8. Financial Statements and Supplementary Data.” For an additional description of the nature of our revenue arrangements, including how management fees, Incentive Fees, and Performance Allocations are generated, please refer to “Part I. Item 1. Business — Fee Structure/Incentive Arrangements.” The following discussion is intended to provide supplemental information about how the application of revenue recognition principles impact our financial results, and management’s process for implementing those principles including areas of significant judgment.

*Management and Advisory Fees, Net* — Blackstone earns base management fees from its customers at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross asset value, total assets, committed capital or invested capital. The range of management fee rates and the calculation base from which they are earned, generally, are as follows:

On private equity, real estate, and certain of our hedge fund solutions and credit-focused funds:

- 0.25% to 1.75% of committed capital or invested capital during the investment period,
- 0.25% to 1.50% of invested capital, committed capital or investment fair value subsequent to the investment period for private equity and real estate funds, and
- 1.00% to 1.75% of invested capital or net asset value subsequent to the investment period for certain of our hedge fund solutions and credit-focused funds.

On real estate and credit-focused funds structured like hedge funds:

- 0.50% to 1.00% of net asset value.

On credit separately managed accounts:

- 0.20% to 1.35% of net asset value or total assets.

On real estate separately managed accounts:

- 0.65% to 2.00% of invested capital, net operating income or net asset value.

On insurance separately managed accounts and investment vehicles:

- 0.25% to 1.00% of net asset value.

## [Table of Contents](#)

On funds of hedge funds, certain hedge funds and separately managed accounts invested in hedge funds:

- 0.20% to 1.50% of net asset value.

On CLO vehicles:

- 0.20% to 0.50% of the aggregate par amount of collateral assets, including principal cash.

On credit-focused registered and non-registered investment companies:

- 0.25% to 1.25% of total assets or net asset value.

The investment adviser of BXMT receives annual management fees based on 1.50% of BXMT's net proceeds received from equity offerings and accumulated "distributable earnings" (which is generally equal to its GAAP net income excluding certain non-cash and other items), subject to certain adjustments. The investment advisers of BREIT and BEPIF receive a management fee of 1.25% per annum of net asset value, payable monthly.

Management fee calculations based on committed capital or invested capital are mechanical in nature and therefore do not require the use of significant estimates or judgments. Management fee calculations based on net asset value, total assets, or investment fair value depend on the fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used as well as economic conditions. See "— Fair Value" below for further discussion of the judgment required for determining the fair value of the underlying investments.

*Investment Income (Loss)* — Performance Allocations are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. Blackstone has concluded that investments made alongside its limited partners in a partnership which entitle Blackstone to a Performance Allocation represent equity method investments that are not in the scope of the GAAP guidance on accounting for revenues from contracts with customers. Blackstone accounts for these arrangements under the equity method of accounting. Under the equity method, Blackstone's share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, at the end of each reporting period Blackstone calculates the accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. Performance Allocations are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results.

The change in the fair value of the investments held by certain Blackstone Funds is a significant input into the accrued Performance Allocation calculation and accrual for potential repayment of previously received Performance Allocations. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds. See "— Fair Value" below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments.

### **Fair Value**

Blackstone uses fair value throughout the reporting process. For a description of our accounting policies related to valuation, see Note 2. "Summary of Significant Accounting Policies — Fair Value of Financial Instruments" and "Summary of Significant Accounting Policies — Investments at Fair Value" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" of this filing. The following discussion is intended to provide supplemental information about how the application of fair value principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

---

## [Table of Contents](#)

The fair value of the investments held by Blackstone Funds is the primary input to the calculation of certain of our management fees, Incentive Fees, Performance Allocations and the related Compensation we recognize. Generally, Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Accounting and Auditing Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority-owned and controlled investments (the “Portfolio Companies”), at fair value. In the absence of observable market prices, we utilize valuation methodologies applied on a consistent basis and assumptions that we believe market participants would use to determine the fair value of the investments. For investments where little market activity exists management’s determination of fair value is based on the best information available in the circumstances, which may incorporate management’s own assumptions and involves a significant degree of judgment, and the consideration of a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks.

Blackstone has also elected the fair value option for certain instruments it owns directly, including loans and receivables, investments in private debt securities and other proprietary investments. Blackstone is required to measure certain financial instruments at fair value, including debt instruments, equity securities and freestanding derivatives.

### *Fair Value of Investments or Instruments that are Publicly Traded*

Securities that are publicly traded and for which a quoted market exists will be valued at the closing price of such securities in the principal market in which the security trades, or in the absence of a principal market, in the most advantageous market on the valuation date. When a quoted price in an active market exists, no block discounts or control premiums are permitted regardless of the size of the public security held. In some cases, securities will include legal and contractual restrictions limiting their purchase and sale for a period of time. A discount to publicly traded price may be appropriate in instances where a legal restriction is a characteristic of the security, such as may be required under SEC Rule 144. The amount of the discount, if taken, shall be determined based on the time period that must pass before the restricted security becomes unrestricted or otherwise available for sale.

### *Fair Value of Investments or Instruments that are not Publicly Traded*

Investments for which market prices are not observable include private investments in the equity or debt of operating companies or real estate properties. Our primary methodology for determining the fair values of such investments is generally the income approach which provides an indication of fair value based on the present value of cash flows that a business, security, or property is expected to generate in the future. The most widely used methodology under the income approach is the discounted cash flow method which includes significant assumptions about the underlying investment’s projected net earnings or cash flows, discount rate, capitalization rate and exit multiple. Our secondary methodology, generally used to corroborate the results of the income approach, is typically the market approach. The most widely used methodology under the market approach relies upon valuations for comparable public companies, transactions, or assets, and includes making judgments about which companies, transactions, or assets are comparable. Depending on the facts and circumstances associated with the investment, different primary and secondary methodologies may be used including option value, contingent claims or scenario analysis, yield analysis, projected cash flow through maturity or expiration, probability weighted methods or recent round of financing.

---

## [Table of Contents](#)

In certain cases debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments.

### *Management Process on Fair Value*

Due to the importance of fair value throughout the consolidated financial statements and the significant judgment required to be applied in arriving at those fair values, we have developed a process around valuation that incorporates several levels of approval and review from both internal and external sources. Investments held by Blackstone Funds and investment vehicles are valued on at least a quarterly basis by our internal valuation or asset management teams, which are independent from our investment teams.

For investments valued utilizing the income method and where Blackstone has information rights, we generally have a direct line of communication with each of the Portfolio Companies' and underlying assets' finance teams and collect financial data used to support projections used in a discounted cash flow analysis. The valuation team then analyzes the data received and updates the valuation models reflecting any changes in the underlying cash flow projections, weighted-average cost of capital, exit multiple or capitalization rate, and any other valuation input relevant economic conditions.

The results of all valuations of investments held by Blackstone Funds and investment vehicles are reviewed by the relevant business unit's valuation sub-committee, which is comprised of key personnel from the business unit, typically the chief investment officer, chief operating officer, chief financial officer, chief compliance officer (or their respective equivalents where applicable) and other senior managing directors in the business. To further corroborate results, each business unit also generally obtains either a positive assurance opinion or a range of value from an independent valuation party, at least annually for internally prepared valuations for investments that have been held by Blackstone Funds and investment vehicles for greater than a year and quarterly for certain investments. Our firmwide valuation committee, chaired by our Chief Financial Officer and comprised of senior members of our businesses and representatives from corporate functions, including legal and finance, reviews the valuation process for investments held by us and our investment vehicles, including the application of appropriate valuation standards on a consistent basis. Each quarter, the valuation process is also reviewed by the audit committee of our board of directors, which is comprised of our non-employee directors.

### *Income Tax*

For a description of our accounting policy on taxes and additional information on taxes see Note 2. "Summary of Significant Accounting Policies" and Note 15. "Income Taxes," respectively, in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" of this filing.

Our provision for income taxes is composed of current and deferred taxes. Current income taxes approximate taxes to be paid or refunded for the current period. Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the applicable enacted tax rates and laws that will be in effect when such differences are expected to reverse.

Additionally, significant judgment is required in estimating the provision for (benefit from) income taxes, current and deferred tax balances (including valuation allowance), accrued interest or penalties and uncertain tax positions. In evaluating these judgments, we consider, among other items, projections of taxable income (including the character of such income), beginning with historic results and incorporating assumptions of the amount of future pretax operating income. These assumptions about future taxable income require significant judgment and are consistent with the plans and estimates that Blackstone uses to manage its business. To the extent any portion of the deferred tax assets are not considered to be more likely than not to be realized, a valuation allowance is recorded.

Revisions in estimates and/or actual costs of a tax assessment may ultimately be materially different from the recorded accruals and unrecognized tax benefits, if any.

[Table of Contents](#)

**Recent Accounting Developments**

Information regarding recent accounting developments and their impact on Blackstone can be found in Note 2. “Summary of Significant Accounting Policies” in the “Notes to Consolidated Financial Statements” in “— Item 8. Financial Statements and Supplementary Data” of this filing.

**Interbank Offered Rates Transition**

Certain jurisdictions are currently reforming or phasing out their benchmark interest rates, most notably LIBOR across multiple currencies. Many such reforms and phase outs became effective at the end of 2021 with select U.S. dollar LIBOR tenors persisting through June 2023 and others potentially persisting on a synthetic basis through September 2024. Blackstone has taken steps to prepare for and mitigate the impact of changing base rates and continues to manage transition efforts and evaluate the impact of prospective changes on existing transactions and contractual arrangements. See “Part I. Item 1A. Risk Factors — Risks Related to Our Business — Interest rates on our and our portfolio companies’ outstanding financial instruments might be subject to change based on regulatory developments, which could adversely affect our revenue, expenses and the value of those financial instruments.”

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

Our predominant exposure to market risk is related to our role as general partner or investment adviser to the Blackstone Funds and the sensitivities to movements in the fair value of their investments, including the effect on management fees, performance revenues and investment income. See “Part I. — Item 1. Business — Investment Process and Risk Management.”

**Effect on Fund Management Fees**

Our management fees are based on (a) third parties’ capital commitments to a Blackstone Fund, (b) third parties’ capital invested in a Blackstone Fund or (c) the net asset value (“NAV”) or gross asset value (“GAV”) of a Blackstone Fund, vehicle or separately managed account, as described in our Consolidated Financial Statements. Management fees will only be directly affected by short-term changes in market conditions to the extent they are based on NAV, GAV or represent permanent impairments of value. These management fees will be increased (or reduced) in direct proportion to the effect of changes in the fair value of our investments in the related funds. The proportion of our management fees that are based on NAV or GAV is dependent on the number and types of Blackstone Funds, vehicles, or separately managed accounts in existence and the current stage of each fund’s life cycle. For the years ended December 31, 2022 and December 31, 2021, the percentages of our fund management fees based on the NAV or GAV of the applicable funds or separately managed accounts, were as follows:

|   | <u>Year Ended December 31,</u> |             |
|---|--------------------------------|-------------|
|   | <u>2022</u>                    | <u>2021</u> |
| Fund Management Fees Based on the NAV or GAV of the Applicable Funds or Separately Managed Accounts | 49%                            | 40%         |

[Table of Contents](#)

**Market Risk**

The Blackstone Funds hold investments which are reported at fair value and Blackstone invests directly in securities measured at fair value. Based on the fair value as of December 31, 2022 and December 31, 2021, we estimate that a 10% decline in the fair value of investments, excluding equity securities without a readily determinable fair value measured in accordance with the measurement alternative, would result in the following declines in Management and Advisory Fees, Net, Unrealized Performance Allocations, Net and Unrealized Principal Investment Income:

|  | December 31,                          |   |  |                                       |   |  |
|--|---------------------------------------|---|--|---------------------------------------|---|--|
|  | 2022                                  |   |  | 2021                                  |   |  |
|  | Management and Advisory Fees, Net (a) | Unrealized Performance Allocations, Net (b) | Unrealized Principal Investment Income (c) | Management and Advisory Fees, Net (a) | Unrealized Performance Allocations, Net (b) | Unrealized Principal Investment Income (c) |
|  | (Dollars in Thousands)                |   |  |                                       |   |  |
| 10% Decline in Fair Value of the Investments | \$ 319,183                            | \$ 2,249,535                                | \$ 549,836                                 | \$ 289,686                            | \$ 2,354,033                                | \$ 325,681                                 |

(a) Represents the annualized effect of the 10% decline.

(b) Represents the reporting date effect of the 10% decline. Presented net of Unrealized Performance Allocations Compensation.

(c) Represents the reporting date effect of the 10% decline. Also includes the net effect of consolidated funds, which reflects the change on Net Gains from Fund Investing Activities, net of Non-Controlling Interests.

The fair value of our investments and securities can vary significantly based on a number of factors, including the diversity of the Blackstone Funds' investment portfolio, market conditions, trading values, similar transactions, financial metrics, and industry comparatives. See "Part I. Item 1A. Risk Factors" above. Also see "— Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies — Fair Value." We believe these fair value amounts should be utilized with caution as our intent and strategy is to hold investments and securities until prevailing market conditions are beneficial for investment sales.

**Exchange Rate Risk**

Blackstone and the Blackstone Funds hold investments that are denominated in non-U.S. dollar currencies that may be affected by movements in the rate of exchange between the U.S. dollar and non-U.S. dollar currencies. Additionally, a portion of our management fees are denominated in non-U.S. dollar currencies. We estimate that as of December 31, 2022 and December 31, 2021, a 10% decline in the rate of exchange of all foreign currencies against the U.S. dollar would result in the following declines in Management and Advisory Fees, Net, Unrealized Performance Allocations, Net and Unrealized Principal Investment Income:

|   | December 31,                          |  |  |                                       |  |  |
|---|---------------------------------------|--|--|---------------------------------------|--|--|
|   | 2022                                  |  |  | 2021                                  |  |  |
|   | Management and Advisory Fees, Net (a) | Unrealized Performance Allocations, Net (b)(c) | Unrealized Principal Investment Income (b) | Management and Advisory Fees, Net (a) | Unrealized Performance Allocations, Net (b)(c) | Unrealized Principal Investment Income (b) |
|   | (Dollars in Thousands)                |  |  |                                       |  |  |
| 10% Decline in the Rate of Exchange of All Foreign Currencies Against the U.S. Dollar | \$ 38,466                             | \$ 850,109                                     | \$ 79,333                                  | \$ 36,154                             | \$ 862,488                                     | \$ 115,235                                 |

(a) Represents the annualized effect of the 10% decline.

(b) Represents the reporting date effect of the 10% decline.

(c) Presented net of Unrealized Performance Allocations Compensation.

[Table of Contents](#)**Interest Rate Risk**

Blackstone may have debt obligations payable that accrue interest at variable rates. Interest rate changes may therefore affect the amount of our interest payments, future earnings and cash flows. Blackstone did not have variable interest based debt obligations payable as of December 31, 2022 and therefore, interest expense was not impacted by changes in interest rates for the year ended December 31, 2022. As of December 31, 2021, Blackstone had \$250.0 million outstanding under the revolver that bears interest at a variable rate. The annualized increase in interest expense due to a 1% increase in interest rates would be \$2.5 million as a result of this borrowing, which was subsequently repaid on January 14, 2022.

Blackstone has a diversified portfolio of liquid assets to meet the liquidity needs of various businesses. This portfolio includes cash, open-ended money market mutual funds, open-ended bond mutual funds, marketable investment securities, freestanding derivative contracts, repurchase and reverse repurchase agreements and other investments. If interest rates were to increase by one percentage point, we estimate that our annualized investment income would decrease, offset by an estimated increase in interest income on an annual basis from interest on floating rate assets, as follows:

|   | December 31,                                      |  |   |  |
|---|---|--|---|--|
|   | 2022  |  | 2021  |  |
|   | Annualized<br>Decrease in<br>Investment<br>Income | Annualized<br>Increase in<br>Interest Income<br>from Floating<br>Rate Assets | Annualized<br>Decrease in<br>Investment<br>Income | Annualized<br>Increase in<br>Interest Income<br>from Floating<br>Rate Assets |
|   | (Dollars in Thousands)                            |  |   |  |
| One Percentage Point Increase in Interest Rates | \$ 9,295 (a)                                      | \$ 28,676  | \$ 10,839 (a)                                     | \$ 12,944  |

(a) As of December 31, 2022 and 2021, this represents 0.2% and 0.6% of our portfolio of liquid assets, respectively.

Blackstone has U.S. dollar and non-U.S. dollar based interest rate derivatives whose future cash flows and present value may be affected by movement in their respective underlying yield curves. We estimate that as of December 31, 2022 and December 31, 2021, a one percentage point increase parallel shift in global yield curves would result in the following impact on Other Revenue:

|  | December 31,           |          |
|--|------------------------|----------|
|  | 2022                   | 2021     |
|  | (Dollars in Thousands) |          |
| Annualized Increase (Decrease) in Other Revenue Due to a One Percentage Point Increase in Interest Rates | \$ (4,373)             | \$ 8,499 |

**Credit Risk**

Certain Blackstone Funds and the Investee Funds are subject to certain inherent risks through their investments.

Our portfolio of liquid assets contains certain credit risks including, but not limited to, exposure to uninsured deposits with financial institutions, unsecured corporate bonds and mortgage-backed securities. These exposures are actively monitored on a continuous basis and positions are reallocated based on changes in risk profile, market or economic conditions.

---

[Table of Contents](#)

We estimate that our annualized investment income would decrease, if credit spreads were to increase by one percentage point, as follows:

|   | December 31,           |           |
|---|------------------------|-----------|
|   | 2022                   | 2021      |
|   | (Dollars in Thousands) |           |
| Decrease in Annualized Investment Income Due to a One Percentage Point Increase in Credit Spreads (a) | \$ 12,605              | \$ 21,831 |

(a) As of December 31, 2022 and 2021, this represents 0.3% and 1.2% of our portfolio of liquid assets, respectively.

Certain of our entities hold derivative instruments that contain an element of risk in the event that the counterparties may be unable to meet the terms of such agreements. We minimize our risk exposure by limiting the counterparties with which we enter into contracts to banks and investment banks that meet established credit and capital guidelines. We do not expect any counterparty to default on its obligations and therefore do not expect to incur any loss due to counterparty default.



---

[Table of Contents](#)

**Item 8. Financial Statements and Supplementary Data**

**Index to Consolidated Financial Statements**

|  |     |
|--|-----|
| <a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID 34)</a>                                | 153 |
| <a href="#">Consolidated Statements of Financial Condition as of December 31, 2022 and 2021</a>                      | 156 |
| <a href="#">Consolidated Statements of Operations for the Years Ended December 31, 2022, 2021 and 2020</a>           | 158 |
| <a href="#">Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2022, 2021 and 2020</a> | 159 |
| <a href="#">Consolidated Statements of Changes in Equity for the Years Ended December 31, 2022, 2021 and 2020</a>    | 160 |
| <a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2022, 2021 and 2020</a>           | 163 |
| <a href="#">Notes to Consolidated Financial Statements</a>   | 165 |
|  | 152 |

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Blackstone Inc.:

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial condition of Blackstone Inc. and subsidiaries (“Blackstone”) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). We also have audited Blackstone’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blackstone as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, Blackstone maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

### Basis for Opinions

Blackstone’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management’s report on internal control over financial reporting. Our responsibility is to express an opinion on these financial statements and an opinion on Blackstone’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to Blackstone in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

---

## [Table of Contents](#)

### **Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (a) relates to accounts or disclosures that are material to the financial statements and (b) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### ***Fair Value of Underlying Investments to determine Performance Allocations and Accrued Performance Allocations — Refer to Notes 2 and 4 to the financial statements***

#### *Critical Audit Matter Description*

Blackstone, as a general partner, is entitled to an allocation of income from certain carry fund and open-ended structures ("Blackstone Funds") assuming certain investment returns are achieved, referred to as "Performance Allocations". Performance Allocations in carry fund structures are made based on cumulative fund performance to date, subject to a preferred return to limited partners. Performance Allocations in open-ended structures are based on fund or vehicle performance over a period of time, subject to a high water mark and preferred return to limited partners or investors. The change in the fair value of the underlying investments held by the Blackstone Funds is the significant input into this calculation.

As the fair value of underlying investments varies between reporting periods, adjustments are made to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation or (b) negative performance that would cause the amount due to the general partner to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner.

We considered the valuation of investments without readily determinable fair values used in the calculation of Performance Allocations and Accrued Performance Allocations as a critical audit matter because of the valuation techniques, assumptions, market impacts and subjectivity of certain unobservable inputs used in the valuation. Auditing the fair value of certain of these investments required a high degree of auditor judgment and increased effort, including the involvement of our internal fair value specialists as needed, who possess significant fair value methodology and modeling expertise.

---

## [Table of Contents](#)

### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to testing the fair values of investments without readily determinable fair values included the following, among others:

- We tested the design, implementation, and operating effectiveness of controls, including those related to management’s review of the techniques and assumptions used in the determination of fair value.
- We tested management’s assumptions through independent analysis and comparison to external sources.
- We utilized our internal fair value specialists, as needed, to assist in the evaluation of management’s valuation methodologies and assumptions (or “inputs”). With the assistance of our internal fair value specialists, we evaluated relevant inputs (e.g., cash flow projections, guideline public companies or transactions, valuation multiples, discount rates, yields, capitalization rates and exit multiples used in the calculation of the terminal value). Our fair value procedures included testing the underlying source information of the assumptions, as well as developing a range of independent estimates and comparing those to the inputs used by management.
- We evaluated management’s valuation methodologies and modeling techniques for consistency with the expected methodologies of market participants in developing an estimate of fair value.
- We evaluated the impact of current market events and conditions, as well as relevant comparable transactions, on the valuation techniques and assumptions used by management (e.g., sector and geographic location performance, cash flow projections, occupancy rates and other market fundamentals, commodity prices, and interest rates).
- When applicable, we inspected industry reports for each industry in the portfolio to evaluate the consistency of current valuations with expected industry performance and inclusion of significant economic or industry events.
- We evaluated management’s ability to accurately estimate fair value by comparing previous estimates of fair value to investment transactions with third parties.

*/s/ DELOITTE & TOUCHE LLP*

New York, New York

February 24, 2023

We have served as Blackstone’s auditor since 2006.

[Table of Contents](#)

**Blackstone Inc.**  
**Consolidated Statements of Financial Condition**  
(Dollars in Thousands, Except Share Data)

|   | December 31,<br>2022 | December 31,<br>2021 |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| Cash and Cash Equivalents   | \$ 4,252,003         | \$ 2,119,738         |
| Cash Held by Blackstone Funds and Other   | 241,712              | 79,994               |
| Investments   | 27,553,251           | 28,665,043           |
| Accounts Receivable   | 462,904              | 636,616              |
| Due from Affiliates   | 4,146,707            | 4,656,867            |
| Intangible Assets, Net  | 217,287              | 284,384              |
| Goodwill  | 1,890,202            | 1,890,202            |
| Other Assets  | 800,458              | 492,936              |
| Right-of-Use Assets   | 896,981              | 788,991              |
| Deferred Tax Assets   | 2,062,722            | 1,581,637            |
| <b>Total Assets</b>   | <b>\$ 42,524,227</b> | <b>\$ 41,196,408</b> |
| <b>Liabilities and Equity</b>   |                      |                      |
| Loans Payable   | \$ 12,349,584        | \$ 7,748,163         |
| Due to Affiliates   | 2,118,481            | 1,906,098            |
| Accrued Compensation and Benefits   | 6,101,801            | 7,905,070            |
| Securities Sold, Not Yet Purchased  | 3,825                | 27,849               |
| Repurchase Agreements   | 89,944               | 57,980               |
| Operating Lease Liabilities   | 1,021,454            | 908,033              |
| Accounts Payable, Accrued Expenses and Other Liabilities  | 1,158,071            | 937,169              |
| <b>Total Liabilities</b>  | <b>22,843,160</b>    | <b>19,490,362</b>    |
| <b>Commitments and Contingencies</b>  |                      |                      |
| <b>Redeemable Non-Controlling Interests in Consolidated Entities</b>  | <b>1,715,006</b>     | <b>68,028</b>        |
| <b>Equity</b>   |                      |                      |
| Stockholders' Equity of Blackstone Inc.   |                      |                      |
| Common Stock, \$0.00001 par value, 90 billion shares authorized, (710,276,923 shares issued and outstanding as of December 31, 2022; 704,339,774 shares issued and outstanding as of December 31, 2021) | 7                    | 7                    |
| Series I Preferred Stock, \$0.00001 par value, 999,999,000 shares authorized, (1 share issued and outstanding as of December 31, 2022 and December 31, 2021)  | —                    | —                    |
| Series II Preferred Stock, \$0.00001 par value, 1,000 shares authorized, (1 share issued and outstanding as of December 31, 2022 and December 31, 2021)   | —                    | —                    |
| Additional Paid-in-Capital  | 5,935,273            | 5,794,727            |
| Retained Earnings   | 1,748,106            | 3,647,785            |
| Accumulated Other Comprehensive Loss  | (27,475)             | (19,626)             |
| Total Stockholders' Equity of Blackstone Inc.   | 7,655,911            | 9,422,893            |
| Non-Controlling Interests in Consolidated Entities  | 5,056,480            | 5,600,653            |
| Non-Controlling Interests in Blackstone Holdings  | 5,253,670            | 6,614,472            |
| <b>Total Equity</b>   | <b>17,966,061</b>    | <b>21,638,018</b>    |
| <b>Total Liabilities and Equity</b>   | <b>\$ 42,524,227</b> | <b>\$ 41,196,408</b> |

continued...

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Consolidated Statements of Financial Condition**  
**(Dollars in Thousands)**

The following presents the asset and liability portion of the consolidated balances presented in the Consolidated Statements of Financial Condition attributable to consolidated Blackstone Funds which are variable interest entities. The following assets may only be used to settle obligations of these consolidated Blackstone Funds and these liabilities are only the obligations of these consolidated Blackstone Funds and they do not have recourse to the general credit of Blackstone.

|  | December 31,<br>2022       | December 31,<br>2021       |
|--|----------------------------|----------------------------|
| <b>Assets</b>  |                            |                            |
| Cash Held by Blackstone Funds and Other                  | \$ 241,712                 | \$ 79,994                  |
| Investments  | 5,136,542                  | 2,018,829                  |
| Accounts Receivable                                      | 55,223                     | 64,680                     |
| Due from Affiliates                                      | 7,152                      | 13,748                     |
| Other Assets   | 2,159                      | 251                        |
| <b>Total Assets</b>                                      | <b><u>\$ 5,442,788</u></b> | <b><u>\$ 2,177,502</u></b> |
| <b>Liabilities</b>                                       |                            |                            |
| Loans Payable  | \$ 1,450,000               | \$ 101                     |
| Due to Affiliates  | 82,345                     | 95,204                     |
| Securities Sold, Not Yet Purchased                       | —                          | 23,557                     |
| Repurchase Agreements                                    | —                          | 15,980                     |
| Accounts Payable, Accrued Expenses and Other Liabilities | 25,858                     | 10,420                     |
| <b>Total Liabilities</b>                                 | <b><u>\$ 1,558,203</u></b> | <b><u>\$ 145,262</u></b>   |

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Consolidated Statements of Operations**  
(Dollars in Thousands, Except Share and Per Share Data)

|  | Year Ended December 31, |                     |                     |
|--|-------------------------|---------------------|---------------------|
|  | 2022                    | 2021                | 2020                |
| <b>Revenues</b>  |                         |                     |                     |
| Management and Advisory Fees, Net  | \$ 6,303,315            | \$ 5,170,707        | \$ 4,092,549        |
| Incentive Fees   | 525,127                 | 253,991             | 138,661             |
| Investment Income (Loss)   |                         |                     |                     |
| Performance Allocations  |                         |                     |                     |
| Realized   | 5,381,640               | 5,653,452           | 2,106,000           |
| Unrealized   | (3,435,056)             | 8,675,246           | (384,393)           |
| Principal Investments  |                         |                     |                     |
| Realized   | 850,327                 | 1,003,822           | 391,628             |
| Unrealized   | (1,563,849)             | 1,456,201           | (114,607)           |
| Total Investment Income  | 1,233,062               | 16,788,721          | 1,998,628           |
| Interest and Dividend Revenue  | 271,612                 | 160,643             | 125,231             |
| Other  | 184,557                 | 203,086             | (253,142)           |
| <b>Total Revenues</b>  | <b>8,517,673</b>        | <b>22,577,148</b>   | <b>6,101,927</b>    |
| <b>Expenses</b>  |                         |                     |                     |
| Compensation and Benefits  |                         |                     |                     |
| Compensation   | 2,569,780               | 2,161,973           | 1,855,619           |
| Incentive Fee Compensation   | 207,998                 | 98,112              | 44,425              |
| Performance Allocations Compensation   |                         |                     |                     |
| Realized   | 2,225,264               | 2,311,993           | 843,230             |
| Unrealized   | (1,470,588)             | 3,778,048           | (154,516)           |
| Total Compensation and Benefits  | 3,532,454               | 8,350,126           | 2,588,758           |
| General, Administrative and Other  | 1,092,671               | 917,847             | 711,782             |
| Interest Expense   | 317,225                 | 198,268             | 166,162             |
| Fund Expenses  | 30,675                  | 10,376              | 12,864              |
| <b>Total Expenses</b>  | <b>4,973,025</b>        | <b>9,476,617</b>    | <b>3,479,566</b>    |
| <b>Other Income (Loss)</b>   |                         |                     |                     |
| Change in Tax Receivable Agreement Liability   | 22,283                  | (2,759)             | (35,383)            |
| Net Gains (Losses) from Fund Investment Activities   | (105,142)               | 461,624             | 30,542              |
| <b>Total Other Income (Loss)</b>   | <b>(82,859)</b>         | <b>458,865</b>      | <b>(4,841)</b>      |
| <b>Income Before Provision for Taxes</b>   | <b>3,461,789</b>        | <b>13,559,396</b>   | <b>2,617,520</b>    |
| <b>Provision for Taxes</b>   | <b>472,880</b>          | <b>1,184,401</b>    | <b>356,014</b>      |
| <b>Net Income</b>  | <b>2,988,909</b>        | <b>12,374,995</b>   | <b>2,261,506</b>    |
| <b>Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities</b> | <b>(142,890)</b>        | <b>5,740</b>        | <b>(13,898)</b>     |
| <b>Net Income Attributable to Non-Controlling Interests in Consolidated Entities</b>                   | <b>107,766</b>          | <b>1,625,306</b>    | <b>217,117</b>      |
| <b>Net Income Attributable to Non-Controlling Interests in Blackstone Holdings</b>                     | <b>1,276,402</b>        | <b>4,886,552</b>    | <b>1,012,924</b>    |
| <b>Net Income Attributable to Blackstone Inc.</b>  | <b>\$ 1,747,631</b>     | <b>\$ 5,857,397</b> | <b>\$ 1,045,363</b> |
| <b>Net Income Per Share of Common Stock</b>  |                         |                     |                     |
| Basic  | \$ 2.36                 | \$ 8.14             | \$ 1.50             |
| Diluted  | \$ 2.36                 | \$ 8.13             | \$ 1.50             |
| <b>Weighted-Average Shares of Common Stock Outstanding</b>   |                         |                     |                     |
| Basic  | 740,664,038             | 719,766,879         | 696,933,548         |
| Diluted  | 740,942,399             | 720,125,043         | 697,258,296         |

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Consolidated Statements of Comprehensive Income**  
**(Dollars in Thousands)**

|   | Year Ended December 31, |                     |                     |
|---|-------------------------|---------------------|---------------------|
|   | 2022                    | 2021                | 2020                |
| Net Income  | \$ 2,988,909            | \$12,374,995        | \$ 2,261,506        |
| Other Comprehensive Income (Loss) - Currency Translation Adjustment                                       | (32,523)                | (5,814)             | 23,199              |
| Comprehensive Income  | <u>2,956,386</u>        | <u>12,369,181</u>   | <u>2,284,705</u>    |
| Less:   |                         |                     |                     |
| Comprehensive Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities | (163,263)               | 5,740               | (13,898)            |
| Comprehensive Income Attributable to Non-Controlling Interests in Consolidated Entities                   | 107,766                 | 1,625,306           | 217,117             |
| Comprehensive Income Attributable to Non-Controlling Interests in Blackstone Holdings                     | 1,272,101               | 4,884,533           | 1,023,459           |
| Comprehensive Income Attributable to Non-Controlling Interests  | <u>1,216,604</u>        | <u>6,515,579</u>    | <u>1,226,678</u>    |
| Comprehensive Income Attributable to Blackstone Inc.  | <u>\$ 1,739,782</u>     | <u>\$ 5,853,602</u> | <u>\$ 1,058,027</u> |

See notes to consolidated financial statements.



**Blackstone Inc.**  
**Consolidated Statement of Changes in Equity**  
(Dollars in Thousands, Except Share Data)

|   | Shares of Blackstone Inc. (a) |              | Blackstone Inc. (a)        |                             |   |                            |                     | Non-Controlling Interests in Consolidated Entities | Non-Controlling Interests in Blackstone Holdings | Total Equity     | Redeemable Non-Controlling Interests in Consolidated Entities |
|---|-------------------------------|--------------|----------------------------|-----------------------------|---|----------------------------|---------------------|--|--|------------------|---|
|   | Common Stock                  | Common Stock | Additional Paid-in-Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity |                     |  |  |                  |   |
| <b>Balance at December 31, 2019</b>   | 671,157,692                   | \$ 7         | \$6,428,647                | \$ 609,625                  | \$ (28,495)                                   | \$ 7,009,784               | \$ 4,186,069        | \$ 3,819,548                                       | \$15,015,401                                     | \$ 87,651        |   |
| Transfer Out Due to Deconsolidation of Fund Entities                                    | —                             | —            | —                          | —                           | —   | —                          | (216,339)           | —  | (216,339)  | —                |   |
| Net Income (Loss)   | —                             | —            | —                          | 1,045,363                   | —   | 1,045,363                  | 217,117             | 1,012,924  | 2,275,404  | (13,898)         |   |
| Currency Translation Adjustment   | —                             | —            | —                          | —                           | 12,664  | 12,664                     | —                   | 10,535   | 23,199   | —                |   |
| Capital Contributions   | —                             | —            | —                          | —                           | —   | —                          | 600,222             | 5,265  | 605,487  | —                |   |
| Capital Distributions   | —                             | —            | —                          | (1,319,226)                 | —   | (1,319,226)                | (738,899)           | (1,071,614)  | (3,129,739)                                      | (8,592)          |   |
| Transfer of Non-Controlling Interests in Consolidated Entities                          | —                             | —            | —                          | —                           | —   | —                          | (6,013)             | —  | (6,013)  | —                |   |
| Deferred Tax Effects Resulting from Acquisition of Ownership                            | —                             | —            | —                          | —                           | —   | —                          | —                   | —  | —  | —                |   |
| Interests from Non-Controlling Interest Holders   | —                             | —            | 23,327                     | —                           | —   | 23,327                     | —                   | —  | 23,327   | —                |   |
| Equity-Based Compensation   | —                             | —            | 250,850                    | —                           | —   | 250,850                    | —                   | 188,683  | 439,533  | —                |   |
| Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock | 2,905,220                     | —            | (30,899)                   | —                           | —   | (30,899)                   | —                   | (7)  | (30,906)   | —                |   |
| Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units          | (8,969,237)                   | —            | (474,006)                  | —                           | —   | (474,006)                  | —                   | —  | (474,006)  | —                |   |
| Change in Blackstone Inc.'s Ownership Interest  | —                             | —            | 10,476                     | —                           | —   | 10,476                     | —                   | (10,476)   | —  | —                |   |
| Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock           | 18,781,869                    | —            | 123,710                    | —                           | —   | 123,710                    | —                   | (123,710)  | —  | —                |   |
| <b>Balance at December 31, 2020</b>   | <u>683,875,544</u>            | <u>\$ 7</u>  | <u>\$6,332,105</u>         | <u>\$ 335,762</u>           | <u>\$ (15,831)</u>                            | <u>\$ 6,652,043</u>        | <u>\$ 4,042,157</u> | <u>\$ 3,831,148</u>                                | <u>\$14,525,348</u>                              | <u>\$ 65,161</u> |   |

(a) Following the conversion to a corporation, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent. After initial issuance, there have been no changes to the amounts related to Series I and Series II preferred stock during the period presented.

continued...

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Consolidated Statement of Changes in Equity**  
(Dollars in Thousands, Except Share Data)

|  | Shares of Blackstone Inc. (a) |              | Blackstone Inc. (a)        |                             |   |                            |  |  |                     | Redeemable Non-Controlling Interests in Consolidated Entities |
|--|-------------------------------|--------------|----------------------------|-----------------------------|---|----------------------------|--|--|---------------------|---|
|  | Common Stock                  | Common Stock | Additional Paid-in-Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity | Non-Controlling Interests in Consolidated Entities | Non-Controlling Interests in Blackstone Holdings | Total Equity        |   |
|  |                               |              |                            |                             |   |                            |  |  |                     |   |
| <b>Balance at December 31, 2020</b>  | 683,875,544                   | \$ 7         | \$ 6,332,105               | \$ 335,762                  | \$ (15,831)                                   | \$ 6,652,043               | \$ 4,042,157                                       | \$ 3,831,148                                     | \$14,525,348        | \$ 65,161   |
| Net Income   | —                             | —            | —                          | 5,857,397                   | —   | 5,857,397                  | 1,625,306  | 4,886,552  | 12,369,255          | 5,740   |
| Currency Translation Adjustment  | —                             | —            | —                          | —                           | (3,795)                                       | (3,795)                    | —  | (2,019)  | (5,814)             | —   |
| Capital Contributions  | —                             | —            | —                          | —                           | —   | —                          | 1,280,938  | 10,187   | 1,291,125           | —   |
| Capital Distributions  | —                             | —            | —                          | (2,545,374)                 | —   | (2,545,374)                | (1,344,754)  | (2,067,387)                                      | (5,957,515)         | (2,873)   |
| Transfer of Non-Controlling Interests in Consolidated Entities   | —                             | —            | —                          | —                           | —   | —                          | (2,994)  | —  | (2,994)             | —   |
| Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders | —                             | —            | 58,788                     | —                           | —   | 58,788                     | —  | —  | 58,788              | —   |
| Equity-Based Compensation  | —                             | —            | 369,517                    | —                           | —   | 369,517                    | —  | 263,082  | 632,599             | —   |
| Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock                      | 3,982,712                     | —            | (56,120)                   | —                           | —   | (56,120)                   | —  | —  | (56,120)            | —   |
| Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units                               | (10,268,444)                  | —            | (1,216,654)                | —                           | —   | (1,216,654)                | —  | —  | (1,216,654)         | —   |
| Change in Blackstone Inc.'s Ownership Interest   | —                             | —            | 10,494                     | —                           | —   | 10,494                     | —  | (10,494)   | —                   | —   |
| Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock                                | 26,749,962                    | —            | 296,597                    | —                           | —   | 296,597                    | —  | (296,597)  | —                   | —   |
| <b>Balance at December 31, 2021</b>  | <u>704,339,774</u>            | <u>\$ 7</u>  | <u>\$ 5,794,727</u>        | <u>\$ 3,647,785</u>         | <u>\$ (19,626)</u>                            | <u>\$ 9,422,893</u>        | <u>\$ 5,600,653</u>                                | <u>\$ 6,614,472</u>                              | <u>\$21,638,018</u> | <u>\$ 68,028</u>  |

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

continued...

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Consolidated Statement of Changes in Equity**  
(Dollars in Thousands, Except Share Data)

|  | Shares of Blackstone Inc. (a) |              | Blackstone Inc. (a)        |                             |   |                            |  |  |                      |   |
|--|-------------------------------|--------------|----------------------------|-----------------------------|---|----------------------------|--|--|----------------------|---|
|  | Common Stock                  | Common Stock | Additional Paid-in-Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity | Non-Controlling Interests in Consolidated Entities | Non-Controlling Interests in Blackstone Holdings | Total Equity         | Redeemable Non-Controlling Interests in Consolidated Entities |
| <b>Balance at December 31, 2021</b>  | 704,339,774                   | \$ 7         | \$ 5,794,727               | \$ 3,647,785                | \$ (19,626)                                   | \$ 9,422,893               | \$ 5,600,653                                       | \$ 6,614,472                                     | \$ 21,638,018        | \$ 68,028   |
| Transfer In Due to Consolidation of Fund Entities  | —                             | —            | —                          | —                           | —   | —                          | —  | —  | —                    | 1,146,410   |
| Net Income (Loss)  | —                             | —            | —                          | 1,747,631                   | —   | 1,747,631                  | 107,766  | 1,276,402  | 3,131,799            | (142,890)   |
| Currency Translation Adjustment  | —                             | —            | —                          | —                           | (7,849)                                       | (7,849)                    | —  | (4,301)  | (12,150)             | (20,373)  |
| Capital Contributions  | —                             | —            | —                          | —                           | —   | —                          | 739,660  | 9,868  | 749,528              | 555,693   |
| Capital Distributions  | —                             | —            | —                          | (3,647,310)                 | —   | (3,647,310)                | (1,091,798)  | (2,881,343)                                      | (7,620,451)          | (180,200)   |
| Transfer of Non-Controlling Interests in Consolidated Entities   | —                             | —            | —                          | —                           | —   | —                          | (299,801)  | —  | (299,801)            | 288,338   |
| Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders | —                             | —            | 6,690                      | —                           | —   | 6,690                      | —  | —  | 6,690                | —   |
| Equity-Based Compensation  | —                             | —            | 504,738                    | —                           | —   | 504,738                    | —  | 333,645  | 838,383              | —   |
| Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock                      | 5,407,340                     | —            | (73,987)                   | —                           | —   | (73,987)                   | —  | —  | (73,987)             | —   |
| Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units                               | (3,850,000)                   | —            | (391,968)                  | —                           | —   | (391,968)                  | —  | —  | (391,968)            | —   |
| Change in Blackstone Inc.'s Ownership Interest   | —                             | —            | 36,824                     | —                           | —   | 36,824                     | —  | (36,824)   | —                    | —   |
| Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock                                | 4,379,809                     | —            | 58,249                     | —                           | —   | 58,249                     | —  | (58,249)   | —                    | —   |
| <b>Balance at December 31, 2022</b>  | <b>710,276,923</b>            | <b>\$ 7</b>  | <b>\$ 5,935,273</b>        | <b>\$ 1,748,106</b>         | <b>\$ (27,475)</b>                            | <b>\$ 7,655,911</b>        | <b>\$ 5,056,480</b>                                | <b>\$ 5,253,670</b>                              | <b>\$ 17,966,061</b> | <b>\$ 1,715,006</b>   |

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Consolidated Statements of Cash Flows**  
(Dollars in Thousands)

|  | Year Ended December 31, |                  |                  |
|--|-------------------------|------------------|------------------|
|  | 2022                    | 2021             | 2020             |
| <b>Operating Activities</b>  |                         |                  |                  |
| Net Income   | \$ 2,988,909            | \$ 12,374,995    | \$ 2,261,506     |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities                               |                         |                  |                  |
| Blackstone Funds Related   |                         |                  |                  |
| Net Realized Gains on Investments  | (6,474,051)             | (6,949,544)      | (2,468,801)      |
| Changes in Unrealized (Gains) Losses on Investments  | 1,828,364               | (1,748,824)      | 54,244           |
| Non-Cash Performance Allocations   | 3,435,055               | (8,675,246)      | 384,393          |
| Non-Cash Performance Allocations and Incentive Fee Compensation  | 931,288                 | 6,159,529        | 715,587          |
| Equity-Based Compensation Expense  | 846,349                 | 637,441          | 438,341          |
| Amortization of Intangibles  | 67,097                  | 74,871           | 71,053           |
| Other Non-Cash Amounts Included in Net Income  | (1,341,059)             | (77,849)         | 58,854           |
| Cash Flows Due to Changes in Operating Assets and Liabilities  |                         |                  |                  |
| Cash Acquired with Consolidation of Fund Entity  | 31,791                  | —                | —                |
| Cash Relinquished with Deconsolidation of Fund Entities  | —                       | —                | (257,544)        |
| Accounts Receivable  | 177,832                 | 288,306          | 70,053           |
| Due from Affiliates  | 654,290                 | (1,124,667)      | (402,488)        |
| Other Assets   | (26,853)                | (4,792)          | (22,704)         |
| Accrued Compensation and Benefits  | (2,197,446)             | (1,692,562)      | (1,077,195)      |
| Securities Sold, Not Yet Purchased   | (22,964)                | (22,418)         | (26,840)         |
| Accounts Payable, Accrued Expenses and Other Liabilities   | 149,019                 | 152,209          | 119,906          |
| Repurchase Agreements  | 31,964                  | (18,828)         | (77,310)         |
| Due to Affiliates  | 117,219                 | 81,922           | 32,415           |
| Investments Purchased  | (5,228,723)             | (7,439,964)      | (7,179,951)      |
| Cash Proceeds from Sale of Investments   | 10,368,172              | 11,971,409       | 9,242,426        |
| Net Cash Provided by Operating Activities  | <u>6,336,253</u>        | <u>3,985,988</u> | <u>1,935,945</u> |
| <b>Investing Activities</b>  |                         |                  |                  |
| Purchase of Furniture, Equipment and Leasehold Improvements  | (235,497)               | (64,316)         | (111,650)        |
| Net Cash Paid for Acquisitions, Net of Cash Acquired   | —                       | —                | (55,170)         |
| Net Cash Used in Investing Activities  | <u>(235,497)</u>        | <u>(64,316)</u>  | <u>(166,820)</u> |
| <b>Financing Activities</b>  |                         |                  |                  |
| Distributions to Non-Controlling Interest Holders in Consolidated Entities                                     | (1,271,907)             | (1,347,631)      | (747,491)        |
| Contributions from Non-Controlling Interest Holders in Consolidated Entities                                   | 1,268,297               | 1,275,211        | 581,077          |
| Payments Under Tax Receivable Agreement  | (46,880)                | (51,366)         | (73,881)         |
| Net Settlement of Vested Common Stock and Repurchase of Common Stock and Blackstone Holdings Partnership Units | (465,956)               | (1,272,774)      | (504,912)        |

continued...

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Consolidated Statements of Cash Flows**  
(Dollars in Thousands)

|  | Year Ended December 31, |                     |                     |
|--|-------------------------|---------------------|---------------------|
|  | 2022                    | 2021                | 2020                |
| <b>Financing Activities (Continued)</b>  |                         |                     |                     |
| Proceeds from Loans Payable  | \$ 3,521,544            | \$ 2,222,544        | \$ 888,636          |
| Repayment and Repurchase of Loans Payable  | (280,768)               | —                   | (1,889)             |
| Dividends/Distributions to Stockholders and Unitholders  | (6,518,785)             | (4,602,574)         | (2,385,576)         |
| Net Cash Used in Financing Activities  | (3,794,455)             | (3,776,590)         | (2,244,036)         |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other | (12,318)                | (9,806)             | 15,716              |
| <b>Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other</b>                             |                         |                     |                     |
| Net Increase (Decrease)  | 2,293,983               | 135,276             | (459,195)           |
| Beginning of Period  | 2,199,732               | 2,064,456           | 2,523,651           |
| <b>End of Period</b>   | <b>\$ 4,493,715</b>     | <b>\$ 2,199,732</b> | <b>\$ 2,064,456</b> |
| <b>Supplemental Disclosure of Cash Flows Information</b>   |                         |                     |                     |
| Payments for Interest  | \$ 261,886              | \$ 194,166          | \$ 176,620          |
| Payments for Income Taxes  | \$ 683,171              | \$ 700,690          | \$ 209,182          |
| <b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b>                            |                         |                     |                     |
| Non-Cash Contributions from Non-Controlling Interest Holders   | \$ 34,286               | \$ 11,647           | \$ 19,202           |
| Notes Issuance Costs   | \$ 30,240               | \$ 16,991           | \$ 8,273            |
| Transfer of Interests to Non-Controlling Interest Holders  | \$ (11,463)             | \$ (2,994)          | \$ (6,013)          |
| Change in Blackstone Inc.'s Ownership Interest   | \$ 36,824               | \$ 10,494           | \$ 10,476           |
| Net Settlement of Vested Common Stock  | \$ 387,332              | \$ 219,558          | \$ 123,478          |
| Conversion of Blackstone Holdings Units to Common Stock  | \$ 58,249               | \$ 296,597          | \$ 123,710          |
| Acquisition of Ownership Interests from Non-Controlling Interest Holders                                 |                         |                     |                     |
| Deferred Tax Asset   | \$ (120,167)            | \$ (807,309)        | \$ (242,282)        |
| Due to Affiliates  | \$ 113,477              | \$ 748,521          | \$ 218,955          |
| Equity   | \$ 6,690                | \$ 58,788           | \$ 23,327           |

The following table provides a reconciliation of Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other reported within the Consolidated Statements of Financial Condition:

|   | December 31,<br>2022 | December 31,<br>2021 |
|---|----------------------|----------------------|
| Cash and Cash Equivalents               | \$ 4,252,003         | \$ 2,119,738         |
| Cash Held by Blackstone Funds and Other | 241,712              | 79,994               |
|   | <b>\$ 4,493,715</b>  | <b>\$ 2,199,732</b>  |

See notes to consolidated financial statements.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

**1. Organization**

Blackstone Inc., together with its consolidated subsidiaries (“Blackstone” or the “Company”), is one of the world’s leading investment firms. Blackstone’s asset management business includes investment vehicles focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets and secondary funds, all on a global basis. “Blackstone Funds” refers to the funds and other vehicles that are managed by Blackstone. Blackstone’s business is organized into four segments: Real Estate, Private Equity, Credit & Insurance and Hedge Fund Solutions.

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. Blackstone Inc. was initially formed as The Blackstone Group L.P., a Delaware limited partnership, on March 12, 2007. Prior to its conversion (effective July 1, 2019) to a Delaware corporation, Blackstone Inc. was managed and operated by Blackstone Group Management L.L.C., which is wholly owned by Blackstone’s senior managing directors and controlled by one of Blackstone’s founders, Stephen A. Schwarzman (the “Founder”). Effective February 26, 2021, the Certificate of Incorporation of Blackstone Inc. was amended and restated to rename Blackstone’s Class A common stock as “common stock” and reclassify Blackstone’s Class B common stock and Class C common stock into a new Series I preferred stock and a new Series II preferred stock, respectively. All references to common stock, Series I preferred stock and Series II preferred stock prior to such date refer to Class A, Class B and Class C common stock, respectively. See Note 15. “Income Taxes” and Note 16. “Earnings Per Share and Stockholders’ Equity — Stockholders’ Equity.”

The activities of Blackstone are conducted through its holding partnerships: Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. (collectively, “Blackstone Holdings,” “Blackstone Holdings Partnerships” or the “Holding Partnerships”). Blackstone, through its wholly owned subsidiaries, is the sole general partner of each of the Holding Partnerships. Generally, holders of the limited partner interests in the Holding Partnerships may, four times each year, exchange their limited partnership interests (“Partnership Units”) for Blackstone common stock, on a one-to-one basis, exchanging one Partnership Unit from each of the Holding Partnerships for one share of Blackstone common stock.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying consolidated financial statements of Blackstone have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The consolidated financial statements include the accounts of Blackstone, its wholly owned or majority-owned subsidiaries, the consolidated entities which are considered to be variable interest entities and for which Blackstone is considered the primary beneficiary, and certain partnerships or similar entities which are not considered variable interest entities but in which the general partner is determined to have control.

All intercompany balances and transactions have been eliminated in consolidation.

**Use of Estimates**

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that estimates utilized in the preparation of the consolidated financial statements are prudent and reasonable. Such estimates include those used in the valuation of investments and financial instruments, the measurement of deferred tax balances (including valuation allowances) and the accounting for Goodwill and equity-based compensation. Actual results could differ from those estimates and such differences could be material.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements - Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

**Consolidation**

Blackstone consolidates all entities that it controls through a majority voting interest or otherwise, including those Blackstone Funds in which the general partner has a controlling financial interest. Blackstone has a controlling financial interest in Blackstone Holdings because the limited partners do not have the right to dissolve the partnerships or have substantive kick-out rights or participating rights that would overcome the control held by Blackstone. Accordingly, Blackstone consolidates Blackstone Holdings and records non-controlling interests to reflect the economic interests of the limited partners of Blackstone Holdings.

In addition, Blackstone consolidates all variable interest entities (“VIE”) for which it is the primary beneficiary. An enterprise is determined to be the primary beneficiary if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the entity’s economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The consolidation guidance requires an analysis to determine (a) whether an entity in which Blackstone holds a variable interest is a VIE and (b) whether Blackstone’s involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests, would give it a controlling financial interest. Performance of that analysis requires the exercise of judgment.

Blackstone determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a variable interest entity and continuously reconsiders that conclusion. In determining whether Blackstone is the primary beneficiary, Blackstone evaluates its control rights as well as economic interests in the entity held either directly or indirectly by Blackstone. The consolidation analysis can generally be performed qualitatively; however, if it is not readily apparent that Blackstone is not the primary beneficiary, a quantitative analysis may also be performed. Investments and redemptions (either by Blackstone, affiliates of Blackstone or third parties) or amendments to the governing documents of the respective Blackstone Funds could affect an entity’s status as a VIE or the determination of the primary beneficiary. At each reporting date, Blackstone assesses whether it is the primary beneficiary and will consolidate or deconsolidate accordingly.

Assets of consolidated VIEs that can only be used to settle obligations of the consolidated VIE and liabilities of a consolidated VIE for which creditors (or beneficial interest holders) do not have recourse to the general credit of Blackstone are presented in a separate section in the Consolidated Statements of Financial Condition.

Blackstone’s other disclosures regarding VIEs are discussed in Note 9. “Variable Interest Entities.”

**Revenue Recognition**

Revenues primarily consist of management and advisory fees, incentive fees, investment income, interest and dividend revenue and other.

Management and advisory fees and incentive fees are accounted for as contracts with customers. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

recognized would not occur when the uncertainty associated with the variable consideration is resolved. See Note 20. “Segment Reporting” for a disaggregated presentation of revenues from contracts with customers.

*Management and Advisory Fees, Net* — Management and Advisory Fees, Net are comprised of management fees, including base management fees, transaction and other fees and advisory fees net of management fee reductions and offsets.

Blackstone earns base management fees from its customers at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross asset value, total assets, committed capital or invested capital. Blackstone identifies its customers on a fund by fund basis in accordance with the terms and circumstances of the individual fund. Generally the customer is identified as the investors in its managed funds and investment vehicles, but for certain widely held funds or vehicles, the fund or vehicle itself may be identified as the customer. These customer contracts require Blackstone to provide investment management services, which represents a performance obligation that Blackstone satisfies over time. Management fees are a form of variable consideration because the fees Blackstone is entitled to vary based on fluctuations in the basis for the management fee. The amount recorded as revenue is generally determined at the end of the period because these management fees are payable on a regular basis (typically quarterly) and are not subject to clawback once paid.

Transaction, advisory and other fees are principally fees charged to the investors of funds indirectly through the managed funds and portfolio companies. The investment advisory agreements generally require that the investment adviser reduce the amount of management fees payable by the investors to Blackstone (“management fee reductions”) by an amount equal to a portion of the transaction and other fees paid to Blackstone by the portfolio companies. The amount of the reduction varies by fund, the type of fee paid by the portfolio company and the previously incurred expenses of the fund. These fees and associated management fee reductions are a component of the transaction price for Blackstone’s performance obligation to provide investment management services to the investors of funds and are recognized as changes to the transaction price in the period in which they are charged and the services are performed.

Management fee offsets are reductions to management fees payable by the investors of the Blackstone Funds, which are based on the amount such investors reimburse the Blackstone Funds or Blackstone primarily for placement fees. Providing investment management services requires Blackstone to arrange for services on behalf of its customers. In those situations where Blackstone is acting as an agent on behalf of the investors of funds, it presents the cost of services as net against management fee revenue. In all other situations, Blackstone is primarily responsible for fulfilling the services and is therefore acting as a principal for those arrangements. As a result, the cost of those services is presented as Compensation or General, Administrative and Other expense, as appropriate, with any reimbursement from the investors of the funds recorded as Management and Advisory Fees, Net. In cases where the investors of the funds are determined to be the customer in an arrangement, placement fees may be capitalized as a cost to acquire a customer contract. Capitalized placement fees are amortized over the life of the customer contract, are recorded within Other Assets in the Consolidated Statements of Financial Condition and amortization is recorded within General, Administrative and Other within the Consolidated Statements of Operations.

Accrued but unpaid Management and Advisory Fees, net of management fee reductions and management fee offsets, as of the reporting date are included in Accounts Receivable or Due from Affiliates in the Consolidated Statements of Financial Condition.

*Incentive Fees* — Contractual fees earned based on the performance of Blackstone vehicles (“Incentive Fees”) are a form of variable consideration in Blackstone’s contracts with customers to provide investment management services. Incentive Fees are earned based on performance of the vehicle during the period, subject to the achievement of minimum return levels, or high water marks, in accordance with the respective terms set out in



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

each vehicle's governing agreements. Incentive Fees will not be recognized as revenue until (a) it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. Incentive Fees are typically recognized as revenue when realized at the end of the measurement period. Once realized, such fees are not subject to clawback or reversal. Accrued but unpaid Incentive Fees charged directly to investors in Blackstone vehicles as of the reporting date are recorded within Due from Affiliates in the Consolidated Statements of Financial Condition.

*Investment Income (Loss)* — Investment Income (Loss) represents the unrealized and realized gains and losses on Blackstone's Performance Allocations and Principal Investments.

In carry fund structures and certain open-ended structures, Blackstone, through its subsidiaries, invests alongside its limited partners in a partnership and is entitled to its pro-rata share of the results of the fund vehicle (a "pro-rata allocation"). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, Blackstone is entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as carried interest ("Performance Allocations").

Performance Allocations in carry fund structures are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. Performance Allocations in open-ended structures are based on vehicle performance over a period of time, subject to a high water mark and preferred return to investors. At the end of each reporting period, Blackstone calculates the balance of accrued Performance Allocations ("Accrued Performance Allocations") that would be due to Blackstone for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation to the general partner or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. Accrued Performance Allocations as of the reporting date are reflected in Investments in the Consolidated Statements of Financial Condition.

Performance Allocations in carry fund structures are realized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of the preferred return or, in limited instances, after certain thresholds for return of capital are met. Performance Allocations in carry fund structures are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results. As such, the accrual for potential repayment of previously received Performance Allocations, which is a component of Due to Affiliates, represents all amounts previously distributed to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone carry funds if the Blackstone carry funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. The actual clawback liability, however, generally does not become realized until the end of a fund's life except for certain funds, including certain Blackstone real estate funds, multi-asset class investment funds and credit-focused funds, which may have an interim clawback liability. Performance Allocations in open-ended structures are realized based on the stated time period in the agreements and are generally not subject to clawback once paid.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

Principal Investments include the unrealized and realized gains and losses on Blackstone's principal investments, including its investments in Blackstone Funds that are not consolidated and receive pro-rata allocations, its equity method investments, and other principal investments. Income (Loss) on Principal Investments is realized when Blackstone redeems all or a portion of its investment or when Blackstone receives cash income, such as dividends or distributions. Unrealized Income (Loss) on Principal Investments results from changes in the fair value of the underlying investment as well as the reversal of unrealized gain (loss) at the time an investment is realized.

*Interest and Dividend Revenue* — Interest and Dividend Revenue comprises primarily interest and dividend income earned on principal investments not accounted for under the equity method held by Blackstone.

*Other Revenue* — Other Revenue consists of miscellaneous income and foreign exchange gains and losses arising on transactions denominated in currencies other than U.S. dollars.

**Fair Value of Financial Instruments**

GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- Level I — Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments in Level I include listed equities, listed derivatives and mutual funds with quoted prices. Blackstone does not adjust the quoted price for these investments, even in situations where Blackstone holds a large position and a sale could reasonably impact the quoted price.
- Level II — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Financial instruments which are generally included in this category include corporate bonds and loans, including corporate bonds and loans held within CLO vehicles, government and agency securities, less liquid and restricted equity securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.
- Level III — Pricing inputs are unobservable for the financial instruments and includes situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments that are included in this category generally include general and limited partnership interests in private equity and real estate funds, credit-focused funds, distressed debt and non-investment grade residual interests in securitizations, certain corporate bonds and loans held within CLO vehicles, and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. Blackstone's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

***Level II Valuation Techniques***

Financial instruments classified within Level II of the fair value hierarchy comprise debt instruments, including debt securities sold, not yet purchased and certain equity securities and derivative instruments valued using observable inputs are also classified as Level II.

The valuation techniques used to value financial instruments classified within Level II of the fair value hierarchy are as follows:

- Debt Instruments and Equity Securities are valued on the basis of prices from an orderly transaction between market participants including those provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments. The valuation of certain equity securities is based on an observable price for an identical security adjusted for the effect of a restriction.
- Freestanding Derivatives are valued using contractual cash flows and observable inputs comprising yield curves, foreign currency rates and credit spreads.

***Level III Valuation Techniques***

In the absence of observable market prices, Blackstone values its investments using valuation methodologies applied on a consistent basis. For some investments little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances, and may incorporate management's own assumptions and involves a significant degree of judgment, taking into consideration a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks. Investments for which market prices are not observable include private investments in the equity of operating companies, real estate properties, certain funds of hedge funds and credit-focused investments.

*Real Estate Investments* — The fair values of real estate investments are determined by considering projected operating cash flows, sales of comparable assets, if any, and replacement costs among other measures. The methods used to estimate the fair value of real estate investments include the discounted cash flow method and/or capitalization rates analysis. Where a discounted cash flow method is used, a terminal value is derived by reference to an exit multiple, such as earnings before interest, taxes, depreciation and amortization ("EBITDA"), or a capitalization rate. Valuations may be derived by reference to observable valuation measures for comparable companies or assets (for example, multiplying a key performance metric of the investee company or asset, such as EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables, and in some instances by reference to option pricing models or other similar methods.

*Private Equity Investments* — The fair values of private equity investments are determined by reference to projected net earnings, EBITDA, the discounted cash flow method, public market or private transactions, valuations for comparable companies and other measures which, in many cases, are based on unaudited information at the time received. Where a discounted cash flow method is used, a terminal value is derived by reference to EBITDA or price/earnings exit multiples. Valuations may also be derived by reference to observable valuation measures for comparable companies or transactions (for example, multiplying a key performance metric of the investee company such as EBITDA by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables, and in some instances by reference to option pricing models or other similar methods.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

*Credit-Focused Investments* — The fair values of credit-focused investments are generally determined on the basis of prices between market participants provided by reputable dealers or pricing services. For credit-focused investments that are not publicly traded or whose market prices are not readily available, Blackstone may utilize other valuation techniques, including the discounted cash flow method or a market approach. The discounted cash flow method projects the expected cash flows of the debt instrument based on contractual terms, and discounts such cash flows back to the valuation date using a market-based yield. The market-based yield is estimated using yields of publicly traded debt instruments issued by companies operating in similar industries as the subject investment, with similar leverage statistics and time to maturity.

The market approach is generally used to determine the enterprise value of the issuer of a credit investment, and considers valuation multiples of comparable companies or transactions. The resulting enterprise value will dictate whether or not such credit investment has adequate enterprise value coverage. In cases of distressed credit instruments, the market approach may be used to estimate a recovery value in the event of a restructuring.

**Investments, at Fair Value**

Generally, the Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Accounting and Auditing Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority-owned and controlled investments (the “Portfolio Companies”), at fair value. Such consolidated funds’ investments are reflected in Investments on the Consolidated Statements of Financial Condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of Net Gains (Losses) from Fund Investment Activities in the Consolidated Statements of Operations. Fair value is the amount that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, at current market conditions (i.e., the exit price).

Blackstone’s principal investments are presented at fair value with unrealized appreciation or depreciation and realized gains and losses recognized in the Consolidated Statements of Operations within Investment Income (Loss).

For certain instruments, Blackstone has elected the fair value option. Such election is irrevocable and is applied on an investment by investment basis at initial recognition or other eligible election dates. Blackstone has applied the fair value option for certain loans and receivables, unfunded loan commitments and certain investments in private debt securities that otherwise would not have been carried at fair value with gains and losses recorded in net income. The methodology for measuring the fair value of such investments is consistent with the methodology applied to private equity, real estate, credit-focused and funds of hedge funds investments. Changes in the fair value of such instruments are recognized in Investment Income (Loss) in the Consolidated Statements of Operations. Interest income on interest bearing loans and receivables and debt securities on which the fair value option has been elected is based on stated coupon rates adjusted for the accretion of purchase discounts and the amortization of purchase premiums. This interest income is recorded within Interest and Dividend Revenue.

Blackstone has elected the fair value option for certain proprietary investments that would otherwise have been accounted for using the equity method of accounting. The fair value of such investments is based on quoted prices in an active market or using the discounted cash flow method. Changes in fair value are recognized in Investment Income (Loss) in the Consolidated Statements of Operations.

Further disclosure on instruments for which the fair value option has been elected is presented in Note 7. “Fair Value Option.”

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements— Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

Blackstone may elect to measure certain proprietary investments in equity securities without readily determinable fair values under the measurement alternative, which reflects cost less impairment, with adjustments in value resulting from observable price changes arising from orderly transactions of the same or a similar security from the same issuer. If the measurement alternative election is not made, the equity security is measured at fair value. The measurement alternative election is made on an instrument by instrument basis. The election is reassessed each reporting period to determine whether investments under the measurement alternative have readily determinable fair values, in which case they would no longer be eligible for this election.

The investments of consolidated Blackstone Funds in funds of hedge funds (“Investee Funds”) are valued at net asset value (“NAV”) per share of the Investee Fund. In limited circumstances, Blackstone may determine, based on its own due diligence and investment procedures, that NAV per share does not represent fair value. In such circumstances, Blackstone will estimate the fair value in good faith and in a manner that it reasonably chooses, in accordance with the requirements of GAAP.

Certain investments of Blackstone and of the consolidated Blackstone funds of hedge funds and credit-focused funds measure their investments in underlying funds at fair value using NAV per share without adjustment. The terms of the investee’s investment generally provide for minimum holding periods or lock-ups, the institution of gates on redemptions or the suspension of redemptions or an ability to side pocket investments, at the discretion of the investee’s fund manager, and as a result, investments may not be redeemable at, or within three months of, the reporting date. A side-pocket is used by hedge funds and funds of hedge funds to separate investments that may lack a readily ascertainable value, are illiquid or are subject to liquidity restriction. Redemptions are generally not permitted until the investments within a side-pocket are liquidated or it is deemed that the conditions existing at the time that required the investment to be included in the side-pocket no longer exist. As the timing of either of these events is uncertain, the timing at which Blackstone may redeem an investment held in a side-pocket cannot be estimated. Further disclosure on instruments for which fair value is measured using NAV per share is presented in Note 5. “Net Asset Value as Fair Value.”

Security and loan transactions are recorded on a trade date basis.

#### **Equity Method Investments**

Investments in which Blackstone is deemed to exert significant influence, but not control, are accounted for using the equity method of accounting except in cases where the fair value option has been elected. Blackstone has significant influence over all Blackstone Funds in which it invests but does not consolidate. Therefore, its investments in such Blackstone Funds, which include both a proportionate and disproportionate allocation of the profits and losses (as is the case with carry funds that include a Performance Allocation), are accounted for under the equity method. Under the equity method of accounting, Blackstone’s share of earnings (losses) from equity method investments is included in Investment Income (Loss) in the Consolidated Statements of Operations.

In cases where Blackstone’s equity method investments provide for a disproportionate allocation of the profits and losses (as is the case with carry funds that include a Performance Allocation), Blackstone’s share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value (“HLBV”) method. Under the HLBV method, at the end of each reporting period Blackstone calculates the Accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation to the general partner, or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. The carrying amounts of equity method investments are reflected in Investments in the Consolidated Statements of Financial Condition.

Strategic Partners' results presented in Blackstone's consolidated financial statements are reported on a three month lag from Strategic Partners' fund financial statements, which report the performance of underlying investments generally on a same quarter basis, if available. Therefore, Strategic Partners' results presented herein do not reflect the impact of economic and market activity in the current quarter. Current quarter market activity of Strategic Partners' underlying investments is expected to affect Blackstone's reported results in upcoming periods.

#### **Cash and Cash Equivalents**

Cash and Cash Equivalents represents cash on hand, cash held in banks, money market funds and liquid investments with original maturities of three months or less. Interest income from cash and cash equivalents is recorded in Interest and Dividend Revenue in the Consolidated Statements of Operations.

#### **Cash Held by Blackstone Funds and Other**

Cash Held by Blackstone Funds and Other represents cash and cash equivalents held by consolidated Blackstone Funds and other consolidated entities. Such amounts are not available to fund the general liquidity needs of Blackstone.

#### **Accounts Receivable**

Accounts Receivable includes management fees receivable from limited partners, receivables from underlying funds in the fund of hedge funds business, placement and advisory fees receivables, receivables relating to unsettled sale transactions and loans extended to unaffiliated third parties. Accounts Receivable, excluding those for which the fair value option has been elected, are assessed periodically for collectability. Amounts determined to be uncollectible are charged directly to General, Administrative and Other Expenses in the Consolidated Statements of Operations.

#### **Intangibles and Goodwill**

Blackstone's intangible assets consist of contractual rights to earn future fee income, including management and advisory fees, Incentive Fees and Performance Allocations. Identifiable finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives, ranging from three to twenty years, reflecting the contractual lives of such assets. Amortization expense is included within General, Administrative and Other in the Consolidated Statements of Operations. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill comprises goodwill arising from the contribution and reorganization of Blackstone's predecessor entities in 2007 immediately prior to its initial public offering ("IPO") and the acquisitions of GSO Capital Partners LP in 2008, Strategic Partners in 2013, Harvest Fund Advisors LLC ("Harvest") in 2017, Clarus Ventures LLC ("Clarus") in 2018 and DCI LLC ("DCI") in 2020. Goodwill is reviewed for impairment at least annually utilizing a qualitative or quantitative approach, and more frequently if circumstances indicate impairment may have occurred. The impairment testing for goodwill under the qualitative approach is based first on a qualitative assessment to determine if it is more likely than not that the fair value of Blackstone's operating segments is less

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

than their respective carrying values. The operating segments are considered the reporting units for testing the impairment of goodwill. If it is determined that it is more likely than not that an operating segment's fair value is less than its carrying value or when the quantitative approach is used, an impairment loss is recognized to the extent by which the carrying value exceeds the fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

**Furniture, Equipment and Leasehold Improvements**

Furniture, equipment and leasehold improvements consist primarily of leasehold improvements, furniture, fixtures and equipment, computer hardware and software and are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the assets' estimated useful economic lives, which for leasehold improvements are the lesser of the lease term or the life of the asset, generally ten to fifteen years, and three to seven years for other fixed assets. Blackstone evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**Foreign Currency**

In the normal course of business, Blackstone may enter into transactions not denominated in United States dollars. Foreign exchange gains and losses arising on such transactions are recorded as Other Revenue in the Consolidated Statements of Operations. Foreign currency transaction gains and losses arising within consolidated Blackstone Funds are recorded in Net Gains (Losses) from Fund Investment Activities. In addition, Blackstone consolidates a number of entities that have a non-U.S. dollar functional currency. Non-U.S. dollar denominated assets and liabilities are translated to U.S. dollars at the exchange rate prevailing at the reporting date and income, expenses, gains and losses are translated at the prevailing exchange rate on the dates that they were recorded. Cumulative translation adjustments arising from the translation of non-U.S. dollar denominated operations are recorded in Other Comprehensive Income and allocated to Non-Controlling Interests in Consolidated Entities and Non-Controlling Interests in Blackstone Holdings, as applicable.

**Comprehensive Income**

Comprehensive Income consists of Net Income and Other Comprehensive Income. Blackstone's Other Comprehensive Income is comprised of foreign currency cumulative translation adjustments.

**Compensation and Benefits**

*Compensation and Benefits — Compensation* — Compensation consists of (a) salary and bonus, and benefits paid and payable to employees and senior managing directors and (b) equity-based compensation associated with the grants of equity-based awards to employees and senior managing directors. Compensation cost relating to the issuance of equity-based awards to senior managing directors and employees is measured at fair value at the grant date, and expensed over the vesting period on a straight-line basis, taking into consideration expected forfeitures, except in the case of (a) equity-based awards that do not require future service, which are expensed immediately, and (b) certain awards to recipients that meet criteria making them eligible for retirement (allowing such recipient to keep a percentage of those awards upon departure from Blackstone after becoming eligible for retirement), for which the expense for the portion of the award that would be retained in the event of retirement is either expensed immediately or amortized to the retirement date. Cash settled equity-based awards and awards settled in a variable number of shares are classified as liabilities and are remeasured at the end of each reporting period.

*Compensation and Benefits — Incentive Fee Compensation* — Incentive Fee Compensation consists of compensation paid based on Incentive Fees.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

*Compensation and Benefits — Performance Allocations Compensation* — Performance Allocation Compensation consists of compensation paid based on Performance Allocations (which may be distributed in cash or in-kind). Such compensation expense is subject to both positive and negative adjustments. Performance Allocations Compensation is generally based on the performance of individual investments held by a fund rather than on a fund by fund basis. These amounts may also include allocations of investment income from Blackstone's principal investments, to senior managing directors and employees participating in certain profit sharing initiatives.

**Non-Controlling Interests in Consolidated Entities**

Non-Controlling Interests in Consolidated Entities represent the component of Equity in general partner entities and consolidated Blackstone Funds held by third party investors and employees. The percentage interests in consolidated Blackstone Funds held by third parties and employees is adjusted for general partner allocations and by subscriptions and redemptions in funds of hedge funds and certain credit-focused funds which occur during the reporting period. Income (Loss) and other comprehensive income, if applicable, arising from the respective entities is allocated to non-controlling interests in consolidated entities based on the relative ownership interests of third party investors and employees after considering any contractual arrangements that govern the allocation of income (loss) such as fees allocable to Blackstone Inc.

**Redeemable Non-Controlling Interests in Consolidated Entities**

Investors in certain consolidated vehicles may be granted redemption rights that allow for quarterly or monthly redemption, as outlined in the relevant governing documents. Such redemption rights may be subject to certain limitations, including limits on the aggregate amount of interests that may be redeemed in a given period, may only allow for redemption following the expiration of a specified period of time, or may be withdrawn subject to a redemption fee during the period when capital may not be withdrawn. As a result, amounts relating to third party interests in such consolidated vehicles are presented as Redeemable Non-Controlling Interests in Consolidated Entities within the Consolidated Statements of Financial Condition. When redeemable amounts become legally payable to investors, they are classified as a liability and included in Accounts Payable, Accrued Expenses and Other Liabilities in the Consolidated Statements of Financial Condition. For all consolidated vehicles in which redemption rights have not been granted, non-controlling interests are presented within Equity in the Consolidated Statements of Financial Condition as Non-Controlling Interests in Consolidated Entities.

**Non-Controlling Interests in Blackstone Holdings**

Non-Controlling Interests in Blackstone Holdings represent the component of Equity in the consolidated Blackstone Holdings Partnerships held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships.

Certain costs and expenses are borne directly by the Holdings Partnerships. Income (Loss), excluding those costs directly borne by and attributable to the Holdings Partnerships, is attributable to Non-Controlling Interests in Blackstone Holdings. This residual attribution is based on the year to date average percentage of Blackstone Holdings Partnership Units and unvested participating Holdings Partnership Units held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. Unvested participating Holdings Partnership Units are excluded from the attribution in periods of loss as they are not contractually obligated to share in losses of the Holdings Partnerships.

**Other Income**

Net Gains (Losses) from Fund Investment Activities in the Consolidated Statements of Operations include net realized gains (losses) from realizations and sales of investments, the net change in unrealized gains (losses)



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

resulting from changes in the fair value of investments and interest income and expense and dividends attributable to the consolidated Blackstone Funds' investments.

Expenses incurred by consolidated Blackstone funds are separately presented within Fund Expenses in the Consolidated Statements of Operations.

Other Income also includes amounts attributable to the Reduction of the Tax Receivable Agreement Liability. See Note 15. "Income Taxes — Other Income — Change in the Tax Receivable Agreement Liability" for additional information.

**Income Taxes**

Blackstone Inc. is a corporation for U.S. federal income tax purposes and thus is subject to U.S. federal, state and local income taxes on Blackstone's share of taxable income. The Blackstone Holdings Partnerships and certain of their subsidiaries operate in the U.S. as partnerships for U.S. federal income tax purposes and generally as corporate entities in non-U.S. jurisdictions. Accordingly, these entities in some cases are subject to New York City unincorporated business taxes or non-U.S. income taxes. In addition, certain of the wholly owned subsidiaries of Blackstone and the Blackstone Holdings Partnerships will be subject to federal, state and local corporate income taxes at the entity level and the related tax provision attributable to Blackstone's share of this income tax is reflected in the consolidated financial statements.

***Provision for Income Taxes***

Income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities, resulting in all pretax amounts being appropriately tax effected in the period, irrespective of which tax return year items will be reflected. Blackstone reports interest expense and tax penalties related to income tax matters in provision for income taxes.

***Deferred Income Taxes***

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce the deferred tax assets to the amount that is more likely than not to be realized. Deferred tax assets are separately stated, and deferred tax liabilities are included in Accounts Payable, Accrued Expenses, and Other Liabilities in the consolidated financial statements.

***Unrecognized Tax Benefits***

Blackstone recognizes tax positions in the consolidated financial statements when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in the return and amounts recognized in the consolidated financial statements.

**Net Income (Loss) Per Share of Common Stock**

Basic Income (Loss) Per Share of Common Stock is calculated by dividing Net Income (Loss) Attributable to Blackstone Inc. by the weighted-average shares of common stock, unvested participating shares of common stock outstanding for the period and vested deferred restricted shares of common stock that have been earned for

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

which issuance of the related shares of common stock is deferred until future periods. Diluted Income (Loss) Per Share of Common Stock reflects the impact of all dilutive securities. Unvested participating shares of common stock are excluded from the computation in periods of loss as they are not contractually obligated to share in losses.

Blackstone applies the treasury stock method to determine the dilutive weighted-average common shares outstanding for certain equity-based compensation awards. Blackstone applies the “if-converted” method to the Blackstone Holdings Partnership Units to determine the dilutive impact, if any, of the exchange right included in the Blackstone Holdings Partnership Units. Blackstone applies the contingently issuable share model to contracts that may require the issuance of shares.

#### **Reverse Repurchase and Repurchase Agreements**

Securities purchased under agreements to resell (“reverse repurchase agreements”) and securities sold under agreements to repurchase (“repurchase agreements”), comprised primarily of U.S. and non-U.S. government and agency securities, asset-backed securities and corporate debt, represent collateralized financing transactions. Such transactions are recorded in the Consolidated Statements of Financial Condition at their contractual amounts and include accrued interest. The carrying value of reverse repurchase and repurchase agreements approximates fair value.

Blackstone manages credit exposure arising from reverse repurchase agreements and repurchase agreements by, in appropriate circumstances, entering into master netting agreements and collateral arrangements with counterparties that provide Blackstone, in the event of a counterparty default, the right to liquidate collateral and the right to offset a counterparty’s rights and obligations.

Blackstone takes possession of securities purchased under reverse repurchase agreements and is permitted to repledge, deliver or otherwise use such securities. Blackstone also pledges its financial instruments to counterparties to collateralize repurchase agreements. Financial instruments pledged that can be repledged, delivered or otherwise used by the counterparty are recorded in Investments in the Consolidated Statements of Financial Condition. Additional disclosures relating to repurchase agreements are discussed in Note 10. “Repurchase Agreements.”

Blackstone does not offset assets and liabilities relating to reverse repurchase agreements and repurchase agreements in its Consolidated Statements of Financial Condition. Additional disclosures relating to offsetting are discussed in Note 12. “Offsetting of Assets and Liabilities.”

#### **Securities Sold, Not Yet Purchased**

Securities Sold, Not Yet Purchased consist of equity and debt securities that Blackstone has borrowed and sold. Blackstone is required to “cover” its short sale in the future by purchasing the security at prevailing market prices and delivering it to the counterparty from which it borrowed the security. Blackstone is exposed to loss in the event that the price at which a security may have to be purchased to cover a short sale exceeds the price at which the borrowed security was sold short.

Securities Sold, Not Yet Purchased are recorded at fair value in the Consolidated Statements of Financial Condition.

#### **Derivative Instruments**

Blackstone recognizes all derivatives as assets or liabilities on its Consolidated Statements of Financial Condition at fair value. On the date Blackstone enters into a derivative contract, it designates and documents each

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

derivative contract as one of the following: (a) a hedge of a recognized asset or liability (“fair value hedge”), (b) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (“cash flow hedge”), (c) a hedge of a net investment in a foreign operation, or (d) a derivative instrument not designated as a hedging instrument (“freestanding derivative”).

For freestanding derivative contracts, Blackstone presents changes in fair value in current period earnings. Changes in the fair value of derivative instruments held by consolidated Blackstone Funds are reflected in Net Gains from Fund Investment Activities or, where derivative instruments are held by Blackstone, within Investment Income (Loss) in the Consolidated Statements of Operations. The fair value of freestanding derivative assets of the consolidated Blackstone Funds are recorded within Investments, the fair value of freestanding derivative assets that are not part of the consolidated Blackstone Funds are recorded within Other Assets and the fair value of freestanding derivative liabilities are recorded within Accounts Payable, Accrued Expenses and Other Liabilities in the Consolidated Statements of Financial Condition.

Blackstone has elected to not offset derivative assets and liabilities or financial assets in its Consolidated Statements of Financial Condition, including cash, that may be received or paid as part of collateral arrangements, even when an enforceable master netting agreement is in place that provides Blackstone, in the event of counterparty default, the right to liquidate collateral and the right to offset a counterparty’s rights and obligations.

Blackstone’s other disclosures regarding derivative financial instruments are discussed in Note 6. “Derivative Financial Instruments.”

Blackstone’s disclosures regarding offsetting are discussed in Note 12. “Offsetting of Assets and Liabilities.”

## **Leases**

Blackstone determines if an arrangement is a lease at inception of the arrangement. Blackstone primarily enters into operating leases, as the lessee, for office space. Operating leases are included in Right-of-Use (“ROU”) Assets and Operating Lease Liabilities in the Consolidated Statement of Financial Condition. ROU Assets and Operating Lease Liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Blackstone determines the present value of the lease payments using an incremental borrowing rate based on information available at the inception date. Leases may include options to extend or terminate the lease which are included in the ROU Assets and Operating Lease Liability when they are reasonably certain of exercise.

Certain leases include lease and nonlease components, which are accounted for as one single lease component. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as building expenses and utilities. To the extent these are fixed or determinable, they are included as part of the minimum lease payments used to measure the Operating Lease Liability. Operating lease expense associated with minimum lease payments is recognized on a straight-line basis over the lease term. When additional payments are based on usage or vary based on other factors, they are expensed when incurred as variable lease expense.

Minimum lease payments for leases with an initial term of twelve months or less are not recorded on the Consolidated Statement of Financial Condition. Blackstone recognizes lease expense for these leases on a straight-line basis over the lease term.

Additional disclosures relating to leases are discussed in Note 14. “Leases.”

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**Affiliates**

Blackstone considers its Founder, senior managing directors, employees, the Blackstone Funds and the Portfolio Companies to be affiliates.

**Dividends**

Dividends are reflected in the consolidated financial statements when declared.

**3. Goodwill and Intangible Assets**

The carrying value of Goodwill was \$1.9 billion as of December 31, 2022 and 2021. At December 31, 2022 and 2021, Blackstone determined there was no evidence of Goodwill impairment.

At December 31, 2022 and 2021, Goodwill has been allocated to each of Blackstone's four segments as follows: Real Estate (\$421.7 million), Private Equity (\$870.0 million), Credit & Insurance (\$426.4 million) and Hedge Fund Solutions (\$172.1 million).

Intangible Assets, Net consists of the following:

|   | December 31,      |                   |
|---|-------------------|-------------------|
|   | 2022              | 2021              |
| Finite-Lived Intangible Assets/Contractual Rights | \$ 1,745,376      | \$ 1,745,376      |
| Accumulated Amortization                          | (1,528,089)       | (1,460,992)       |
| Intangible Assets, Net                            | <u>\$ 217,287</u> | <u>\$ 284,384</u> |

Changes in Blackstone's Intangible Assets, Net consists of the following:

|                            | Year Ended December 31, |                   |                   |
|----------------------------|-------------------------|-------------------|-------------------|
|                            | 2022                    | 2021              | 2020              |
| Balance, Beginning of Year | \$ 284,384              | \$ 347,955        | \$ 397,508        |
| Amortization Expense       | (67,097)                | (74,871)          | (71,053)          |
| Acquisitions (a)           | —                       | 11,300            | 21,500            |
| Balance, End of Year       | <u>\$ 217,287</u>       | <u>\$ 284,384</u> | <u>\$ 347,955</u> |

(a) In December 2020, Blackstone acquired DCI, a San Francisco based systematic credit investment firm. Provisional amounts of Intangible Assets and Goodwill for the acquisition of DCI were reported for the year ended December 31, 2020, which resulted in a \$21.5 million increase in Intangible Assets. During the year ended December 31, 2021, Blackstone obtained additional information needed to identify and measure the acquired assets, which resulted in a \$11.3 million increase in Intangible Assets. Intangible Assets related to the DCI acquisition are primarily comprised of contractual rights to earn future fee income.

Amortization of Intangible Assets held at December 31, 2022 is expected to be \$38.1 million, \$30.5 million, \$30.5 million, \$30.4 million and \$29.3 million for each of the years ending December 31, 2023, 2024, 2025, 2026 and 2027, respectively. Blackstone's Intangible Assets as of December 31, 2022 are expected to amortize over a weighted-average period of 7.1 years.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**4. Investments**

Investments consist of the following:

|  | December 31,         |                      |
|--|----------------------|----------------------|
|  | 2022                 | 2021                 |
| Investments of Consolidated Blackstone Funds | \$ 5,136,966         | \$ 2,018,829         |
| Equity Method Investments                    |                      |                      |
| Partnership Investments                      | 5,530,419            | 5,635,212            |
| Accrued Performance Allocations              | 12,360,684           | 17,096,873           |
| Corporate Treasury Investments               | 1,053,540            | 658,066              |
| Other Investments                            | 3,471,642            | 3,256,063            |
|  | <u>\$ 27,553,251</u> | <u>\$ 28,665,043</u> |

Blackstone's share of Investments of Consolidated Blackstone Funds totaled \$393.9 million and \$375.8 million at December 31, 2022 and December 31, 2021, respectively.

Where appropriate, the accounting for Blackstone's investments incorporates the changes in fair value of those investments as determined under GAAP. The significant inputs and assumptions required to determine the change in fair value of the investments of Consolidated Blackstone Funds, Corporate Treasury Investments and Other Investments are discussed in more detail in Note 8. "Fair Value Measurements of Financial Instruments."

**Investments of Consolidated Blackstone Funds**

The following table presents the Realized and Net Change in Unrealized Gains (Losses) on investments held by the consolidated Blackstone Funds and a reconciliation to Other Income (Loss) — Net Gains (Losses) from Fund Investment Activities in the Consolidated Statements of Operations:

|   | Year Ended December 31, |                   |                  |
|---|-------------------------|-------------------|------------------|
|   | 2022                    | 2021              | 2020             |
| Realized Gains (Losses)   | \$ 99,457               | \$ 145,305        | \$(126,397)      |
| Net Change in Unrealized Losses   | (264,204)               | 289,938           | 60,363           |
| Realized and Net Change in Unrealized Gains (Losses) from Consolidated Blackstone Funds | (164,747)               | 435,243           | (66,034)         |
| Interest and Dividend Revenue Attributable to Consolidated Blackstone Funds             | 59,605                  | 26,381            | 96,576           |
| Other Income (Loss) — Net Gains (Losses) from Fund Investment Activities                | <u>\$(105,142)</u>      | <u>\$ 461,624</u> | <u>\$ 30,542</u> |

**Equity Method Investments**

Blackstone's equity method investments include Partnership Investments, which represent the pro-rata investments, and any associated Accrued Performance Allocations, in Blackstone Funds, excluding any equity method investments for which the fair value option has been elected. Prior to January 26, 2021, Partnership Investments also included the 40% non-controlling interest in Pátria Investments Limited and Pátria Investimentos Ltda. (collectively, "Pátria").

On January 26, 2021, Pátria completed its IPO, pursuant to which Blackstone sold a portion of its interests and ceased to have representatives or the right to designate representatives on Pátria's board of directors. As a result

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

of Pátria’s pre-IPO reorganization transactions (which included Blackstone’s sale of 10% of Pátria’s pre-IPO shares to Pátria’s controlling shareholder) and the consummation of the IPO, Blackstone was deemed to no longer have significant influence over Pátria due to Blackstone’s decreased ownership and lack of board representation. Following the IPO, the retained interest in Pátria is included in Other Investments and accounted for at fair value in accordance with the GAAP guidance for investments in equity securities with a readily determinable fair value. Blackstone sold its remaining shares of Pátria during the three months ended September 30, 2021.

Blackstone evaluates each of its equity method investments, excluding Accrued Performance Allocations, to determine if any were significant as defined by guidance from the United States Securities and Exchange Commission (“SEC”). As of and for the years ended December 31, 2022, 2021 and 2020, no individual equity method investment held by Blackstone met the significance criteria. As such, Blackstone is not required to present separate financial statements for any of its equity method investments.

**Partnership Investments**

Blackstone recognized net gains related to its Partnership Investments accounted for under the equity method of \$292.1 million, \$1.9 billion and \$320.2 million for the years ended December 31, 2022, 2021 and 2020, respectively.

The summarized financial information of Blackstone’s equity method investments for December 31, 2022 are as follows:

|   | December 31, 2022 and the Year Then Ended |                       |                      |                      |                       |
|---|---|-----------------------|----------------------|----------------------|-----------------------|
|   | Real Estate                               | Private Equity        | Credit & Insurance   | Hedge Fund Solutions | Total                 |
| <b>Statement of Financial Condition</b>           |   |                       |                      |                      |                       |
| <b>Assets</b>                                     |   |                       |                      |                      |                       |
| Investments                                       | \$ 295,985,447                            | \$ 182,732,362        | \$ 87,362,311        | \$ 38,209,892        | \$ 604,290,012        |
| Other Assets                                      | 13,601,083                                | 3,194,088             | 6,345,260            | 4,079,065            | 27,219,496            |
| <b>Total Assets</b>                               | <b>\$ 309,586,530</b>                     | <b>\$ 185,926,450</b> | <b>\$ 93,707,571</b> | <b>\$ 42,288,957</b> | <b>\$ 631,509,508</b> |
| <b>Liabilities and Equity</b>                     |   |                       |                      |                      |                       |
| Debt  | \$ 118,075,949                            | \$ 22,779,131         | \$ 39,049,599        | \$ 662,805           | \$ 180,567,484        |
| Other Liabilities                                 | 7,735,780                                 | 1,310,998             | 5,644,625            | 2,092,757            | 16,784,160            |
| <b>Total Liabilities</b>                          | <b>125,811,729</b>                        | <b>24,090,129</b>     | <b>44,694,224</b>    | <b>2,755,562</b>     | <b>197,351,644</b>    |
| Equity  | 183,774,801                               | 161,836,321           | 49,013,347           | 39,533,395           | 434,157,864           |
| <b>Total Liabilities and Equity</b>               | <b>\$ 309,586,530</b>                     | <b>\$ 185,926,450</b> | <b>\$ 93,707,571</b> | <b>\$ 42,288,957</b> | <b>\$ 631,509,508</b> |
| <b>Statement of Operations</b>                    |   |                       |                      |                      |                       |
| Interest Income                                   | \$ 2,917,115                              | \$ 2,012,916          | \$ 5,764,150         | \$ 16,069            | \$ 10,710,250         |
| Other Income                                      | 9,432,802                                 | 824,779               | 690,193              | 286,444              | 11,234,218            |
| Interest Expense                                  | (3,644,118)                               | (722,626)             | (1,450,447)          | (41,522)             | (5,858,713)           |
| Other Expenses                                    | (11,089,520)                              | (2,132,320)           | (1,303,902)          | (255,459)            | (14,781,201)          |
| Net Realized and Unrealized Gain from Investments | 7,807,056                                 | 2,146,281             | (1,330,895)          | 483,946              | 9,106,388             |
| <b>Net Income</b>                                 | <b>\$ 5,423,335</b>                       | <b>\$ 2,129,030</b>   | <b>\$ 2,369,099</b>  | <b>\$ 489,478</b>    | <b>\$ 10,410,942</b>  |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The summarized financial information of Blackstone's equity method investments for December 31, 2021 are as follows:

|  | December 31, 2021 and the Year Then Ended |                       |                      |                      | Total                 |
|--|---|-----------------------|----------------------|----------------------|-----------------------|
|  | Real Estate                               | Private Equity        | Credit & Insurance   | Hedge Fund Solutions |                       |
| <b>Statement of Financial Condition</b>                  |   |                       |                      |                      |                       |
| <b>Assets</b>  |   |                       |                      |                      |                       |
| Investments  | \$ 241,808,879                            | \$ 175,726,829        | \$ 68,426,090        | \$ 39,691,668        | \$ 525,653,466        |
| Other Assets   | 13,463,009                                | 5,776,462             | 5,412,041            | 3,020,159            | 27,671,671            |
| <b>Total Assets</b>                                      | <b>\$ 255,271,888</b>                     | <b>\$ 181,503,291</b> | <b>\$ 73,838,131</b> | <b>\$ 42,711,827</b> | <b>\$ 553,325,137</b> |
| <b>Liabilities and Equity</b>                            |   |                       |                      |                      |                       |
| Debt   | \$ 76,760,932                             | \$ 20,434,354         | \$ 30,792,984        | \$ 1,243,453         | \$ 129,231,723        |
| Other Liabilities  | 6,999,032                                 | 2,153,071             | 3,159,548            | 3,084,558            | 15,396,209            |
| <b>Total Liabilities</b>                                 | <b>83,759,964</b>                         | <b>22,587,425</b>     | <b>33,952,532</b>    | <b>4,328,011</b>     | <b>144,627,932</b>    |
| Equity   | 171,511,924                               | 158,915,866           | 39,885,599           | 38,383,816           | 408,697,205           |
| <b>Total Liabilities and Equity</b>                      | <b>\$ 255,271,888</b>                     | <b>\$ 181,503,291</b> | <b>\$ 73,838,131</b> | <b>\$ 42,711,827</b> | <b>\$ 553,325,137</b> |
| <b>Statement of Operations</b>                           |   |                       |                      |                      |                       |
| Interest Income  | \$ 1,422,743                              | \$ 1,640,402          | \$ 2,584,486         | \$ 3,563             | \$ 5,651,194          |
| Other Income   | 6,115,960                                 | 318,485               | 306,490              | 315,894              | 7,056,829             |
| Interest Expense   | (1,475,065)                               | (331,350)             | (427,459)            | (30,073)             | (2,263,947)           |
| Other Expenses   | (6,847,739)                               | (1,666,930)           | (828,689)            | (282,474)            | (9,625,832)           |
| <b>Net Realized and Unrealized Gain from Investments</b> | <b>31,078,396</b>                         | <b>43,895,781</b>     | <b>3,562,579</b>     | <b>4,605,235</b>     | <b>83,141,991</b>     |
| <b>Net Income</b>  | <b>\$ 30,294,295</b>                      | <b>\$ 43,856,388</b>  | <b>\$ 5,197,407</b>  | <b>\$ 4,612,145</b>  | <b>\$ 83,960,235</b>  |

(a) Other represents the summarized financial information of equity method investments whose results, for segment reporting purposes, have been allocated across more than one of Blackstone's segments.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The summarized financial information of Blackstone’s equity method investments for December 31, 2020 are as follows:

|  | December 31, 2020 and the Year Then Ended |                      |                       |                      |                   | Total                |
|--|---|----------------------|-----------------------|----------------------|-------------------|----------------------|
|  | Real Estate                               | Private Equity       | Credit & Insurance    | Hedge Fund Solutions | Other (a)         |                      |
| <b>Statement of Financial Condition</b>                    |   |                      |                       |                      |                   |                      |
| <b>Assets</b>  |   |                      |                       |                      |                   |                      |
| Investments  | \$140,317,595                             | \$112,647,584        | \$25,473,283          | \$32,829,525         | \$ 11,915         | \$311,279,902        |
| Other Assets   | 5,234,463                                 | 2,650,267            | 2,088,882             | 3,047,256            | 95,798            | 13,116,666           |
| <b>Total Assets</b>  | <b>\$145,552,058</b>                      | <b>\$115,297,851</b> | <b>\$27,562,165</b>   | <b>\$35,876,781</b>  | <b>\$ 107,713</b> | <b>\$324,396,568</b> |
| <b>Liabilities and Equity</b>                              |   |                      |                       |                      |                   |                      |
| Debt   | \$ 29,962,733                             | \$ 15,928,802        | \$ 7,553,301          | \$ 886,292           | \$ —              | \$ 54,331,128        |
| Other Liabilities  | 5,777,808                                 | 1,657,846            | 1,216,354             | 3,320,551            | 48,275            | 12,020,834           |
| <b>Total Liabilities</b>                                   | <b>35,740,541</b>                         | <b>17,586,648</b>    | <b>8,769,655</b>      | <b>4,206,843</b>     | <b>48,275</b>     | <b>66,351,962</b>    |
| Equity   | 109,811,517                               | 97,711,203           | 18,792,510            | 31,669,938           | 59,438            | 258,044,606          |
| <b>Total Liabilities and Equity</b>                        | <b>\$145,552,058</b>                      | <b>\$115,297,851</b> | <b>\$27,562,165</b>   | <b>\$35,876,781</b>  | <b>\$ 107,713</b> | <b>\$324,396,568</b> |
| <b>Statement of Operations</b>                             |   |                      |                       |                      |                   |                      |
| Interest Income  | \$ 608,120                                | \$ 1,083,534         | \$ 1,196,544          | \$ 22,157            | \$ —              | \$ 2,910,355         |
| Other Income   | 1,074,818                                 | 71,219               | 323,577               | 283,250              | 115,504           | 1,868,368            |
| Interest Expense   | (1,006,311)                               | (345,060)            | (211,507)             | (68,887)             | —                 | (1,631,765)          |
| Other Expenses   | (1,889,153)                               | (1,405,029)          | (525,456)             | (225,384)            | (53,292)          | (4,098,314)          |
| Net Realized and Unrealized Gain (Losses) from Investments | 5,150,127                                 | 7,638,733            | (1,965,087)           | 2,449,079            | —                 | 13,272,852           |
| <b>Net Income (Loss)</b>                                   | <b>\$ 3,937,601</b>                       | <b>\$ 7,043,397</b>  | <b>\$ (1,181,929)</b> | <b>\$ 2,460,215</b>  | <b>\$ 62,212</b>  | <b>\$ 12,321,496</b> |

(a) Other represents the summarized financial information of equity method investments whose results, for segment reporting purposes, have been allocated across more than one of Blackstone’s segments.

**Accrued Performance Allocations**

Accrued Performance Allocations to Blackstone were as follows:

|  | Real Estate         | Private Equity      | Credit & Insurance | Hedge Fund Solutions | Total               |
|--|---------------------|---------------------|--------------------|----------------------|---------------------|
| Accrued Performance Allocations, December 31, 2021                 | \$ 8,471,754        | \$ 7,550,468        | \$ 618,246         | \$ 456,405           | \$17,096,873        |
| Performance Allocations as a Result of Changes in Fund Fair Values | 2,072,431           | (71,156)            | 106,622            | 58,216               | 2,166,113           |
| Foreign Exchange Loss  | (122,812)           | —                   | —                  | —                    | (122,812)           |
| Impact of Consolidation  | (10,393)            | —                   | —                  | —                    | (10,393)            |
| Fund Distributions   | (5,076,863)         | (1,441,737)         | (154,970)          | (95,527)             | (6,769,097)         |
| Accrued Performance Allocations, December 31, 2022                 | <b>\$ 5,334,117</b> | <b>\$ 6,037,575</b> | <b>\$ 569,898</b>  | <b>\$ 419,094</b>    | <b>\$12,360,684</b> |



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**Corporate Treasury Investments**

The portion of corporate treasury investments included in Investments represents Blackstone’s investments into primarily fixed income securities, mutual fund interests, and other fund interests. These strategies are managed by a combination of Blackstone personnel and third party advisors. The following table presents the Realized and Net Change in Unrealized Gains (Losses) on these investments:

|   | Year Ended December 31, |                  |                    |
|---|-------------------------|------------------|--------------------|
|   | 2022                    | 2021             | 2020               |
| Realized Gains (Losses)                 | \$ (21,511)             | \$ 741           | \$ 44,700          |
| Net Change in Unrealized Gains (Losses) | (57,426)                | 39,549           | (91,299)           |
|   | <u>\$ (78,937)</u>      | <u>\$ 40,290</u> | <u>\$ (46,599)</u> |

**Other Investments**

Other Investments consist of equity method investments where Blackstone has elected the fair value option and other proprietary investment securities held by Blackstone, including equity securities carried at fair value, equity investments without readily determinable fair values, and subordinated notes in non-consolidated CLO vehicles. Equity securities carried at fair value include the ownership of common stock of Corebridge Financial, Inc., formerly known as American International Group, Inc.’s Life and Retirement business (“Corebridge”). Such common stock is subject to certain phased lock-up restrictions that expire over time through five years after the initial public offering (“IPO”) of Corebridge. Equity investments without a readily determinable fair value had a carrying value of \$375.5 million as of December 31, 2022. In the period of acquisition and upon remeasurement in connection with an observable transaction, such investments are reported at fair value. See Note 8. “Fair Value Measurements of Financial Instruments” for additional detail. Upward adjustments related to investments held as of December 31, 2022 were \$6.4 million during the year ended December 31, 2022, and \$240.2 million on a cumulative basis since the inception of the investments. The following table presents Blackstone’s Realized and Net Change in Unrealized Gains (Losses) in Other Investments:

|   | Year Ended December 31, |                   |                  |
|---|-------------------------|-------------------|------------------|
|   | 2022                    | 2021              | 2020             |
| Realized Gains                          | \$ 203,327              | \$ 163,199        | \$ 19,573        |
| Net Change in Unrealized Gains (Losses) | (1,128,244)             | 340,867           | (2,647)          |
|   | <u>\$ (924,917)</u>     | <u>\$ 504,066</u> | <u>\$ 16,926</u> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**5. Net Asset Value as Fair Value**

A summary of fair value by strategy type and ability to redeem such investments as of December 31, 2022 is presented below:

| <b>Strategy (a)</b>     | <b>Fair Value</b> | <b>Redemption<br/>Frequency<br/>(if currently eligible)</b> | <b>Redemption<br/>Notice Period</b> |
|-------------------------|-------------------|---|-------------------------------------|
| Equity                  | \$ 454,212        | (b)   | (b)                                 |
| Total Real Estate       | 120,632           | (c)   | (c)                                 |
| Credit Driven           | 26,752            | (d)   | (d)                                 |
| Commodities             | 1,080             | (e)   | (e)                                 |
| Diversified Instruments | 17                | (f)   | (f)                                 |
|                         | <u>\$ 602,693</u> |   |                                     |

(a) As of December 31, 2022, Blackstone had no unfunded commitments.

(b) The Equity category includes investments in hedge funds that invest primarily in domestic and international equity securities. Investment representing 23% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date. Investments representing 76% of the fair value of the investments in this category are redeemable as of the reporting date. Investments representing less than 1% of the fair value of the investments in this category are in liquidation. As of the reporting date, the investee fund manager had elected to side pocket less than 1% of Blackstone's investments in the category.

(c) The Real Estate category includes investments in funds that primarily invest in real estate assets. Investments representing 100% of fair value of the investments in this category are redeemable as of the reporting date.

(d) The Credit Driven category includes investments in hedge funds that invest primarily in domestic and international bonds. Investments representing 82% of the fair value of the investments in this category are in liquidation. The remaining 18% of investments in this category may not be redeemed at, or within three months of, the reporting date.

(e) The Commodities category includes investments in commodities-focused funds that primarily invest in futures and physical-based commodity driven strategies. Investments representing 100% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date.

(f) Diversified Instruments include investments in funds that invest across multiple strategies. Investments representing 100% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date.

**6. Derivative Financial Instruments**

Blackstone and the consolidated Blackstone Funds enter into derivative contracts in the normal course of business to achieve certain risk management objectives and for general investment and business purposes. Blackstone may enter into derivative contracts in order to hedge its interest rate risk exposure against the effects of interest rate changes. Additionally, Blackstone may also enter into derivative contracts in order to hedge its foreign currency risk exposure against the effects of a portion of its non-U.S. dollar denominated currency net investments. As a result of the use of derivative contracts, Blackstone and the consolidated Blackstone Funds are exposed to the risk that counterparties will fail to fulfill their contractual obligations. To mitigate such counterparty risk, Blackstone and the consolidated Blackstone Funds enter into contracts with certain major financial institutions, all of which have investment grade ratings. Counterparty credit risk is evaluated in determining the fair value of derivative instruments.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**Freestanding Derivatives**

Freestanding derivatives are instruments that Blackstone and certain of the consolidated Blackstone Funds have entered into as part of their overall risk management and investment strategies. These derivative contracts are not designated as hedging instruments for accounting purposes. Such contracts may include interest rate swaps, foreign exchange contracts, equity swaps, options, futures and other derivative contracts.

The table below summarizes the aggregate notional amount and fair value of the derivative financial instruments. The notional amount represents the absolute value amount of all outstanding derivative contracts.

|                                 | December 31, 2022   |                   |                     |                   | December 31, 2021 |                   |                     |                   |  |
|---------------------------------|---------------------|-------------------|---------------------|-------------------|-------------------|-------------------|---------------------|-------------------|--|
|                                 | Assets              |                   | Liabilities         |                   | Assets            |                   | Liabilities         |                   |  |
|                                 | Notional            | Fair Value        | Notional            | Fair Value        | Notional          | Fair Value        | Notional            | Fair Value        |  |
| <b>Freestanding Derivatives</b> |                     |                   |                     |                   |                   |                   |                     |                   |  |
| Blackstone                      |                     |                   |                     |                   |                   |                   |                     |                   |  |
| Interest Rate Contracts         | \$ 789,540          | \$ 188,043        | \$ 621,700          | \$ 83,331         | \$ 609,132        | \$ 143,349        | \$ 692,442          | \$ 138,677        |  |
| Foreign Currency Contracts      | 541,238             | 8,040             | 190,774             | 3,542             | 217,161           | 1,858             | 572,643             | 6,143             |  |
| Credit Default Swaps            | 2,007               | 384               | 8,768               | 1,309             | 2,007             | 194               | 9,916               | 1,055             |  |
| Total Return Swaps              | 42,233              | 6,210             | —                   | —                 | —                 | —                 | —                   | —                 |  |
| Equity Options                  | —                   | —                 | 996,592             | 48,581            | —                 | —                 | —                   | —                 |  |
|                                 | <u>1,375,018</u>    | <u>202,677</u>    | <u>1,817,834</u>    | <u>136,763</u>    | <u>828,300</u>    | <u>145,401</u>    | <u>1,275,001</u>    | <u>145,875</u>    |  |
| Investments of                  |                     |                   |                     |                   |                   |                   |                     |                   |  |
| Consolidated Blackstone Funds   |                     |                   |                     |                   |                   |                   |                     |                   |  |
| Interest Rate Contracts         | 931,752             | 74,926            | —                   | —                 | —                 | —                 | 14,000              | 764               |  |
| Foreign Currency Contracts      | —                   | —                 | 5,133               | 284               | 20,764            | 339               | 54,300              | 370               |  |
| Credit Default Swaps            | —                   | —                 | —                   | —                 | 3,401             | 321               | 22,865              | 799               |  |
|                                 | <u>931,752</u>      | <u>74,926</u>     | <u>5,133</u>        | <u>284</u>        | <u>24,165</u>     | <u>660</u>        | <u>91,165</u>       | <u>1,933</u>      |  |
|                                 | <u>\$ 2,306,770</u> | <u>\$ 277,603</u> | <u>\$ 1,822,967</u> | <u>\$ 137,047</u> | <u>\$ 852,465</u> | <u>\$ 146,061</u> | <u>\$ 1,366,166</u> | <u>\$ 147,808</u> |  |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The table below summarizes the impact to the Consolidated Statements of Operations from derivative financial instruments:

|   | Year Ended December 31, |                  |                     |
|---|-------------------------|------------------|---------------------|
|   | 2022                    | 2021             | 2020                |
| <b>Freestanding Derivatives</b>         |                         |                  |                     |
| Realized Gains (Losses)                 |                         |                  |                     |
| Interest Rate Contracts                 | \$ 15,319               | \$ 1,727         | \$ (7,643)          |
| Foreign Currency Contracts              | (8,520)                 | (1,152)          | 1,105               |
| Credit Default Swaps                    | (231)                   | (1,488)          | (109)               |
| Total Return Swaps                      | 1,654                   | (1,254)          | (1,875)             |
| Other                                   | —                       | (40)             | 14                  |
|   | <u>8,222</u>            | <u>(2,207)</u>   | <u>(8,508)</u>      |
| Net Change in Unrealized Gains (Losses) |                         |                  |                     |
| Interest Rate Contracts                 | 167,706                 | 89,702           | (117,145)           |
| Foreign Currency Contracts              | 9,666                   | 608              | 1,231               |
| Credit Default Swaps                    | 73                      | 1,112            | (1,777)             |
| Total Return Swaps                      | 5,290                   | 2,130            | (1,683)             |
| Equity Options                          | 48,581                  | —                | —                   |
| Other                                   | —                       | (20)             | 57                  |
|   | <u>231,316</u>          | <u>93,532</u>    | <u>(119,317)</u>    |
|   | <u>\$ 239,538</u>       | <u>\$ 91,325</u> | <u>\$ (127,825)</u> |

As of December 31, 2022, 2021 and 2020, Blackstone had not designated any derivatives as fair value, cash flow or net investment hedges.

## 7. Fair Value Option

The following table summarizes the financial instruments for which the fair value option has been elected:

|                                 | December 31,        |                     |
|---------------------------------|---------------------|---------------------|
|                                 | 2022                | 2021                |
| <b>Assets</b>                   |                     |                     |
| Loans and Receivables           | \$ 315,039          | \$ 392,732          |
| Equity and Preferred Securities | 1,868,192           | 516,539             |
| Debt Securities                 | 24,784              | 183,877             |
|                                 | <u>\$ 2,208,015</u> | <u>\$ 1,093,148</u> |
| <b>Liabilities</b>              |                     |                     |
| Corporate Treasury Commitments  | \$ 8,144            | \$ 636              |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The following table presents the Realized and Net Change in Unrealized Gains (Losses) on financial instruments on which the fair value option was elected:

|  | Year Ended December 31,       |  |                               |  |                               |  |
|--|-------------------------------|--|-------------------------------|--|-------------------------------|--|
|  | 2022                          |  | 2021                          |  | 2020                          |  |
|  | Realized<br>Gains<br>(Losses) | Net Change<br>in Unrealized<br>Gains<br>(Losses) | Realized<br>Gains<br>(Losses) | Net Change<br>in Unrealized<br>Gains<br>(Losses) | Realized<br>Gains<br>(Losses) | Net Change<br>in Unrealized<br>Gains<br>(Losses) |
| <b>Assets</b>                                |                               |  |                               |  |                               |  |
| Loans and Receivables                        | \$ (10,733)                   | \$ (464)   | \$ (11,661)                   | \$ 3,481   | \$ (10,314)                   | \$ (2,011)                                       |
| Equity and Preferred Securities              | 22,285                        | (91,338)   | 42,791                        | 53,157   | (342)                         | (67,869)   |
| Debt Securities                              | (22,240)                      | (19,490)   | 14,399                        | (14,210)   | (22,783)                      | 29,143   |
| Assets of Consolidated CLO Vehicles (a)      |                               |  |                               |  |                               |  |
| Corporate Loans                              | —                             | —  | —                             | —  | (96,194)                      | (226,542)  |
| Other  | —                             | —  | —                             | —  | —                             | (325)  |
|  | <u>\$ (10,688)</u>            | <u>\$ (111,292)</u>                              | <u>\$ 45,529</u>              | <u>\$ 42,428</u>                                 | <u>\$ (129,633)</u>           | <u>\$ (267,604)</u>                              |
| <b>Liabilities</b>                           |                               |  |                               |  |                               |  |
| Liabilities of Consolidated CLO Vehicles (a) |                               |  |                               |  |                               |  |
| Senior Secured Notes                         | \$ —                          | \$ —   | \$ —                          | \$ —   | \$ —                          | \$ 199,445                                       |
| Subordinated Notes                           | —                             | —  | —                             | —  | —                             | 30,046   |
| Corporate Treasury Commitments               | —                             | (7,508)  | —                             | (383)  | —                             | (244)  |
|  | <u>\$ —</u>                   | <u>\$ (7,508)</u>                                | <u>\$ —</u>                   | <u>\$ (383)</u>                                  | <u>\$ —</u>                   | <u>\$ 229,247</u>                                |

(a) During the year ended December 31, 2020, Blackstone deconsolidated nine CLO vehicles.

The following table presents information for those financial instruments for which the fair value option was elected:

|                       | December 31, 2022   |                                      |   | December 31, 2021   |                                      |   |
|-----------------------|---|--------------------------------------|---|---|--------------------------------------|---|
|                       | Excess<br>(Deficiency)<br>of Fair Value<br>Over Principal | For Financial Assets<br>Past Due (a) |   | Excess<br>(Deficiency)<br>of Fair Value<br>Over Principal | For Financial Assets<br>Past Due (a) |   |
|                       |   | Fair<br>Value                        | Excess<br>(Deficiency)<br>of Fair Value<br>Over Principal |   | Fair<br>Value                        | Excess<br>(Deficiency)<br>of Fair Value<br>Over Principal |
| Loans and Receivables | \$ (2,861)  | \$ —                                 | \$ —  | \$ (2,748)  | \$ —                                 | \$ —  |
| Debt Securities       | (48,670)  | —                                    | —   | (29,475)  | —                                    | —   |
|                       | <u>\$ (51,531)</u>  | <u>\$ —</u>                          | <u>\$ —</u>   | <u>\$ (32,223)</u>  | <u>\$ —</u>                          | <u>\$ —</u>   |

As of December 31, 2022 and 2021, no Loans and Receivables for which the fair value option was elected were past due or in non-accrual status.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**8. Fair Value Measurements of Financial Instruments**

The following tables summarize the valuation of Blackstone's financial assets and liabilities by the fair value hierarchy:

|   | December 31, 2022   |                     |                     |                   |                     |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
|   | Level I             | Level II            | Level III           | NAV               | Total               |
| <b>Assets</b>   |                     |                     |                     |                   |                     |
| Cash and Cash Equivalents   | \$ 1,134,733        | \$ —                | \$ —                | \$ —              | \$ 1,134,733        |
| <b>Investments</b>  |                     |                     |                     |                   |                     |
| Investments of Consolidated Blackstone Funds                          |                     |                     |                     |                   |                     |
| Equity Securities, Partnerships and LLC Interests (a)                 | 12,024              | 149,689             | 4,195,859           | 596,708           | 4,954,280           |
| Debt Instruments  | —                   | 53,787              | 53,973              | —                 | 107,760             |
| Freestanding Derivatives  | —                   | 74,926              | —                   | —                 | 74,926              |
| Total Investments of Consolidated Blackstone Funds                    | 12,024              | 278,402             | 4,249,832           | 596,708           | 5,136,966           |
| Corporate Treasury Investments  | 116,266             | 931,406             | 5,868               | —                 | 1,053,540           |
| Other Investments (b)   | 1,473,611           | 1,597,696           | 51,155              | 5,985             | 3,128,447           |
| <b>Total Investments</b>  | <b>1,601,901</b>    | <b>2,807,504</b>    | <b>4,306,855</b>    | <b>602,693</b>    | <b>9,318,953</b>    |
| Accounts Receivable — Loans and Receivables                           | —                   | —                   | 315,039             | —                 | 315,039             |
| Other Assets — Freestanding Derivatives                               | 279                 | 196,188             | 6,210               | —                 | 202,677             |
|   | <u>\$ 2,736,913</u> | <u>\$ 3,003,692</u> | <u>\$ 4,628,104</u> | <u>\$ 602,693</u> | <u>\$10,971,402</u> |
| <b>Liabilities</b>  |                     |                     |                     |                   |                     |
| Securities Sold, Not Yet Purchased                                    | \$ 3,825            | \$ —                | \$ —                | \$ —              | \$ 3,825            |
| <b>Accounts Payable, Accrued Expenses and Other Liabilities</b>       |                     |                     |                     |                   |                     |
| Consolidated Blackstone Funds — Freestanding Derivatives              | —                   | 284                 | —                   | —                 | 284                 |
| Freestanding Derivatives (c)  | 21                  | 88,161              | 48,581              | —                 | 136,763             |
| Corporate Treasury Commitments (d)                                    | —                   | —                   | 8,144               | —                 | 8,144               |
| <b>Total Accounts Payable, Accrued Expenses and Other Liabilities</b> | <b>21</b>           | <b>88,445</b>       | <b>56,725</b>       | <b>—</b>          | <b>145,191</b>      |
|   | <u>\$ 3,846</u>     | <u>\$ 88,445</u>    | <u>\$ 56,725</u>    | <u>\$ —</u>       | <u>\$ 149,016</u>   |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|   | December 31, 2021 |                     |                     |                   |                     |
|---|-------------------|---------------------|---------------------|-------------------|---------------------|
|   | Level I           | Level II            | Level III           | NAV               | Total               |
| <b>Assets</b>   |                   |                     |                     |                   |                     |
| Cash and Cash Equivalents   | \$ 173,408        | \$ —                | \$ —                | \$ —              | \$ 173,408          |
| <b>Investments</b>  |                   |                     |                     |                   |                     |
| Investments of Consolidated Blackstone Funds                          |                   |                     |                     |                   |                     |
| Investment Funds  | —                 | —                   | —                   | 18,365            | 18,365              |
| Equity Securities, Partnerships and LLC Interests (a)                 | 70,484            | 122,068             | 1,170,362           | 363,902           | 1,726,816           |
| Debt Instruments  | 642               | 242,393             | 29,953              | —                 | 272,988             |
| Freestanding Derivatives  | —                 | 660                 | —                   | —                 | 660                 |
| <b>Total Investments of Consolidated Blackstone Funds</b>             | <b>71,126</b>     | <b>365,121</b>      | <b>1,200,315</b>    | <b>382,267</b>    | <b>2,018,829</b>    |
| Corporate Treasury Investments  | 86,877            | 570,712             | 477                 | —                 | 658,066             |
| Other Investments (b)   | 478,892           | 210,752             | 2,518,032           | 4,845             | 3,212,521           |
| <b>Total Investments</b>  | <b>636,895</b>    | <b>1,146,585</b>    | <b>3,718,824</b>    | <b>387,112</b>    | <b>5,889,416</b>    |
| Accounts Receivable — Loans and Receivables                           | —                 | —                   | 392,732             | —                 | 392,732             |
| Other Assets — Freestanding Derivatives                               | 113               | 145,288             | —                   | —                 | 145,401             |
|   | <u>\$ 810,416</u> | <u>\$ 1,291,873</u> | <u>\$ 4,111,556</u> | <u>\$ 387,112</u> | <u>\$ 6,600,957</u> |
| <b>Liabilities</b>  |                   |                     |                     |                   |                     |
| Securities Sold, Not Yet Purchased                                    | \$ 4,292          | \$ 23,557           | \$ —                | \$ —              | \$ 27,849           |
| Accounts Payable, Accrued Expenses and Other Liabilities              |                   |                     |                     |                   |                     |
| Consolidated Blackstone Funds — Freestanding Derivatives              | —                 | 1,933               | —                   | —                 | 1,933               |
| Freestanding Derivatives  | 323               | 145,552             | —                   | —                 | 145,875             |
| Corporate Treasury Commitments (d)                                    | —                 | —                   | 636                 | —                 | 636                 |
| <b>Total Accounts Payable, Accrued Expenses and Other Liabilities</b> | <b>323</b>        | <b>147,485</b>      | <b>636</b>          | <b>—</b>          | <b>148,444</b>      |
|   | <u>\$ 4,615</u>   | <u>\$ 171,042</u>   | <u>\$ 636</u>       | <u>\$ —</u>       | <u>\$ 176,293</u>   |

LLC Limited Liability Company.

- (a) Equity Securities, Partnership and LLC Interest includes investments in investment funds. Prior period amounts have been reclassified to this presentation.
- (b) Other Investments includes Blackstone's ownership of common stock of Corebridge. Following Corebridge's IPO in September 2022, a quoted price for Corebridge's common shares exists and as such the investment will be measured at fair value on a recurring basis as a Level I investment. Blackstone's investment in Corebridge was previously valued as a Level III investment on a nonrecurring basis using the measurement alternative. See Note 4. "Investments — Other Investments" for additional details.
- (c) Level III freestanding derivatives are valued using an option pricing model where the significant inputs include the expected return and expected volatility.
- (d) Corporate Treasury Commitments are measured using third party pricing.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of December 31, 2022:

|  | Fair Value          | Valuation Techniques  | Unobservable Inputs      | Ranges       | Weighted-Average (a) | Impact to Valuation from an Increase in Input |
|--|---------------------|-----------------------|--------------------------|--------------|----------------------|---|
| <b>Financial Assets</b>                            |                     |                       |                          |              |                      |   |
| Investments of Consolidated Blackstone Funds       |                     |                       |                          |              |                      |   |
| Equity Securities, Partnership and LLC Interests   | \$ 4,195,859        | Discounted Cash Flows | Discount Rate            | 4.1% - 34.5% | 8.8%                 | Lower   |
|  |                     |                       | Exit Multiple - EBITDA   | 4.0x - 30.6x | 14.7x                | Higher  |
|  |                     |                       | Exit Capitalization Rate | 2.6% - 14.4% | 4.7%                 | Lower   |
| Debt Instruments                                   | 53,973              | Transaction Price     | n/a                      |              |                      |   |
|  |                     | Transaction Price     | n/a                      |              |                      |   |
|  |                     | Third Party Pricing   | n/a                      |              |                      |   |
| Total Investments of Consolidated Blackstone Funds | 4,249,832           |                       |                          |              |                      |   |
| Corporate Treasury Investments                     | 5,868               | Third Party Pricing   | n/a                      |              |                      |   |
| Loans and Receivables                              | 315,039             | Discounted Cash Flows | Discount Rate            | 7.6% - 11.5% | 9.8%                 | Lower   |
| Other Investments (b)                              | 57,365              | Transaction Price     | n/a                      |              |                      |   |
|  |                     | Third Party Pricing   | n/a                      |              |                      |   |
|  | <u>\$ 4,628,104</u> |                       |                          |              |                      |   |



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of December 31, 2021:

| Financial Assets                                   | Fair Value          | Valuation Techniques  | Unobservable Inputs      | Ranges       | Weighted-Average (a) | Impact to Valuation from an Increase in Input |
|--|---------------------|-----------------------|--------------------------|--------------|----------------------|---|
| Investments of Consolidated Blackstone Funds       |                     |                       |                          |              |                      |   |
| Equity Securities, Partnership and LLC Interests   | \$ 1,170,362        | Discounted Cash Flows | Discount Rate            | 1.3% - 43.3% | 10.4%                | Lower   |
|  |                     |                       | Exit Multiple - EBITDA   | 3.7x - 31.4x | 14.7x                | Higher  |
|  |                     |                       | Exit Capitalization Rate | 1.3% - 17.3% | 4.9%                 | Lower   |
| Debt Instruments                                   | 29,953              | Discounted Cash Flows | Discount Rate            | 6.5% - 19.3% | 9.0%                 | Lower   |
|  |                     | Third Party Pricing   | n/a                      |              |                      |   |
| Total Investments of Consolidated Blackstone Funds | 1,200,315           |                       |                          |              |                      |   |
| Corporate Treasury Investments                     | 477                 | Discounted Cash Flows | Discount Rate            | 9.4%         | n/a                  | Lower   |
|  |                     | Third Party Pricing   | n/a                      |              |                      |   |
| Loans and Receivables                              | 392,732             | Discounted Cash Flows | Discount Rate            | 6.5% - 12.2% | 7.6%                 | Lower   |
| Other Investments                                  | 2,518,032           | Third Party Pricing   | n/a                      |              |                      |   |
|  |                     | Transaction Price     | n/a                      |              |                      |   |
|  | <u>\$ 4,111,556</u> |                       |                          |              |                      |   |

|                     |  |
|---------------------|--|
| n/a                 | Not applicable.  |
| EBITDA              | Earnings before interest, taxes, depreciation and amortization.  |
| Exit Multiple       | Ranges include the last twelve months EBITDA and forward EBITDA multiples.   |
| Third Party Pricing | Third Party Pricing is generally determined on the basis of unadjusted prices between market participants provided by reputable dealers or pricing services. |
| Transaction Price   | Includes recent acquisitions or transactions.  |
| (a)                 | Unobservable inputs were weighted based on the fair value of the investments included in the range.  |
| (b)                 | As of December 31, 2022, Other Investments includes Level III Freestanding Derivatives.  |

During the year ended December 31, 2022, there have been no changes in valuation techniques within Level II and Level III that have had a material impact on the valuation of financial instruments.

The following tables summarize the changes in financial assets and liabilities measured at fair value for which Blackstone has used Level III inputs to determine fair value and does not include gains or losses that were reported in Level III in prior years or for instruments that were transferred out of Level III prior to the end of the respective reporting period. These tables also exclude financial assets and liabilities measured at fair value on a non-recurring basis. Total realized and unrealized gains and losses recorded for Level III investments are reported in either Investment Income (Loss) or Net Gains from Fund Investment Activities in the Consolidated Statements of Operations.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|  | Level III Financial Assets at Fair Value<br>Year Ended December 31, |                             |                          |                     |   |                             |                          |                     |
|--|---|-----------------------------|--------------------------|---------------------|---|-----------------------------|--------------------------|---------------------|
|  | 2022  |                             |                          |                     | 2021                                    |                             |                          |                     |
|  | Investments of<br>Consolidated<br>Funds                             | Loans<br>and<br>Receivables | Other<br>Investments (a) | Total               | Investments of<br>Consolidated<br>Funds | Loans<br>and<br>Receivables | Other<br>Investments (a) | Total               |
| Balance, Beginning of Period   | \$ 1,200,315  | \$ 392,732                  | \$ 43,987                | \$ 1,637,034        | \$ 858,310                              | \$ 581,079                  | \$ 46,158                | \$ 1,485,547        |
| Transfer In Due to Consolidation and Acquisition   | 2,985,171   | —                           | —                        | 2,985,171           | —                                       | —                           | —                        | —                   |
| Transfer In to Level III (b)   | 2,040   | —                           | 2,517                    | 4,557               | 8,254                                   | —                           | 14,162                   | 22,416              |
| Transfer Out of Level III (b)  | (76,621)  | —                           | (19,597)                 | (96,218)            | (111,952)                               | —                           | (16,388)                 | (128,340)           |
| Purchases  | 636,338   | 805,375                     | 14,524                   | 1,456,237           | 381,826                                 | 955,236                     | 225,297                  | 1,562,359           |
| Sales  | (428,379)   | (882,668)                   | (3,797)                  | (1,314,844)         | (292,843)                               | (1,132,405)                 | (226,866)                | (1,652,114)         |
| Issuances  | —   | 39,514                      | —                        | 39,514              | —                                       | 58,221                      | —                        | 58,221              |
| Settlements  | —   | (55,308)                    | (4,433)                  | (59,741)            | —                                       | (85,444)                    | —                        | (85,444)            |
| Changes in Gains (Losses) Included in Earnings   | (69,032)  | 15,394                      | (2,230)                  | (55,868)            | 356,720                                 | 16,045                      | 1,624                    | 374,389             |
| Balance, End of Period   | <u>\$ 4,249,832</u>   | <u>\$ 315,039</u>           | <u>\$ 30,971</u>         | <u>\$ 4,595,842</u> | <u>\$ 1,200,315</u>                     | <u>\$ 392,732</u>           | <u>\$ 43,987</u>         | <u>\$ 1,637,034</u> |
| Changes in Unrealized Gains (Losses) Included in<br>Earnings Related to Financial Assets Still Held at the<br>Reporting Date | <u>\$ (136,037)</u>   | <u>\$ (13,384)</u>          | <u>\$ (11,271)</u>       | <u>\$ (160,692)</u> | <u>\$ 298,740</u>                       | <u>\$ (9,005)</u>           | <u>\$ 1,412</u>          | <u>\$ 291,147</u>   |

(a) Represents corporate treasury investments and Other Investments.

(b) Transfers in and out of Level III financial assets and liabilities were due to changes in the observability of inputs used in the valuation of such assets and liabilities.

### 9. Variable Interest Entities

Pursuant to GAAP consolidation guidance, Blackstone consolidates certain VIEs for which it is the primary beneficiary either directly or indirectly, through a consolidated entity or affiliate. VIEs include certain private equity, real estate, credit-focused or funds of hedge funds entities and CLO vehicles. The purpose of such VIEs is to provide strategy specific investment opportunities for investors in exchange for management and performance-based fees. The investment strategies of the Blackstone Funds differ by product; however, the fundamental risks of the Blackstone Funds are similar, including loss of invested capital and loss of management fees and performance-based fees. In Blackstone's role as general partner, collateral manager or investment adviser, it generally considers itself the sponsor of the applicable Blackstone Fund. Blackstone does not provide performance guarantees and has no other financial obligation to provide funding to consolidated VIEs other than its own capital commitments.

The assets of consolidated variable interest entities may only be used to settle obligations of these entities. In addition, there is no recourse to Blackstone for the consolidated VIEs' liabilities.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

Blackstone holds variable interests in certain VIEs which are not consolidated as it is determined that Blackstone is not the primary beneficiary. Blackstone’s involvement with such entities is in the form of direct and indirect equity interests and fee arrangements. The maximum exposure to loss represents the loss of assets recognized by Blackstone relating to non-consolidated VIEs and any clawback obligation relating to previously distributed Performance Allocations. Blackstone’s maximum exposure to loss relating to non-consolidated VIEs were as follows:

|                                      | December 31,<br>2022 | December 31,<br>2021 |
|--------------------------------------|----------------------|----------------------|
| Investments                          | \$3,326,669          | \$3,337,757          |
| Due from Affiliates                  | 189,240              | 179,939              |
| Potential Clawback Obligation        | 384,926              | 44,327               |
| Maximum Exposure to Loss             | <u>\$3,900,835</u>   | <u>\$3,562,023</u>   |
| Amounts Due to Non-Consolidated VIEs | <u>\$ 6</u>          | <u>\$ 105</u>        |

#### 10. Repurchase Agreements

At December 31, 2022 and 2021, Blackstone pledged securities with a carrying value of \$89.9 million and \$63.0 million, respectively, and cash to collateralize its repurchase agreements. Such securities can be repledged, delivered or otherwise used by the counterparty.

The following tables provide information regarding Blackstone’s Repurchase Agreements obligation by type of collateral pledged:

|  | December 31, 2022                                |                  |                 |                         |                  |
|--|--|------------------|-----------------|-------------------------|------------------|
|  | Remaining Contractual Maturity of the Agreements |                  |                 |                         |                  |
|  | Overnight and<br>Continuous                      | Up to<br>30 Days | 30 - 90<br>Days | Greater than<br>90 days | Total            |
| <b>Repurchase Agreements</b>   |  |                  |                 |                         |                  |
| Asset-Backed Securities  | \$ —   | \$ —             | \$ —            | \$ —                    | \$ —             |
| Loans  | —  | 70,776           | —               | 19,168                  | 89,944           |
|  | <u>\$ —</u>                                      | <u>\$ 70,776</u> | <u>\$ —</u>     | <u>\$ 19,168</u>        | <u>\$ 89,944</u> |
| Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 12. “Offsetting of Assets and Liabilities”    |  |                  |                 |                         | <u>\$ 89,944</u> |
| Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 12. “Offsetting of Assets and Liabilities” |  |                  |                 |                         | <u>\$ —</u>      |

|  | December 31, 2021                                |                  |                  |                         |                  |
|--|--|------------------|------------------|-------------------------|------------------|
|  | Remaining Contractual Maturity of the Agreements |                  |                  |                         |                  |
|  | Overnight and<br>Continuous                      | Up to<br>30 Days | 30 - 90<br>Days  | Greater than<br>90 days | Total            |
| <b>Repurchase Agreements</b>   |  |                  |                  |                         |                  |
| Asset-Backed Securities  | \$ —   | \$ 15,980        | \$ —             | \$ —                    | \$ 15,980        |
| Loans  | —  | —                | 42,000           | —                       | 42,000           |
|  | <u>\$ —</u>                                      | <u>\$ 15,980</u> | <u>\$ 42,000</u> | <u>\$ —</u>             | <u>\$ 57,980</u> |
| Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 12. “Offsetting of Assets and Liabilities”    |  |                  |                  |                         | <u>\$ 57,980</u> |
| Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 12. “Offsetting of Assets and Liabilities” |  |                  |                  |                         | <u>\$ —</u>      |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**11. Other Assets**

Other Assets consists of the following:

|  | December 31,      |                   |
|--|-------------------|-------------------|
|  | 2022              | 2021              |
| Furniture, Equipment and Leasehold Improvements      | \$ 748,334        | \$ 523,452        |
| Less: Accumulated Depreciation                       | (336,621)         | (278,844)         |
| Furniture, Equipment and Leasehold Improvements, Net | 411,713           | 244,608           |
| Prepaid Expenses                                     | 165,079           | 92,359            |
| Freestanding Derivatives                             | 202,677           | 145,401           |
| Other  | 20,989            | 10,568            |
|  | <u>\$ 800,458</u> | <u>\$ 492,936</u> |

Depreciation expense of \$69.2 million, \$52.2 million and \$35.1 million related to furniture, equipment and leasehold improvements for the years ended December 31, 2022, 2021 and 2020, respectively, is included in General, Administrative and Other in the Consolidated Statements of Operations.

**12. Offsetting of Assets and Liabilities**

The following tables present the offsetting of assets and liabilities as of December 31, 2022 and 2021:

|                          | December 31, 2022  |  |                             |                 |
|--------------------------|--|--|-----------------------------|-----------------|
|                          | Gross and Net<br>Amounts of Assets<br>Presented in the<br>Statement of<br>Financial Condition      | Gross Amounts Not Offset in<br>the Statement of<br>Financial Condition |                             | Net<br>Amount   |
|                          |  | Financial<br>Instruments (a)   | Cash Collateral<br>Received |                 |
| <b>Assets</b>            |  |  |                             |                 |
| Freestanding Derivatives | \$ 277,603   | \$ 165,897   | \$ 96,436                   | \$ 15,270       |
|                          |  |  |                             |                 |
|                          |  |  |                             |                 |
|                          | December 31, 2022  |  |                             |                 |
|                          | Gross and Net<br>Amounts of Liabilities<br>Presented in the<br>Statement of<br>Financial Condition | Gross Amounts Not Offset in<br>the Statement of<br>Financial Condition |                             | Net<br>Amount   |
|                          |  | Financial<br>Instruments (a)   | Cash Collateral<br>Pledged  |                 |
| <b>Liabilities</b>       |  |  |                             |                 |
| Freestanding Derivatives | \$ 88,182  | \$ 85,366  | \$ 1,345                    | \$ 1,471        |
| Repurchase Agreements    | 89,944   | 89,944   | —                           | —               |
|                          | <u>\$ 178,126</u>  | <u>\$ 175,310</u>  | <u>\$ 1,345</u>             | <u>\$ 1,471</u> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|                          | December 31, 2021   |  |                             |               |
|--------------------------|---|--|-----------------------------|---------------|
|                          | Gross and Net<br>Amounts of Assets<br>Presented in the<br>Statement of<br>Financial Condition | Gross Amounts Not Offset in<br>the Statement of<br>Financial Condition |                             | Net<br>Amount |
|                          |   | Financial<br>Instruments (a)   | Cash Collateral<br>Received |               |
| <b>Assets</b>            |   |  |                             |               |
| Freestanding Derivatives | \$ 146,061  | \$ 137,265   | \$ 41                       | \$ 8,755      |

|                          | December 31, 2021  |  |                            |                  |
|--------------------------|--|--|----------------------------|------------------|
|                          | Gross and Net<br>Amounts of Liabilities<br>Presented in the<br>Statement of<br>Financial Condition | Gross Amounts Not Offset in<br>the Statement of<br>Financial Condition |                            | Net<br>Amount    |
|                          |  | Financial<br>Instruments (a)   | Cash Collateral<br>Pledged |                  |
| <b>Liabilities</b>       |  |  |                            |                  |
| Freestanding Derivatives | \$ 147,666   | \$ 118,552   | \$ 1,347                   | \$ 27,767        |
| Repurchase Agreements    | 57,980   | 57,980   | —                          | —                |
|                          | <u>\$ 205,646</u>  | <u>\$ 176,532</u>  | <u>\$ 1,347</u>            | <u>\$ 27,767</u> |

(a) Amounts presented are inclusive of both legally enforceable master netting agreements, and financial instruments received or pledged as collateral. Financial instruments received or pledged as collateral offset derivative counterparty risk exposure, but do not reduce net balance sheet exposure.

Repurchase Agreements are presented separately in the Consolidated Statements of Financial Condition. Freestanding Derivative assets are included in Other Assets in the Consolidated Statements of Financial Condition. See Note 11. “Other Assets” for the components of Other Assets.

Freestanding Derivative liabilities are included in Accounts Payable, Accrued Expenses and Other Liabilities in the Consolidated Statements of Financial Condition.

**Notional Pooling Arrangements**

Blackstone has notional cash pooling arrangements with financial institutions for cash management purposes. These arrangements allow for cash withdrawals based upon aggregate cash balances on deposit at the same financial institution. Cash withdrawals cannot exceed aggregate cash balances on deposit. The net balance of cash on deposit and overdrafts is used as a basis for calculating net interest expense or income. As of December 31, 2022, the aggregate cash balance on deposit relating to the cash pooling arrangements was \$805.3 million, which was offset and reported net of the accompanying overdraft of \$805.2 million.

**13. Borrowings**

On January 10, 2022, Blackstone through its indirect subsidiary Blackstone Holdings Finance Co. L.L.C. (the “Issuer”), issued \$500 million aggregate principal amount of senior notes due March 30, 2032 (the “January 2032 Notes”) and \$1.0 billion aggregate principal amount of senior notes due January 30, 2052 (the “2052 Notes”). The January 2032 Notes have an interest rate of 2.550% per annum and the 2052 Notes have an interest rate of

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

3.200% per annum, in each case accruing from January 10, 2022. Interest on the January 2032 Notes is payable semi-annually in arrears on March 30 and September 30 of each year commencing on March 30, 2022. Interest on the 2052 Notes is payable semi-annually in arrears on January 30 and July 30 of each year commencing on July 30, 2022.

On June 1, 2022, Blackstone through the Issuer, issued €500 million aggregate principal amount of senior notes due June 1, 2034 (the “2034 Notes”). The 2034 Notes have an interest rate of 3.500% per annum accruing from June 1, 2022. Interest on the 2034 Notes is payable annually in arrears on June 1 of each year commencing on June 1, 2023.

On June 3, 2022, Blackstone, through the Issuer, entered into an amended and restated \$4.135 billion revolving credit facility (the “Credit Facility”) with Citibank, N.A., as administrative agent, and the lenders party thereto. The amendment and restatement, among other things, increased the amount of available borrowings and extended the maturity date from November 24, 2025 to June 3, 2027.

On November 3, 2022, Blackstone through the Issuer, issued \$600 million aggregate principal amount of senior notes due November 3, 2027 (the “2027 Notes”) and \$900 million aggregate principal amount of senior notes due April 22, 2033 (the “2033 Notes”). The 2027 Notes have an interest rate of 5.900% per annum and the 2033 Notes have an interest rate of 6.200% per annum, in each case accruing from November 3, 2022. Interest on the 2027 Notes is payable semi-annually in arrears on May 3 and November 3 of each year commencing on May 3, 2023. Interest on the 2033 Notes is payable semi-annually in arrears on April 22 and October 22 of each year commencing on April 22, 2023.

All of Blackstone’s outstanding senior notes as of December 31, 2022 are unsecured and unsubordinated obligations of the Issuer that are fully and unconditionally guaranteed by Blackstone Inc. and its indirect subsidiaries, Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. (the “Guarantors”). The guarantees are unsecured and unsubordinated obligations of the Guarantors. Transaction costs related to senior note issuances have been capitalized and are amortized over the life of each respective note.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

Blackstone borrows and enters into credit agreements for its general operating and investment purposes and certain Blackstone Funds borrow to meet financing needs of their operating and investing activities. Borrowing facilities have been established for the benefit of selected Blackstone Funds. When a Blackstone Fund borrows from the facility in which it participates, the proceeds from the borrowing are strictly limited for its intended use by the borrowing fund and not available for other Blackstone purposes. Blackstone’s credit facilities consist of the following:

|                                    | December 31,         |                       |                         |                     |                       |                         |
|------------------------------------|----------------------|-----------------------|-------------------------|---------------------|-----------------------|-------------------------|
|                                    | 2022                 |                       |                         | 2021                |                       |                         |
|                                    | Credit Available     | Borrowing Outstanding | Effective Interest Rate | Credit Available    | Borrowing Outstanding | Effective Interest Rate |
| Revolving Credit Facility (a)      | \$ 4,135,000         | \$ —                  | -                       | \$ 2,000,000        | \$ 250,000            | 0.86%                   |
| Blackstone Issued Senior Notes (b) |                      |                       |                         |                     |                       |                         |
| 4.750%, Due 2/15/2023              | 400,000              | 400,000               | 5.07%                   | 400,000             | 400,000               | 5.08%                   |
| 2.000%, Due 5/19/2025              | 321,150              | 321,150               | 2.19%                   | 341,100             | 341,100               | 2.11%                   |
| 1.000%, Due 10/5/2026              | 642,300              | 642,300               | 1.16%                   | 682,200             | 682,200               | 1.13%                   |
| 3.150%, Due 10/2/2027              | 300,000              | 300,000               | 3.29%                   | 300,000             | 300,000               | 3.30%                   |
| 5.900%, Due 11/3/2027              | 600,000              | 600,000               | 6.19%                   | —                   | —                     | -                       |
| 1.625%, Due 8/5/2028               | 650,000              | 650,000               | 1.83%                   | 650,000             | 650,000               | 1.68%                   |
| 1.500%, Due 4/10/2029              | 642,300              | 642,300               | 1.61%                   | 682,200             | 682,200               | 1.55%                   |
| 2.500%, Due 1/10/2030              | 500,000              | 500,000               | 2.73%                   | 500,000             | 500,000               | 2.73%                   |
| 1.600%, Due 3/30/2031              | 500,000              | 500,000               | 1.70%                   | 500,000             | 500,000               | 1.70%                   |
| 2.000%, Due 1/30/2032              | 800,000              | 800,000               | 2.18%                   | 800,000             | 800,000               | 2.16%                   |
| 2.550%, Due 3/30/2032              | 500,000              | 500,000               | 2.66%                   | —                   | —                     | -                       |
| 6.200%, Due 4/22/2033              | 900,000              | 900,000               | 6.40%                   | —                   | —                     | -                       |
| 3.500%, Due 6/1/2034               | 535,250              | 535,250               | 3.79%                   | —                   | —                     | -                       |
| 6.250%, Due 8/15/2042              | 250,000              | 250,000               | 6.65%                   | 250,000             | 250,000               | 6.65%                   |
| 5.000%, Due 6/15/2044              | 500,000              | 500,000               | 5.16%                   | 500,000             | 500,000               | 5.16%                   |
| 4.450%, Due 7/15/2045              | 350,000              | 350,000               | 4.56%                   | 350,000             | 350,000               | 4.56%                   |
| 4.000%, Due 10/2/2047              | 300,000              | 300,000               | 4.20%                   | 300,000             | 300,000               | 4.20%                   |
| 3.500%, Due 9/10/2049              | 400,000              | 400,000               | 3.61%                   | 400,000             | 400,000               | 3.61%                   |
| 2.800%, Due 9/30/2050              | 400,000              | 400,000               | 2.88%                   | 400,000             | 400,000               | 2.88%                   |
| 2.850%, Due 8/5/2051               | 550,000              | 550,000               | 2.92%                   | 550,000             | 550,000               | 2.89%                   |
| 3.200%, Due 1/30/2052              | 1,000,000            | 1,000,000             | 3.26%                   | —                   | —                     | -                       |
|                                    | <u>15,176,000</u>    | <u>11,041,000</u>     |                         | <u>9,605,500</u>    | <u>7,855,500</u>      |                         |
| Blackstone Fund Facilities (c)     | 1,450,000            | 1,450,000             | -                       | 101                 | 101                   | 1.61%                   |
|                                    | <u>\$ 16,626,000</u> | <u>\$ 12,491,000</u>  |                         | <u>\$ 9,605,601</u> | <u>\$ 7,855,601</u>   |                         |

(a) As of December 31, 2022, the Issuer has a credit facility with Citibank, N.A., as Administrative Agent in the amount of \$4.135 billion with a maturity date of June 3, 2027. Interest on the borrowings is based on an adjusted Secured Overnight Finance Rate (“SOFR”) rate or alternate base rate, in each case plus a margin, and undrawn commitments bear a commitment fee of 0.06%. The margin above adjusted SOFR used to calculate interest on borrowings was 0.75% plus an additional credit spread adjustment of 0.10% to account for the difference between London Interbank Offered Rate (“LIBOR”) and SOFR. The margin is subject to change based on Blackstone’s credit rating. Borrowings may also be made in U.K. sterling, euros, Swiss francs, Japanese yen or Canadian dollars, in each case subject to certain sub-limits. The Credit Facility contains customary representations, covenants and events of default. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee-earning assets under management, each tested quarterly. As of December 31, 2022 and 2021, Blackstone had outstanding but undrawn letters of credit against the Credit Facility of \$11.2 million and \$10.1 million, respectively. The amount Blackstone can draw from the Credit Facility is reduced by the undrawn letters of credit, however the Credit Available presented herein is not reduced by the undrawn letters of credit.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

- (b) The Issuer has issued long-term borrowings in the form of senior notes (the “Notes”). The Notes are unsecured and unsubordinated obligations of the Issuer. The Notes are fully and unconditionally guaranteed, jointly and severally, by Blackstone, Blackstone Holdings (the “Guarantors”), and the Issuer. The guarantees are unsecured and unsubordinated obligations of the Guarantors. Transaction costs related to the issuance of the Notes have been deducted from the Note liability and are being amortized over the life of the Notes. The indentures include covenants, including limitations on the Issuer’s and the Guarantors’ ability to, subject to exceptions, incur indebtedness secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or lease assets. The indentures also provide for events of default and further provide that the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding Notes may declare the Notes immediately due and payable upon the occurrence and during the continuance of any event of default after expiration of any applicable grace period. In the case of specified events of bankruptcy, insolvency, receivership or reorganization, the principal amount of the Notes and any accrued and unpaid interest on the Notes automatically become due and payable. All or a portion of the Notes may be redeemed at the Issuer’s option in whole or in part, at any time and from time to time, prior to their stated maturity, at the make-whole redemption price set forth in the Notes. If a change of control repurchase event occurs, the holders of the Notes may require the Issuer to repurchase the Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to, but not including, the date of repurchase.
- (c) Represents borrowing facilities for the various consolidated Blackstone Funds used to meet liquidity and investing needs. Certain borrowings under these facilities were used for bridge financing and general liquidity purposes. Other borrowings were used to finance the purchase of investments with the borrowing remaining in place until the disposition or refinancing event. Such borrowings have varying maturities and may be rolled over until the disposition or refinancing event. Because the timing of such events is unknown and may occur in the near term, these borrowings are considered short-term in nature. Borrowings bear interest at spreads to market rates or at stated fixed rates that can vary over the borrowing term. Interest may be subject to the performance of the asset and therefore, the stated interest rate and effective interest rate may differ. Borrowings were secured according to the terms of each facility and are generally secured by the investment purchased with the proceeds of the borrowing and/or the uncalled capital commitment of each respective fund. Certain facilities have commitment fees. When a fund borrows, the proceeds are available only for use by that fund and are not available for the benefit of other funds. Collateral within each fund is also available only against the borrowings by that fund and not against the borrowings of other funds.



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The following table presents the general characteristics of each of Blackstone’s notes, as well as their carrying value and fair value. The notes are included in Loans Payable within the Consolidated Statements of Financial Condition. All of the notes were issued at a discount. All of the notes accrue interest from the issue date thereof and all pay interest in arrears on a semi-annual basis or annual basis.

| Senior Notes          | December 31,        |                     |                     |                     |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
|                       | 2022                |                     | 2021                |                     |
|                       | Carrying Value      | Fair Value (a)      | Carrying Value      | Fair Value (a)      |
| 4.750%, Due 2/15/2023 | \$ 399,838          | \$ 399,776          | \$ 398,581          | \$ 415,880          |
| 2.000%, Due 5/19/2025 | 325,292             | 305,754             | 338,275             | 362,078             |
| 1.000%, Due 10/5/2026 | 642,968             | 568,525             | 675,867             | 700,892             |
| 3.150%, Due 10/2/2027 | 298,101             | 271,284             | 297,738             | 317,610             |
| 5.900%, Due 11/3/2027 | 594,381             | 606,450             | 643,251             | 629,265             |
| 1.625%, Due 8/5/2028  | 644,456             | 530,933             | 678,085             | 720,062             |
| 1.500%, Due 4/10/2029 | 645,819             | 532,043             | 491,662             | 507,350             |
| 2.500%, Due 1/10/2030 | 492,604             | 405,965             | 495,541             | 467,750             |
| 1.600%, Due 3/30/2031 | 495,990             | 365,380             | 786,690             | 767,920             |
| 2.000%, Due 1/30/2032 | 788,082             | 589,407             | —                   | —                   |
| 2.550%, Due 3/30/2032 | 495,207             | 390,370             | —                   | —                   |
| 6.200%, Due 4/22/2033 | 891,277             | 907,965             | —                   | —                   |
| 3.500%, Due 6/1/2034  | 504,695             | 452,934             | —                   | —                   |
| 6.250%, Due 8/15/2042 | 239,176             | 251,480             | 238,914             | 361,775             |
| 5.000%, Due 6/15/2044 | 489,704             | 441,355             | 489,446             | 648,500             |
| 4.450%, Due 7/15/2045 | 344,549             | 287,242             | 344,412             | 426,195             |
| 4.000%, Due 10/2/2047 | 290,935             | 227,946             | 290,730             | 347,370             |
| 3.500%, Due 9/10/2049 | 392,259             | 275,588             | 392,089             | 431,240             |
| 2.800%, Due 9/30/2050 | 393,958             | 237,552             | 393,818             | 382,880             |
| 2.850%, Due 8/5/2051  | 543,162             | 323,527             | 542,963             | 531,355             |
| 3.200%, Due 1/30/2052 | 987,131             | 646,880             | —                   | —                   |
|                       | <u>\$10,899,584</u> | <u>\$ 9,018,356</u> | <u>\$ 7,498,062</u> | <u>\$ 8,018,122</u> |

(a) Fair value is determined by broker quote and these notes would be classified as Level II within the fair value hierarchy.

Scheduled principal payments for borrowings at December 31, 2022 were as follows:

|            | Operating Borrowings | Blackstone Fund Facilities | Total Borrowings     |
|------------|----------------------|----------------------------|----------------------|
| 2023       | \$ 400,000           | \$ —                       | \$ 400,000           |
| 2024       | —                    | —                          | —                    |
| 2025       | 321,150              | —                          | 321,150              |
| 2026       | 642,300              | —                          | 642,300              |
| 2027       | 900,000              | —                          | 900,000              |
| Thereafter | 8,777,550            | 1,450,000                  | 10,227,550           |
|            | <u>\$11,041,000</u>  | <u>\$ 1,450,000</u>        | <u>\$ 12,491,000</u> |

**14. Leases**

Blackstone enters into non-cancelable lease and sublease agreements primarily for office space, which expire on various dates through 2043. Occupancy lease agreements, in addition to base rentals, generally are subject to

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

escalation provisions based on certain costs incurred by the landlord, and are recognized on a straight-line basis over the term of the lease agreement. Rent expense includes base contractual rent and variable costs such as building expenses, utilities, taxes and insurance. At December 31, 2022 and 2021, Blackstone maintained irrevocable standby letters of credit and cash deposits as security for the leases of \$12.3 million and \$9.4 million, respectively. As of December 31, 2022, the weighted-average remaining lease term was 6.8 years, and the weighted-average discount rate was 1.5%.

The components of lease expense were as follows:

|                              | Year Ended December 31, |                   |                   |
|------------------------------|-------------------------|-------------------|-------------------|
|                              | 2022                    | 2021              | 2020              |
| <b>Operating Lease Cost</b>  |                         |                   |                   |
| Straight-Line Lease Cost (a) | \$ 139,740              | \$ 115,875        | \$ 107,970        |
| Variable Lease Cost (b)      | 12,072                  | 10,959            | 15,426            |
| Sublease Income              | (888)                   | (1,695)           | (2,191)           |
|                              | <u>\$ 150,924</u>       | <u>\$ 125,139</u> | <u>\$ 121,205</u> |

- (a) Straight-line lease cost includes short-term leases, which are immaterial.  
(b) Variable lease cost approximates variable lease cash payments.

Supplemental cash flow information related to leases were as follows:

|   | Year Ended December 31, |            |            |
|---|-------------------------|------------|------------|
|   | 2022                    | 2021       | 2020       |
| Operating Cash Flows for Operating Lease Liabilities                                  | \$ 107,249              | \$ 96,007  | \$ 102,364 |
| Non-Cash Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities | \$ 278,010              | \$ 352,298 | \$ 153,433 |

The following table shows the undiscounted cash flows on an annual basis for Operating Lease Liabilities as of December 31, 2022:

|  |                    |
|--|--------------------|
| 2023   | \$ 142,159         |
| 2024   | 151,807            |
| 2025   | 163,407            |
| 2026   | 161,642            |
| 2027   | 158,244            |
| Thereafter                                   | 296,207            |
| Total Lease Payments (a)                     | 1,073,466          |
| Less: Imputed Interest                       | (52,012)           |
| Present Value of Operating Lease Liabilities | <u>\$1,021,454</u> |

- (a) Excludes signed leases that have not yet commenced.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**15. Income Taxes**

The Income Before Provision for Taxes consists of the following:

|  | Year Ended December 31, |                      |                     |
|--|-------------------------|----------------------|---------------------|
|  | 2022                    | 2021                 | 2020                |
| <b>Income Before Provision (Benefit) for Taxes</b> |                         |                      |                     |
| U.S. Domestic Income                               | \$ 3,023,588            | \$ 13,275,132        | \$ 2,311,734        |
| Foreign Income                                     | 438,201                 | 284,264              | 305,786             |
|  | <u>\$ 3,461,789</u>     | <u>\$ 13,559,396</u> | <u>\$ 2,617,520</u> |

The Provision for Taxes consists of the following:

|                            | Year Ended December 31, |                     |                   |
|----------------------------|-------------------------|---------------------|-------------------|
|                            | 2022                    | 2021                | 2020              |
| <b>Current</b>             |                         |                     |                   |
| Federal Income Tax         | \$ 503,075              | \$ 507,648          | \$ 163,227        |
| Foreign Income Tax         | 75,859                  | 55,376              | 38,914            |
| State and Local Income Tax | 255,421                 | 156,735             | 66,355            |
|                            | <u>834,355</u>          | <u>719,759</u>      | <u>268,496</u>    |
| <b>Deferred</b>            |                         |                     |                   |
| Federal Income Tax         | (312,961)               | 373,223             | 86,958            |
| Foreign Income Tax         | (3,048)                 | (2,654)             | 870               |
| State and Local Income Tax | (45,466)                | 94,073              | (310)             |
|                            | <u>(361,475)</u>        | <u>464,642</u>      | <u>87,518</u>     |
| Provision for Taxes        | <u>\$ 472,880</u>       | <u>\$ 1,184,401</u> | <u>\$ 356,014</u> |

The following table summarizes Blackstone's tax position:

|                                   | Year Ended December 31, |               |              |
|-----------------------------------|-------------------------|---------------|--------------|
|                                   | 2022                    | 2021          | 2020         |
| Income Before Provision for Taxes | \$ 3,461,789            | \$ 13,559,396 | \$ 2,617,520 |
| Provision for Taxes               | \$ 472,880              | \$ 1,184,401  | \$ 356,014   |
| Effective Income Tax Rate         | 13.7%                   | 8.7%          | 13.6%        |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

The following table reconciles the effective income tax rate to the U.S. federal statutory tax rate:

|   | Year Ended December 31, |             |              | 2022        | 2021         |
|---|-------------------------|-------------|--------------|-------------|--------------|
|   | 2022                    | 2021        | 2020         | vs.<br>2021 | vs.<br>2020  |
| Statutory U.S. Federal Income Tax Rate                    | 21.0%                   | 21.0%       | 21.0%        | —           | —            |
| Income Passed Through to Non-Controlling Interest Holders | -8.1%                   | -10.2%      | -10.1%       | 2.1%        | -0.1%        |
| State and Local Income Taxes                              | 6.0%                    | 2.1%        | 2.4%         | 3.9%        | -0.3%        |
| Change to a Taxable Corporation                           | —                       | —           | 1.4%         | —           | -1.4%        |
| Change in Valuation Allowance                             | —                       | -4.1%       | -2.8%        | 4.1%        | -1.3%        |
| Basis Adjustment (a)                                      | -4.6%                   | —           | —            | -4.6%       | —            |
| Other   | -0.6%                   | -0.1%       | 1.7%         | -0.5%       | -1.8%        |
| Effective Income Tax Rate                                 | <u>13.7%</u>            | <u>8.7%</u> | <u>13.6%</u> | <u>5.0%</u> | <u>-4.9%</u> |

(a) Represents the impact of the out-of-period adjustment made during the year ended December 31, 2022 to revise the book investment basis used to calculate deferred tax assets and the deferred tax provision.

Blackstone's effective tax rate for the year ended December 31, 2022 was impacted by recent increases in Blackstone's state tax provisions for the jurisdictions in which it operates and larger benefits recorded in December 31, 2021 for valuation allowance releases.

During the year ended December 31, 2022, Blackstone recorded an out-of-period adjustment to revise the book investment basis used to calculate deferred tax assets and the deferred tax provision. The cumulative impact of the correction related to prior years resulted in a decrease of \$158.2 million in the Provision for Taxes for the year ended December 31, 2022 and a corresponding increase to Deferred Tax Assets as of December 31, 2022. The impact of the out-of-period adjustment on the effective income tax rate is reflected in the Basis Adjustment row in the effective income tax rate table above. Blackstone concluded the out-of-period adjustment was not material to the current or prior periods.

Deferred income taxes reflect the net tax effects of temporary differences that may exist between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes using enacted tax rates in effect for the year in which the differences are expected to reverse. A summary of the tax effects of the temporary differences is as follows:

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|  | December 31,       |                    |
|--|--------------------|--------------------|
|  | 2022               | 2021               |
| <b>Deferred Tax Assets</b>                                   |                    |                    |
| Investment Basis Differences/Net Unrealized Gains and Losses | \$2,031,002        | \$1,572,672        |
| Other  | 31,720             | 8,965              |
| <b>Total Deferred Tax Assets</b>                             | <u>2,062,722</u>   | <u>1,581,637</u>   |
| <b>Deferred Tax Liabilities</b>                              |                    |                    |
| Investment Basis Differences/Net Unrealized Gains and Losses | 15,409             | 15,421             |
| Other  | 31,498             | 16,439             |
| <b>Total Deferred Tax Liabilities</b>                        | <u>46,907</u>      | <u>31,860</u>      |
| <b>Net Deferred Tax Assets</b>                               | <u>\$2,015,815</u> | <u>\$1,549,777</u> |

The net increase in the deferred tax asset for the year ended December 31, 2022, compared to the year ended December 31, 2021, is primarily due to (a) recognition of additional tax basis in certain assets and recording corresponding deferred tax benefits related to quarterly exchanges of Blackstone Holdings Partnership units for common shares of Blackstone Inc., and (b) an out-of-period adjustment that Blackstone recorded to revise the book investment basis used to calculate deferred tax assets and the deferred tax provision. The adjustment was not material to the current or prior periods and reflects the cumulative impact of the correction, which generated an additional deferred tax asset for the year ended December 31, 2022. Realization of deferred tax assets depends on the expectation and character of future taxable income. In addition, Blackstone has no significant net operating losses carryforward at December 31, 2022.

In evaluating the ability to realize deferred tax assets, Blackstone among other things, considers projections of taxable income (including character of such income), beginning with historic results and incorporating assumptions of the amount of future pretax operating income. These assumptions about future taxable income require significant judgment and are consistent with the plans and estimates that Blackstone uses to manage its business. To the extent any portion of the deferred tax assets are not considered to be more likely than not to be realized, valuation allowances are recorded.

Currently, Blackstone does not believe it meets the indefinite reversal criteria that would preclude Blackstone from recognizing a deferred tax liability with respect to its foreign subsidiaries. Therefore, if applicable Blackstone recorded a deferred tax liability for any outside basis difference of an investment in a foreign subsidiary.

Blackstone files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, Blackstone is subject to examination by federal and certain state, local and foreign tax authorities. As of December 31, 2022, the most material jurisdictions where Blackstone entities are under active examination are New York State and City. The following are the major filing jurisdictions and their respective earliest open period subject to examination:

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

| Jurisdiction   | Year |
|----------------|------|
| Federal        | 2019 |
| New York City  | 2009 |
| New York State | 2016 |
| United Kingdom | 2011 |

Blackstone's unrecognized tax benefits, excluding related interest and penalties, were:

|  | December 31,      |                  |                  |
|--|-------------------|------------------|------------------|
|  | 2022              | 2021             | 2020             |
| Unrecognized Tax Benefits — January 1      | \$ 47,501         | \$ 32,933        | \$ 24,958        |
| Additions for Tax Positions of Prior Years | 106,059           | 14,557           | 7,959            |
| Exchange Rate Fluctuations                 | 64                | 11               | 16               |
| Unrecognized Tax Benefits — December 31    | <u>\$ 153,624</u> | <u>\$ 47,501</u> | <u>\$ 32,933</u> |

If recognized, the above tax benefits of \$153.6 million and \$47.5 million for the years ended December 31, 2022 and 2021, respectively, would reduce the annual effective rate. It is reasonably possible that significant changes in the balance of unrecognized tax benefits may occur during the twelve months subsequent to December 31, 2022. However, at this time, it is not possible to estimate the expected change to the total Unrecognized Tax Benefits and its impact on Blackstone's effective tax rate.

The unrecognized tax benefits are recorded in Accounts Payable, Accrued Expenses and Other Liabilities in the Consolidated Statements of Financial Condition.

During the years ended December 31, 2022, 2021 and 2020, Blackstone accrued no penalties and accrued interest expense related to unrecognized tax benefits of \$32.6 million, \$1.5 million and \$1.3 million, respectively.

**Other Income — Change in Tax Receivable Agreement Liability**

In 2022 and 2021, the \$22.3 million and \$(2.8) million, respectively, Change in Tax Receivable Agreement Liability was primarily attributable to a change in our state tax apportionment.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
 (All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

**16. Earnings Per Share and Stockholders' Equity****Earnings Per Share**

Basic and diluted net income per share of common stock for the years ended December 31, 2022, 2021 and 2020 was calculated as follows:

|  | Year Ended December 31, |              |              |
|--|-------------------------|--------------|--------------|
|  | 2022                    | 2021         | 2020         |
| <b>Net Income for Per Share of Common Stock Calculations</b>         |                         |              |              |
| Net Income Attributable to Blackstone Inc., Basic and Diluted        | \$ 1,747,631            | \$ 5,857,397 | \$ 1,045,363 |
| <b>Shares/Units Outstanding</b>                                      |                         |              |              |
| Weighted-Average Shares of Common Stock Outstanding, Basic           | 740,664,038             | 719,766,879  | 696,933,548  |
| Weighted-Average Shares of Unvested Deferred Restricted Common Stock | 278,361                 | 358,164      | 324,748      |
| Weighted-Average Shares of Common Stock Outstanding, Diluted         | 740,942,399             | 720,125,043  | 697,258,296  |
| <b>Net Income Per Share of Common Stock</b>                          |                         |              |              |
| Basic  | \$ 2.36                 | \$ 8.14      | \$ 1.50      |
| Diluted  | \$ 2.36                 | \$ 8.13      | \$ 1.50      |
| <b>Dividends Declared Per Share of Common Stock (a)</b>              |                         |              |              |
|  | \$ 4.94                 | \$ 3.57      | \$ 1.91      |

(a) Dividends declared reflects the calendar date of the declaration for each distribution. The fourth quarter dividends, if any, for any fiscal year will be declared and paid in the subsequent fiscal year.

In computing the dilutive effect that the exchange of Blackstone Holdings Partnership Units would have on Net Income Per Share of Common Stock, Blackstone considered that net income available to holders of shares of common stock would increase due to the elimination of non-controlling interests in Blackstone Holdings, inclusive of any tax impact. The hypothetical conversion may be dilutive to the extent there is activity at Blackstone Inc. level that has not previously been attributed to the non-controlling interests or if there is a change in tax rate as a result of a hypothetical conversion.

The following table summarizes the anti-dilutive securities for the periods indicated:

|  | Year Ended December 31, |             |             |
|--|-------------------------|-------------|-------------|
|  | 2022                    | 2021        | 2020        |
| Weighted-Average Blackstone Holdings Partnership Units | 466,083,269             | 486,157,205 | 504,221,914 |

**Stockholders' Equity**

In connection with Blackstone's conversion from a limited partnership to a corporation, effective July 1, 2019, each common unit of the partnership outstanding immediately prior to the conversion converted into one issued and outstanding, fully paid and nonassessable share of Class A common stock, \$0.00001 par value per share, of the Company. The special voting unit of the partnership outstanding immediately prior to Blackstone's conversion to a corporation converted into one issued and outstanding, fully paid and nonassessable share of Class B common stock, \$0.00001 par value per share, of the Company. The general partner units of the partnership outstanding immediately prior to Blackstone's conversion to a corporation converted into one issued and outstanding, fully paid and nonassessable share of Class C common stock, \$0.00001 par value per share, of the Company.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

In connection with the share reclassification, effective February 26, 2021, the Certificate of Incorporation of Blackstone was amended and restated to: (a) rename the Class A common stock as “common stock,” which has the same rights and powers (including, without limitation, with respect to voting) that Blackstone’s Class A common stock formerly had, (b) reclassify the “Class B common stock” into a new “Series I preferred stock,” which has the same rights and powers that the Class B common stock formerly had, and (c) reclassify the Class C common stock into a new “Series II preferred stock,” which has the same rights and powers that the Class C common stock formerly had. In connection with such share reclassification, the Company authorized 10 billion shares of preferred stock with a par value of \$0.00001, of which (a) 999,999,000 shares are designated as Series I preferred stock and (b) 1,000 shares are designated as Series II preferred stock. The remaining 9 billion shares may be designated from time to time in accordance with Blackstone’s certificate of incorporation. There was 1 share of Series I preferred stock and 1 share of Series II preferred stock issued and outstanding as of December 31, 2022.

Under Blackstone’s certificate of incorporation and Delaware law, holders of Blackstone’s common stock are entitled to vote, together with holders of Blackstone’s Series I preferred stock, voting as a single class, on a number of significant matters, including certain sales, exchanges or other dispositions of all or substantially all of Blackstone’s assets, a merger, consolidation or other business combination, the removal of the Series II Preferred Stockholder and forced transfer by the Series II Preferred Stockholder of its shares of Series II preferred stock and the designation of a successor Series II Preferred Stockholder. The Series II Preferred Stockholder elects the Company’s directors. Holders of Blackstone’s Series I preferred stock and Series II preferred stock are not entitled to dividends from the Company, or receipt of any of the Company’s assets in the event of any dissolution, liquidation or winding up. Blackstone Partners L.L.C. is the sole holder of the Series I preferred stock and Blackstone Group Management L.L.C. is the sole holder of the Series II preferred stock.

**Share Repurchase Program**

On December 7, 2021, Blackstone’s board of directors authorized the repurchase of up to \$2.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

During the year ended December 31, 2020, Blackstone repurchased 9.0 million shares of common stock at a total cost of \$474.0 million. During the year ended December 31, 2021, Blackstone repurchased 10.3 million shares of common stock at a total cost of \$1.2 billion. During the year ended December 31, 2022, Blackstone repurchased 3.9 million shares of common stock at a total cost of \$392.0 million. As of December 31, 2022, the amount remaining available for repurchases under the program was \$1.1 billion.



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**Shares Eligible for Dividends and Distributions**

As of December 31, 2022, the total shares of common stock and Blackstone Holdings Partnership Units entitled to participate in dividends and distributions were as follows:

|   | <u>Shares/Units</u>  |
|---|----------------------|
| Common Stock Outstanding                            | 710,276,923          |
| Unvested Participating Common Stock                 | 32,376,835           |
| Total Participating Common Stock                    | 742,653,758          |
| Participating Blackstone Holdings Partnership Units | 463,758,383          |
|   | <u>1,206,412,141</u> |

**17. Equity-Based Compensation**

Blackstone has granted equity-based compensation awards to Blackstone’s senior managing directors, non-partner professionals, non-professionals and selected external advisers under Blackstone’s Amended and Restated 2007 Equity Incentive Plan (the “Equity Plan”). The Equity Plan allows for the granting of options, share appreciation rights or other share-based awards (shares, restricted shares, restricted shares of common stock, deferred restricted shares of common stock, phantom restricted shares of common stock or other share-based awards based in whole or in part on the fair value of shares of common stock or Blackstone Holdings Partnership Units) which may contain certain service or performance requirements. As of January 1, 2022, Blackstone had the ability to grant 171,096,250 shares under the Equity Plan.

For the years ended December 31, 2022, 2021 and 2020 Blackstone recorded compensation expense of \$846.3 million, \$637.4 million, and \$438.3 million, respectively, in relation to its equity-based awards with corresponding tax benefits of \$135.9 million, \$84.3 million, and \$51.5 million, respectively.

As of December 31, 2022, there was \$2.1 billion of estimated unrecognized compensation expense related to unvested awards, including compensation with performance conditions where it is probable that the performance condition will be met. This cost is expected to be recognized over a weighted-average period of 3.4 years.

Total vested and unvested outstanding shares, including common stock, Blackstone Holdings Partnership Units and deferred restricted shares of common stock, were 1,206,514,586 as of December 31, 2022. Total outstanding phantom shares were 59,903 as of December 31, 2022.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

A summary of the status of Blackstone’s unvested equity-based awards as of December 31, 2022 and of changes during the period January 1, 2022 through December 31, 2022 is presented below:

| Unvested Shares/Units      | Blackstone Holdings |  | Blackstone Inc.                            |  |                     |  |
|----------------------------|---------------------|--|--|--|---------------------|--|
|                            | Partnership Units   | Weighted-Average Grant Date Fair Value | Equity Settled Awards                      |  | Cash Settled Awards |  |
|                            |                     |  | Deferred Restricted Shares of Common Stock | Weighted-Average Grant Date Fair Value | Phantom Shares      | Weighted-Average Grant Date Fair Value |
| Balance, December 31, 2021 | 17,344,328          | \$ 37.37                               | 26,537,813                                 | \$ 58.34                               | 73,581              | \$ 137.65                              |
| Granted                    | 1,172,015           | 33.73                                  | 12,073,302                                 | 124.80                                 | 28,130              | 125.93                                 |
| Vested                     | (6,124,743)         | 36.12                                  | (6,274,790)                                | 61.73                                  | (6,413)             | 70.73                                  |
| Forfeited                  | (1,361,604)         | 34.73                                  | (1,334,762)                                | 75.81                                  | (46,412)            | 130.22                                 |
| Balance, December 31, 2022 | 11,029,996          | \$ 38.02                               | 31,001,563                                 | \$ 82.94                               | 48,886              | \$ 85.04                               |

**Shares/Units Expected to Vest**

The following unvested shares and units, after expected forfeitures, as of December 31, 2022, are expected to vest:

|  | Shares/Units | Weighted-Average Service Period in Years |
|--|--------------|--|
| Blackstone Holdings Partnership Units      | 10,751,742   | 1.3                                      |
| Deferred Restricted Shares of Common Stock | 27,341,906   | 3.0                                      |
| Total Equity-Based Awards                  | 38,093,648   | 2.5                                      |
| Phantom Shares                             | 40,471       | 3.0                                      |

**Deferred Restricted Shares of Common Stock and Phantom Shares**

Blackstone has granted deferred restricted shares of common stock to certain senior and non-senior managing director professionals, analysts and senior finance and administrative personnel and selected external advisers and phantom shares (cash settled equity-based awards) to other senior and non-senior managing director employees. Holders of deferred restricted shares of common stock and phantom shares are not entitled to any voting rights. Only phantom shares are to be settled in cash. Deferred restricted shares of common stock where the number of shares have not been set are liability classified and excluded from the above tables.

The fair values of deferred restricted shares of common stock have been derived based on the closing price of common stock on the date of the grant, multiplied by the number of unvested awards and expensed over the assumed service period, which ranges from 1 to 5 years. Additionally, the calculation of the compensation expense assumes forfeiture rates based on historical turnover rates, ranging from 1.0% to 12.8% annually by employee class, and a per share discount, ranging from \$1.23 to \$21.53.

The phantom shares vest over the assumed service period, which ranges from 1 to 5 years. On each such vesting date, Blackstone delivered or will deliver cash to the holder in an amount equal to the number of phantom shares held multiplied by the then fair market value of Blackstone’s common stock on such date. Additionally, the calculation of the compensation expense assumes a forfeiture rate based on a historical turnover rates, ranging

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

from 10.4% to 12.8% annually by employee class. Blackstone is accounting for these cash settled awards as a liability.

Blackstone paid \$0.6 million, \$1.1 million and \$0.4 million to non-senior managing director employees in settlement of phantom shares for the years ended December 31, 2022, 2021 and 2020, respectively.

#### **Performance-Based Compensation**

During the year ended December 31, 2021, Blackstone issued performance-based compensation, the dollar value of which is based on the future achievement of established business performance conditions. The number of vested shares of common stock to be issued is variable based on the 30-day volume weighted-average price at the end of the performance period. Due to the nature of settlement, the performance-based compensation is classified as a liability. Compensation expense is recognized over the performance period based upon the probable outcome of the performance condition. Due to the variable share settlement, the tables above exclude the impact of this performance-based compensation, as the number of shares to be issued is not yet set.

#### **Blackstone Holdings Partnership Units**

Blackstone has granted deferred restricted Blackstone Holdings Partners Units to certain newly hired and pre-existing senior managing directors. Holders of deferred restricted Blackstone Holdings Partnership Units are not entitled to any voting rights.

The fair values of deferred restricted Blackstone Holdings Partnership Units have been derived based on the closing price of Blackstone's common units on the date of the grant, multiplied by the number of unvested awards and expensed over the assumed service period, which ranges from 1 to 3 years. Additionally, the calculation of the compensation expense assumes a forfeiture rate of 6.9%, based on historical experience.

### **18. Related Party Transactions**

#### **Affiliate Receivables and Payables**

Due from Affiliates and Due to Affiliates consisted of the following:

|   | <u>December 31,</u> |                     |
|---|---------------------|---------------------|
|   | <u>2022</u>         | <u>2021</u>         |
| <b>Due from Affiliates</b>  |                     |                     |
| Management Fees, Performance Revenues, Reimbursable Expenses and Other Receivables from Non-Consolidated Entities and Portfolio Companies | \$ 3,344,813        | \$ 3,519,945        |
| Due from Certain Non-Controlling Interest Holders and Blackstone Employees  | 741,319             | 1,099,899           |
| Accrual for Potential Clawback of Previously Distributed Performance Allocations  | 60,575              | 37,023              |
|   | <u>\$ 4,146,707</u> | <u>\$ 4,656,867</u> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|  | December 31,        |                     |
|--|---------------------|---------------------|
|  | 2022                | 2021                |
| <b>Due to Affiliates</b>   |                     |                     |
| Due to Certain Non-Controlling Interest Holders in Connection with the Tax Receivable Agreements | \$ 1,602,933        | \$ 1,558,393        |
| Due to Non-Consolidated Entities   | 157,982             | 181,341             |
| Due to Certain Non-Controlling Interest Holders and Blackstone Employees                         | 198,875             | 77,664              |
| Accrual for Potential Repayment of Previously Received Performance Allocations                   | 158,691             | 88,700              |
|  | <u>\$ 2,118,481</u> | <u>\$ 1,906,098</u> |

**Interests of the Founder, Senior Managing Directors, Employees and Other Related Parties**

The Founder, senior managing directors, employees and certain other related parties invest on a discretionary basis in the consolidated Blackstone Funds both directly and through consolidated entities. These investments generally are subject to preferential management fee and performance allocation or incentive fee arrangements. As of December 31, 2022 and 2021, such investments aggregated \$1.6 billion and \$1.6 billion, respectively. Their share of the Net Income Attributable to Redeemable Non-Controlling and Non-Controlling Interests in Consolidated Entities aggregated \$10.9 million, \$471.5 million and \$65.2 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**Contingent Repayment Guarantee**

Blackstone and its personnel who have received Performance Allocation distributions have guaranteed payment on a several basis (subject to a cap) to the carry funds of any clawback obligation with respect to the excess Performance Allocation allocated to the general partners of such funds and indirectly received thereby to the extent that either Blackstone or its personnel fails to fulfill its clawback obligation, if any. The Accrual for Potential Repayment of Previously Received Performance Allocations represents amounts previously paid to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone Funds if the carry funds were to be liquidated based on the fair value of their underlying investments as of December 31, 2022. See Note 19. "Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)."

**Tax Receivable Agreements**

Blackstone used a portion of the proceeds from the IPO and other sales of shares to purchase interests in the predecessor businesses from the predecessor owners. In addition, holders of Blackstone Holdings Partnership Units may exchange their Blackstone Holdings Partnership Units for shares of Blackstone common stock on a one-for-one basis. The purchase and subsequent exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Blackstone Holdings and therefore reduce the amount of tax that Blackstone would otherwise be required to pay in the future.

Blackstone has entered into tax receivable agreements with each of the predecessor owners and additional tax receivable agreements have been executed, and will continue to be executed, with newly-admitted senior managing directors and others who acquire Blackstone Holdings Partnership Units. The agreements provide for the payment by the corporate taxpayer to such owners of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the corporate taxpayers actually realize as a result of the aforementioned increases in tax basis and of certain other tax benefits related to entering into these tax receivable agreements. For purposes of the tax receivable agreements, cash savings in income tax will be computed by comparing the actual income tax

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

liability of the corporate taxpayers to the amount of such taxes that the corporate taxpayers would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Blackstone Holdings as a result of the exchanges and had the corporate taxpayers not entered into the tax receivable agreements.

Assuming no future material changes in the relevant tax law and that the corporate taxpayers earn sufficient taxable income to realize the full tax benefit of the increased amortization of the assets, the expected future payments under the tax receivable agreements (which are taxable to the recipients) will aggregate \$1.6 billion over the next 15 years. The after-tax net present value of these estimated payments totals \$477.0 million assuming a 15% discount rate and using Blackstone's most recent projections relating to the estimated timing of the benefit to be received. Future payments under the tax receivable agreements in respect of subsequent exchanges would be in addition to these amounts. The payments under the tax receivable agreements are not conditioned upon continued ownership of Blackstone equity interests by the pre-IPO owners and the others mentioned above. Subsequent to December 31, 2022, payments totaling \$67.5 million were made to certain pre-IPO owners and others mentioned above in accordance with the tax receivable agreement and related to tax benefits Blackstone received for the 2021 taxable year.

Amounts related to the deferred tax asset resulting from the increase in tax basis from the exchange of Blackstone Holdings Partnership Units to shares of Blackstone common stock, the resulting remeasurement of net deferred tax assets at the Blackstone ownership percentage at the balance sheet date, the due to affiliates for the future payments resulting from the tax receivable agreements and resulting adjustment to partners' capital are included as Acquisition of Ownership Interests from Non-Controlling Interest Holders in the Supplemental Disclosure of Non-Cash Investing and Financing Activities in the Consolidated Statements of Cash Flows.

#### **Other**

Blackstone does business with and on behalf of some of its Portfolio Companies; all such arrangements are on a negotiated basis.

Additionally, please see Note 19. "Commitments and Contingencies — Contingencies — Guarantees" for information regarding guarantees provided to a lending institution for certain loans held by employees.

### **19. Commitments and Contingencies**

#### **Commitments**

##### ***Investment Commitments***

Blackstone had \$5.0 billion of investment commitments as of December 31, 2022 representing general partner capital funding commitments to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments, including loan commitments. The consolidated Blackstone Funds had signed investment commitments of \$210.0 million as of December 31, 2022 which includes \$81.2 million of signed investment commitments for portfolio company acquisitions in the process of closing.

##### ***Regulated Entities***

Certain U.S. and non-U.S. entities are subject to various investment adviser and other financial regulatory rules and requirements that may include minimum net capital requirements. These entities have continuously operated in excess of these requirements. This includes a number of U.S. entities that are registered as investment advisers with the SEC.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

These regulatory capital requirements may restrict Blackstone's ability to withdraw capital from its entities. At December 31, 2022, \$106.0 million of net assets of consolidated entities may be restricted as to the payment of cash dividends and advances to Blackstone.

**Contingencies**

***Guarantees***

Certain of Blackstone's consolidated real estate funds guarantee payments to third parties in connection with the ongoing business activities and/or acquisitions of their Portfolio Companies. There is no direct recourse to Blackstone to fulfill such obligations. To the extent that underlying funds are required to fulfill guarantee obligations, Blackstone's invested capital in such funds is at risk. Total investments at risk in respect of guarantees extended by consolidated real estate funds was \$18.3 million as of December 31, 2022.

The Blackstone Holdings Partnerships provided guarantees to a lending institution for certain loans held by employees either for investment in Blackstone Funds or for members' capital contributions to The Blackstone Group International Partners LLP. The amount guaranteed as of December 31, 2022 was \$78.9 million.

***Strategic Venture***

In December 2022, Blackstone entered into a long-term strategic venture with the Regents of the University of California ("UC Investments"), an institutional investor that subscribed for \$4.0 billion of BREIT Class I shares on January 1, 2023. The strategic venture between Blackstone and UC Investments provides a waterfall structure with UC Investments receiving an 11.25% target annualized net return on its \$4.0 billion investment in BREIT shares (supported by a pledge by Blackstone of \$1.0 billion of its current holdings in BREIT, including any appreciation or dividends received by Blackstone in respect thereof) and upside from its investment. Pursuant to the strategic venture, Blackstone is entitled to receive an incremental 5% cash promote payment from UC Investments on any returns received in excess of the target return. An asset or liability is recognized based on fair value with the maximum potential future obligation capped at the fair value of the assets pledged by Blackstone in the arrangement. As of December 31, 2022, the fair value of the assets pledged was \$1.0 billion and the liability recognized was \$48.6 million.

***Litigation***

Blackstone may from time to time be involved in litigation and claims incidental to the conduct of its business. Blackstone's businesses are also subject to extensive regulation, which may result in regulatory proceedings against Blackstone.

Blackstone accrues a liability for legal proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. Although there can be no assurance of the outcome of such legal actions, based on information known by management, Blackstone does not have a potential liability related to any current legal proceeding or claim that would individually or in the aggregate materially affect its results of operations, financial position or cash flows.

In December 2017, eight pension plan members of the Kentucky Retirement System ("KRS") filed a derivative lawsuit on behalf of KRS in the Franklin County Circuit Court of the Commonwealth of Kentucky (the "Mayberry Action"). The Mayberry Action alleged various breaches of fiduciary duty and other violations of Kentucky state law in connection with KRS's investment in three hedge funds of funds, including a fund managed by Blackstone Alternative Asset Management L.P. ("BLP"). The suit named more than 30 defendants, including, among others, The Blackstone Group L.P. (now Blackstone Inc.); BLP; Stephen A. Schwarzman, as Chairman and CEO of

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

Blackstone; and J. Tomilson Hill, as then-CEO of BLP (collectively, the “Blackstone Defendants”). In July 2020, the Kentucky Supreme Court directed the Circuit Court to dismiss the action due to the plaintiffs’ lack of standing.

Over the objection of the Blackstone Defendants and others, in December 2020, the Circuit Court permitted the Attorney General of the Commonwealth of Kentucky (the “AG”) to intervene in the Mayberry Action. On December 9, 2022, the Mayberry Action was stayed pending resolution of an interlocutory appeal in which the Blackstone Defendants and others are arguing that the Circuit Court did not have jurisdiction to continue the Mayberry Action after the ruling of the Kentucky Supreme Court.

In August 2022, KRS was ordered to disclose, and in September 2022, did disclose, a report prepared in 2021 by a law firm retained by KRS to conduct an investigation into the investment activities underlying the lawsuit. According to the report, the investigators “did not find any violations of fiduciary duty or illegal activity by [BLP]” related to KRS’s due diligence and retention of BLP or KRS’s continued investment with BLP. The report quotes contemporaneous communications by KRS staff during the period of the investment recognizing that BLP was exceeding KRS’s returns benchmark, that BLP was providing KRS with “far fewer negative months than any liquid market comparable,” and that BLP “[h]as killed it.”

In January 2021, certain former plaintiffs in the Mayberry Action filed a separate action (“Taylor I”), against the Blackstone Defendants and other defendants named in the Mayberry Action, asserting allegations substantially similar to those made in the Mayberry Action, and in July 2021 they amended their complaint to add class action allegations. Defendants removed Taylor I to the U.S. District Court for the Eastern District of Kentucky, and in March 2022, the District Court stayed Taylor I pending the resolution of the AG’s suit in the Mayberry Action.

In August 2021, a group of KRS members—including those that filed Taylor I—filed a new action in Franklin County Circuit Court (“Taylor II”), against the Blackstone Defendants, other defendants named in the Mayberry Action, and other KRS officials. The filed complaint is substantially similar to that filed in Taylor I and the Mayberry Action. Motions to dismiss are pending.

In May 2022, the presiding judge recused himself from the Mayberry Action and Taylor II and the cases were reassigned to another judge in the Franklin County Circuit Court.

In April 2021, the AG filed an action (the “Declaratory Judgment Action”), against BLP and the other fund manager defendants from the Mayberry Action in Franklin County Circuit Court. The action sought to have certain provisions in the subscription agreements between KRS and the fund managers declared to be in violation of the Kentucky Constitution. In March 2022, the Circuit Court granted summary judgment to the AG. BLP’s appeal is currently pending.

Blackstone continues to believe that the preceding lawsuits against Blackstone are totally without merit and intends to defend them vigorously.

In July 2021, BLP filed a breach of contract action against defendants affiliated with KRS alleging that the Mayberry Action and the Declaratory Judgment Action breach the parties’ subscription agreements governing KRS’s investment with BLP. The action seeks damages, including legal fees and expenses incurred in defending against the above actions. In April 2022, the Circuit Court dismissed BLP’s complaint without prejudice to refiling, on the grounds that the action was not yet ripe for adjudication. BLP’s appeal is currently pending.

In October 2022, as part of a sweep of private equity and other investment advisory firms, the SEC sent us a request for information relating to the retention of certain types of electronic business communications, including text messages, that may be required to be preserved under certain SEC rules. We are cooperating with the SEC’s inquiry.

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**Contingent Obligations (Clawback)**

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceeds the amount due to Blackstone based on cumulative results of that fund. The actual clawback liability, however, generally does not become realized until the end of a fund's life except for certain Blackstone real estate funds, multi-asset class investment funds and credit-focused funds, which may have an interim clawback liability. The lives of the carry funds, including available contemplated extensions, for which a liability for potential clawback obligations has been recorded for financial reporting purposes, are currently anticipated to expire at various points through 2032. Further extensions of such terms may be implemented under given circumstances.

For financial reporting purposes, when applicable, the general partners record a liability for potential clawback obligations to the limited partners of some of the carry funds due to changes in the unrealized value of a fund's remaining investments and where the fund's general partner has previously received Performance Allocation distributions with respect to such fund's realized investments.

The following table presents the clawback obligations by segment:

| Segment            | December 31,           |  |                   |                        |  |                  |
|--------------------|------------------------|--|-------------------|------------------------|--|------------------|
|                    | 2022                   |  |                   | 2021                   |  |                  |
|                    | Blackstone<br>Holdings | Current and<br>Former<br>Personnel (a) | Total (b)         | Blackstone<br>Holdings | Current and<br>Former<br>Personnel (a) | Total (b)        |
| Real Estate        | \$ 78,644              | \$ 51,771                              | \$ 130,415        | \$ 34,080              | \$ 20,186                              | \$ 54,266        |
| Private Equity     | 19,279                 | 8,569                                  | 27,848            | 5,158                  | 2,196                                  | 7,354            |
| Credit & Insurance | 223                    | 205                                    | 428               | 12,439                 | 14,641                                 | 27,080           |
|                    | <u>\$ 98,146</u>       | <u>\$ 60,545</u>                       | <u>\$ 158,691</u> | <u>\$ 51,677</u>       | <u>\$ 37,023</u>                       | <u>\$ 88,700</u> |

(a) The split of clawback between Blackstone Holdings and Current and Former Personnel is based on the performance of individual investments held by a fund rather than on a fund by fund basis.

(b) Total is a component of Due to Affiliates. See Note 18. "Related Party Transactions — Affiliate Receivables and Payables — Due to Affiliates."

During the year ended December 31, 2022, the Blackstone general partners paid a cash clawback obligation of \$27.2 million relating to Blackstone Credit of which \$12.5 million was paid by Blackstone Holdings and \$14.7 million by current and former Blackstone personnel.

For Private Equity, Real Estate, and certain Credit & Insurance Funds, a portion of the Performance Allocations paid to current and former Blackstone personnel is held in segregated accounts in the event of a cash clawback obligation. These segregated accounts are not included in the Consolidated Financial Statements of Blackstone, except to the extent a portion of the assets held in the segregated accounts may be allocated to a consolidated Blackstone fund of hedge funds. At December 31, 2022, \$1.1 billion was held in segregated accounts for the purpose of meeting any clawback obligations of current and former personnel if such payments are required.

In the Credit & Insurance segment, payment of Performance Allocations to Blackstone by the majority of the stressed/distressed, mezzanine and credit alpha strategies funds are substantially deferred under the terms of the partnership agreements. This deferral mitigates the need to hold funds in segregated accounts in the event of a cash clawback obligation.



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

If, at December 31, 2022, all of the investments held by Blackstone's carry funds were deemed worthless, a possibility that management views as remote, the amount of Performance Allocations subject to potential clawback would be \$6.0 billion, on an after-tax basis where applicable, of which Blackstone Holdings is potentially liable for \$5.7 billion if current and former Blackstone personnel default on their share of the liability, a possibility that management also views as remote.

## **20. Segment Reporting**

Blackstone transacts its primary business in the United States and substantially all of its revenues are generated domestically.

Blackstone conducts its alternative asset management businesses through four segments:

- Real Estate – Blackstone's Real Estate segment primarily comprises its management of opportunistic real estate funds, Core+ real estate funds, high-yield real estate debt funds, liquid real estate debt funds.
- Private Equity – Blackstone's Private Equity segment includes its management of flagship corporate private equity funds, sector and geographically-focused corporate private equity funds, core private equity funds, an opportunistic investment platform, a secondary fund of funds business, infrastructure-focused funds, a life sciences investment platform, a growth equity investment platform, a multi-asset investment program for eligible high net worth investors and a capital markets services business.
- Credit & Insurance – Blackstone's Credit & Insurance segment consists principally of Blackstone Credit, which is organized into two overarching strategies: private credit (which includes mezzanine direct lending funds, private placement strategies, stressed/distressed strategies and energy strategies) and liquid credit (which consists of CLOs, closed-ended funds, open-ended funds and separately managed accounts). In addition, the segment includes an insurer-focused platform, an asset-based finance platform and publicly traded master limited partnership investment platform.
- Hedge Fund Solutions – The largest component of Blackstone's Hedge Fund Solutions segment is Blackstone Alternative Asset Management, which manages a broad range of commingled and customized hedge fund of fund solutions. The segment also includes a GP Stakes business and investment platforms that invest directly, as well as investment platforms that seed new hedge fund businesses and create alternative solutions through daily liquidity products.

These business segments are differentiated by their various investment strategies. Each of the segments primarily earns its income from management fees and investment returns on assets under management.

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments.

For the year ended December 31, 2022, Blackstone Real Estate Investment Trust ("BREIT"), a vehicle in the Real Estate segment accounted for \$841.3 million of Blackstone's Management and Advisory Fees, Net. Generally, Blackstone identifies the customer as the investors in its managed funds and investment vehicles; but for certain widely held vehicles like BREIT, the fund or investment vehicle is determined to be the customer. Blackstone evaluates the major customer disclosure in the context of its revenue streams as determined under the GAAP guidance for contracts with customers which includes Management and Advisory Fees, Net and Incentive Fees. For the years ended December 31, 2021 and 2020, no individual customer constituted more than 10% of Blackstone's Management and Advisory Fees, Net and Incentive Fees.

Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone’s consolidated operating partnerships, removes the amortization of intangible assets and 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.

For segment reporting purposes, Segment Distributable Earnings is presented along with its major components, Fee Related Earnings and Net Realizations. Fee Related Earnings is 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. Net Realizations is the sum of Realized Principal Investment Income and Realized Performance Revenues less Realized Performance Compensation. Performance Allocations and Incentive Fees are presented together and referred to collectively as Performance Revenues or Performance Compensation.

**Segment Presentation**

The following tables present the financial data for Blackstone’s four segments as of December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021 and 2020.

|  | December 31, 2022 and the Year Then Ended |                      |                     |                      | Total Segments       |
|--|---|----------------------|---------------------|----------------------|----------------------|
|  | Real Estate                               | Private Equity       | Credit & Insurance  | Hedge Fund Solutions |                      |
| Management and Advisory Fees, Net              |   |                      |                     |                      |                      |
| Base Management Fees                           | \$ 2,462,179                              | \$ 1,786,923         | \$ 1,230,710        | \$ 565,226           | \$ 6,045,038         |
| Transaction, Advisory and Other Fees, Net      | 171,424                                   | 97,876               | 34,624              | 6,193                | 310,117              |
| Management Fee Offsets                         | (10,538)                                  | (56,062)             | (5,432)             | (177)                | (72,209)             |
| <b>Total Management and Advisory Fees, Net</b> | <b>2,623,065</b>                          | <b>1,828,737</b>     | <b>1,259,902</b>    | <b>571,242</b>       | <b>6,282,946</b>     |
| Fee Related Performance Revenues               | 1,075,424                                 | (648)                | 374,721             | —                    | 1,449,497            |
| Fee Related Compensation                       | (1,039,125)                               | (575,194)            | (529,784)           | (186,672)            | (2,330,775)          |
| Other Operating Expenses                       | (315,331)                                 | (304,177)            | (264,181)           | (105,334)            | (989,023)            |
| <b>Fee Related Earnings</b>                    | <b>2,344,033</b>                          | <b>948,718</b>       | <b>840,658</b>      | <b>279,236</b>       | <b>4,412,645</b>     |
| Realized Performance Revenues                  | 2,985,713                                 | 1,191,028            | 147,413             | 137,184              | 4,461,338            |
| Realized Performance Compensation              | (1,168,045)                               | (544,229)            | (63,846)            | (37,977)             | (1,814,097)          |
| Realized Principal Investment Income           | 150,790                                   | 139,767              | 80,993              | 24,706               | 396,256              |
| <b>Total Net Realizations</b>                  | <b>1,968,458</b>                          | <b>786,566</b>       | <b>164,560</b>      | <b>123,913</b>       | <b>3,043,497</b>     |
| <b>Total Segment Distributable Earnings</b>    | <b>\$ 4,312,491</b>                       | <b>\$ 1,735,284</b>  | <b>\$ 1,005,218</b> | <b>\$ 403,149</b>    | <b>\$ 7,456,142</b>  |
| <b>Segment Assets</b>                          | <b>\$ 14,637,693</b>                      | <b>\$ 14,142,313</b> | <b>\$ 6,346,001</b> | <b>\$ 2,821,753</b>  | <b>\$ 37,947,760</b> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|   | December 31, 2021 and the Year Then Ended |                      |                     |                      |                      |
|---|---|----------------------|---------------------|----------------------|----------------------|
|   | Real Estate                               | Private Equity       | Credit & Insurance  | Hedge Fund Solutions | Total Segments       |
| Management and Advisory Fees, Net           |   |                      |                     |                      |                      |
| Base Management Fees                        | \$ 1,895,412                              | \$ 1,521,273         | \$ 765,905          | \$ 636,685           | \$ 4,819,275         |
| Transaction, Advisory and Other Fees, Net   | 160,395                                   | 174,905              | 44,868              | 11,770               | 391,938              |
| Management Fee Offsets                      | (3,499)                                   | (33,247)             | (6,653)             | (572)                | (43,971)             |
| Total Management and Advisory Fees, Net     | 2,052,308                                 | 1,662,931            | 804,120             | 647,883              | 5,167,242            |
| Fee Related Performance Revenues            | 1,695,019                                 | 212,128              | 118,097             | —                    | 2,025,244            |
| Fee Related Compensation                    | (1,161,349)                               | (662,824)            | (367,322)           | (156,515)            | (2,348,010)          |
| Other Operating Expenses                    | (234,505)                                 | (264,468)            | (199,912)           | (94,792)             | (793,677)            |
| <b>Fee Related Earnings</b>                 | <b>2,351,473</b>                          | <b>947,767</b>       | <b>354,983</b>      | <b>396,576</b>       | <b>4,050,799</b>     |
| Realized Performance Revenues               | 1,119,612                                 | 2,263,099            | 209,421             | 290,980              | 3,883,112            |
| Realized Performance Compensation           | (443,220)                                 | (943,199)            | (94,450)            | (76,701)             | (1,557,570)          |
| Realized Principal Investment Income        | 196,869                                   | 263,368              | 70,796              | 56,733               | 587,766              |
| <b>Total Net Realizations</b>               | <b>873,261</b>                            | <b>1,583,268</b>     | <b>185,767</b>      | <b>271,012</b>       | <b>2,913,308</b>     |
| <b>Total Segment Distributable Earnings</b> | <b>\$ 3,224,734</b>                       | <b>\$ 2,531,035</b>  | <b>\$ 540,750</b>   | <b>\$ 667,588</b>    | <b>\$ 6,964,107</b>  |
| <b>Segment Assets</b>                       | <b>\$ 14,866,437</b>                      | <b>\$ 15,242,626</b> | <b>\$ 6,522,091</b> | <b>\$ 2,791,939</b>  | <b>\$ 39,423,093</b> |

|   | Year Ended December 31, 2020 |                     |                    |                      |                     |
|---|------------------------------|---------------------|--------------------|----------------------|---------------------|
|   | Real Estate                  | Private Equity      | Credit & Insurance | Hedge Fund Solutions | Total Segments      |
| Management and Advisory Fees, Net           |                              |                     |                    |                      |                     |
| Base Management Fees                        | \$ 1,553,483                 | \$ 1,232,028        | \$ 603,713         | \$ 582,830           | \$ 3,972,054        |
| Transaction, Advisory and Other Fees, Net   | 98,225                       | 82,440              | 21,311             | 5,899                | 207,875             |
| Management Fee Offsets                      | (13,020)                     | (44,628)            | (10,466)           | (650)                | (68,764)            |
| Total Management and Advisory Fees, Net     | 1,638,688                    | 1,269,840           | 614,558            | 588,079              | 4,111,165           |
| Fee Related Performance Revenues            | 338,161                      | —                   | 40,515             | —                    | 378,676             |
| Fee Related Compensation                    | (618,105)                    | (455,538)           | (261,214)          | (161,713)            | (1,496,570)         |
| Other Operating Expenses                    | (183,132)                    | (195,213)           | (165,114)          | (79,758)             | (623,217)           |
| <b>Fee Related Earnings</b>                 | <b>1,175,612</b>             | <b>619,089</b>      | <b>228,745</b>     | <b>346,608</b>       | <b>2,370,054</b>    |
| Realized Performance Revenues               | 787,768                      | 877,493             | 20,943             | 179,789              | 1,865,993           |
| Realized Performance Compensation           | (312,698)                    | (366,949)           | (3,476)            | (31,224)             | (714,347)           |
| Realized Principal Investment Income        | 24,764                       | 72,089              | 7,970              | 54,110               | 158,933             |
| <b>Total Net Realizations</b>               | <b>499,834</b>               | <b>582,633</b>      | <b>25,437</b>      | <b>202,675</b>       | <b>1,310,579</b>    |
| <b>Total Segment Distributable Earnings</b> | <b>\$ 1,675,446</b>          | <b>\$ 1,201,722</b> | <b>\$ 254,182</b>  | <b>\$ 549,283</b>    | <b>\$ 3,680,633</b> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

**Reconciliations of Total Segment Amounts**

The following tables reconcile the Total Segment Revenues, Expenses and Distributable Earnings to their equivalent GAAP measure for the years ended December 31, 2022, 2021 and 2020 along with Total Assets as of December 31, 2022 and 2021:

|   | Year Ended December 31, |                      |                     |
|---|-------------------------|----------------------|---------------------|
|   | 2022                    | 2021                 | 2020                |
| <b>Revenues</b>   |                         |                      |                     |
| <b>Total GAAP Revenues</b>                              | \$ 8,517,673            | \$ 22,577,148        | \$ 6,101,927        |
| Less: Unrealized Performance Revenues (a)               | 3,436,978               | (8,675,246)          | 384,758             |
| Less: Unrealized Principal Investment (Income) Loss (b) | 1,235,529               | (679,767)            | 101,742             |
| Less: Interest and Dividend Revenue (c)                 | (285,075)               | (163,044)            | (130,112)           |
| Less: Other Revenue (d)                                 | (183,754)               | (202,885)            | 253,693             |
| Impact of Consolidation (e)                             | (109,379)               | (1,197,854)          | (234,148)           |
| Amortization of Intangibles (f)                         | —                       | —                    | 1,548               |
| Transaction-Related Charges (g)                         | (24,656)                | 660                  | 29,837              |
| Intersegment Eliminations                               | 2,721                   | 4,352                | 5,522               |
| <b>Total Segment Revenue (h)</b>                        | <b>\$ 12,590,037</b>    | <b>\$ 11,663,364</b> | <b>\$ 6,514,767</b> |

|   | Year Ended December 31, |                     |                     |
|---|-------------------------|---------------------|---------------------|
|   | 2022                    | 2021                | 2020                |
| <b>Expenses</b>   |                         |                     |                     |
| <b>Total GAAP Expenses</b>                                | \$ 4,973,025            | \$ 9,476,617        | \$ 3,479,566        |
| Less: Unrealized Performance Allocations Compensation (i) | 1,470,588               | (3,778,048)         | 154,516             |
| Less: Equity-Based Compensation (j)                       | (782,090)               | (559,537)           | (333,767)           |
| Less: Interest Expense (k)                                | (316,569)               | (196,632)           | (165,022)           |
| Impact of Consolidation (e)                               | (61,644)                | (25,673)            | (26,088)            |
| Amortization of Intangibles (f)                           | (60,481)                | (68,256)            | (64,436)            |
| Transaction-Related Charges (g)                           | (81,789)                | (143,378)           | (210,892)           |
| Administrative Fee Adjustment (l)                         | (9,866)                 | (10,188)            | (5,265)             |
| Intersegment Eliminations                                 | 2,721                   | 4,352               | 5,522               |
| <b>Total Segment Expenses (m)</b>                         | <b>\$ 5,133,895</b>     | <b>\$ 4,699,257</b> | <b>\$ 2,834,134</b> |

|                                   | Year Ended December 31, |             |             |
|-----------------------------------|-------------------------|-------------|-------------|
|                                   | 2022                    | 2021        | 2020        |
| <b>Other Income</b>               |                         |             |             |
| <b>Total GAAP Other Income</b>    | \$ (82,859)             | \$ 458,865  | \$ (4,841)  |
| Impact of Consolidation (e)       | 82,859                  | (458,865)   | 4,841       |
| <b>Total Segment Other Income</b> | <b>\$ —</b>             | <b>\$ —</b> | <b>\$ —</b> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|   | Year Ended December 31, |                      |                      |
|---|-------------------------|----------------------|----------------------|
|   | 2022                    | 2021                 | 2020                 |
| <b>Income Before Provision for Taxes</b>                  |                         |                      |                      |
| <b>Total GAAP Income Before Provision for Taxes</b>       | \$ 3,461,789            | \$13,559,396         | \$ 2,617,520         |
| Less: Unrealized Performance Revenues (a)                 | 3,436,978               | (8,675,246)          | 384,758              |
| Less: Unrealized Principal Investment (Income) Loss (b)   | 1,235,529               | (679,767)            | 101,742              |
| Less: Interest and Dividend Revenue (c)                   | (285,075)               | (163,044)            | (130,112)            |
| Less: Other Revenue (d)                                   | (183,754)               | (202,885)            | 253,693              |
| Plus: Unrealized Performance Allocations Compensation (i) | (1,470,588)             | 3,778,048            | (154,516)            |
| Plus: Equity-Based Compensation (j)                       | 782,090                 | 559,537              | 333,767              |
| Plus: Interest Expense (k)                                | 316,569                 | 196,632              | 165,022              |
| Impact of Consolidation (e)                               | 35,124                  | (1,631,046)          | (203,219)            |
| Amortization of Intangibles (f)                           | 60,481                  | 68,256               | 65,984               |
| Transaction-Related Charges (g)                           | 57,133                  | 144,038              | 240,729              |
| Administrative Fee Adjustment (l)                         | 9,866                   | 10,188               | 5,265                |
| <b>Total Segment Distributable Earnings</b>               | <u>\$ 7,456,142</u>     | <u>\$ 6,964,107</u>  | <u>\$ 3,680,633</u>  |
| <b>Total Assets</b>                                       |                         |                      |                      |
| <b>Total GAAP Assets</b>                                  | \$ 42,524,227           | As of December 31,   |                      |
| Impact of Consolidation (e)                               | (4,576,467)             | 2022                 | 2021                 |
| <b>Total Segment Assets</b>                               | <u>\$ 37,947,760</u>    | <u>\$ 41,196,408</u> | <u>\$ 39,423,093</u> |

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles and Transaction-Related Charges.

- (a) This adjustment removes Unrealized Performance Revenues on a segment basis.
- (b) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis.
- (c) This adjustment removes Interest and Dividend Revenue on a segment basis.
- (d) This adjustment removes Other Revenue on a segment basis. For the years ended December 31, 2022, 2021 and 2020, Other Revenue on a GAAP basis was \$184.6 million, \$203.1 million and \$(253.1) million and included \$182.9 million, \$200.6 million and \$(257.8) million of foreign exchange gains (losses), respectively.
- (e) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds, the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures, and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
- (f) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation. This amount includes amortization of intangibles associated with Blackstone's investment in Pátria, which was historically accounted for under the equity method. As a result of Pátria's IPO in January 2021, equity method has been discontinued and there is no longer amortization of intangibles associated with the investment.
- (g) This adjustment removes Transaction-Related Charges, which are excluded from Blackstone's segment presentation. 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

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

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.

(h) Total Segment Revenues is comprised of the following:

|  | Year Ended December 31, |                     |                     |
|--|-------------------------|---------------------|---------------------|
|  | 2022                    | 2021                | 2020                |
| Total Segment Management and Advisory Fees, Net    | \$ 6,282,946            | \$ 5,167,242        | \$ 4,111,165        |
| Total Segment Fee Related Performance Revenues     | 1,449,497               | 2,025,244           | 378,676             |
| Total Segment Realized Performance Revenues        | 4,461,338               | 3,883,112           | 1,865,993           |
| Total Segment Realized Principal Investment Income | 396,256                 | 587,766             | 158,933             |
| <b>Total Segment Revenues</b>                      | <b>\$12,590,037</b>     | <b>\$11,663,364</b> | <b>\$ 6,514,767</b> |

(i) This adjustment removes Unrealized Performance Allocations Compensation.

(j) This adjustment removes Equity-Based Compensation on a segment basis.

(k) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.

(l) This adjustment adds an amount equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

(m) Total Segment Expenses is comprised of the following:

|   | Year Ended December 31, |                     |                     |
|---|-------------------------|---------------------|---------------------|
|   | 2022                    | 2021                | 2020                |
| Total Segment Fee Related Compensation          | \$ 2,330,775            | \$ 2,348,010        | \$ 1,496,570        |
| Total Segment Realized Performance Compensation | 1,814,097               | 1,557,570           | 714,347             |
| Total Segment Other Operating Expenses          | 989,023                 | 793,677             | 623,217             |
| <b>Total Segment Expenses</b>                   | <b>\$ 5,133,895</b>     | <b>\$ 4,699,257</b> | <b>\$ 2,834,134</b> |

**Reconciliations of Total Segment Components**

The following tables reconcile the components of Total Segments to their equivalent GAAP measures, reported on the Consolidated Statement of Operations for the years ended December 31, 2022, 2021 and 2020:

|  | Year Ended December 31, |                     |                     |
|--|-------------------------|---------------------|---------------------|
|  | 2022                    | 2021                | 2020                |
| <b>Management and Advisory Fees, Net</b> |                         |                     |                     |
| <b>GAAP</b>                              | \$ 6,303,315            | \$ 5,170,707        | \$ 4,092,549        |
| Segment Adjustment (a)                   | (20,369)                | (3,465)             | 18,616              |
| <b>Total Segment</b>                     | <b>\$ 6,282,946</b>     | <b>\$ 5,167,242</b> | <b>\$ 4,111,165</b> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|   | Year Ended December 31, |                     |                   |
|---|-------------------------|---------------------|-------------------|
|   | 2022                    | 2021                | 2020              |
| <b>GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues</b> |                         |                     |                   |
| <b>GAAP</b>   |                         |                     |                   |
| Incentive Fees  | \$ 525,127              | \$ 253,991          | \$ 138,661        |
| Investment Income — Realized Performance Allocations  | 5,381,640               | 5,653,452           | 2,106,000         |
| <b>GAAP</b>   | <b>5,906,767</b>        | <b>5,907,443</b>    | <b>2,244,661</b>  |
| <b>Total Segment</b>  |                         |                     |                   |
| Less: Realized Performance Revenues   | (4,461,338)             | (3,883,112)         | (1,865,993)       |
| Segment Adjustment (b)  | 4,068                   | 913                 | 8                 |
| <b>Total Segment</b>  | <b>\$ 1,449,497</b>     | <b>\$ 2,025,244</b> | <b>\$ 378,676</b> |

|  | Year Ended December 31, |                     |                     |
|--|-------------------------|---------------------|---------------------|
|  | 2022                    | 2021                | 2020                |
| <b>GAAP Compensation to Total Segment Fee Related Compensation</b> |                         |                     |                     |
| <b>GAAP</b>  |                         |                     |                     |
| Compensation   | \$ 2,569,780            | \$ 2,161,973        | \$ 1,855,619        |
| Incentive Fee Compensation   | 207,998                 | 98,112              | 44,425              |
| Realized Performance Allocations Compensation                      | 2,225,264               | 2,311,993           | 843,230             |
| <b>GAAP</b>  | <b>5,003,042</b>        | <b>4,572,078</b>    | <b>2,743,274</b>    |
| <b>Total Segment</b>   |                         |                     |                     |
| Less: Realized Performance Compensation                            | (1,814,097)             | (1,557,570)         | (714,347)           |
| Less: Equity-Based Compensation — Fee Related Compensation         | (772,170)               | (551,263)           | (326,116)           |
| Less: Equity-Based Compensation — Performance Compensation         | (9,920)                 | (8,274)             | (7,651)             |
| Segment Adjustment (c)   | (76,080)                | (106,961)           | (198,590)           |
| <b>Total Segment</b>   | <b>\$ 2,330,775</b>     | <b>\$ 2,348,010</b> | <b>\$ 1,496,570</b> |

|   | Year Ended December 31, |                   |                   |
|---|-------------------------|-------------------|-------------------|
|   | 2022                    | 2021              | 2020              |
| <b>GAAP General, Administrative and Other to Total Segment Other Operating Expenses</b> |                         |                   |                   |
| <b>GAAP</b>   |                         |                   |                   |
| Segment Adjustment (d)  | \$ 1,092,671            | \$ 917,847        | \$ 711,782        |
|   | (103,648)               | (124,170)         | (88,565)          |
| <b>Total Segment</b>  | <b>\$ 989,023</b>       | <b>\$ 793,677</b> | <b>\$ 623,217</b> |

**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

|  | Year Ended December 31, |                     |                     |
|--|-------------------------|---------------------|---------------------|
|  | 2022                    | 2021                | 2020                |
| <b>Realized Performance Revenues</b>                       |                         |                     |                     |
| GAAP   |                         |                     |                     |
| Incentive Fees   | \$ 525,127              | \$ 253,991          | \$ 138,661          |
| Investment Income — Realized Performance Allocations       | 5,381,640               | 5,653,452           | 2,106,000           |
| <b>GAAP</b>  | <b>5,906,767</b>        | <b>5,907,443</b>    | <b>2,244,661</b>    |
| Total Segment  |                         |                     |                     |
| Less: Fee Related Performance Revenues                     | (1,449,497)             | (2,025,244)         | (378,676)           |
| Segment Adjustment (b)                                     | 4,068                   | 913                 | 8                   |
| <b>Total Segment</b>                                       | <b>\$ 4,461,338</b>     | <b>\$ 3,883,112</b> | <b>\$ 1,865,993</b> |
| <b>Realized Performance Compensation</b>                   |                         |                     |                     |
| GAAP   |                         |                     |                     |
| Incentive Fee Compensation                                 | \$ 207,998              | \$ 98,112           | \$ 44,425           |
| Realized Performance Allocations Compensation              | 2,225,264               | 2,311,993           | 843,230             |
| <b>GAAP</b>  | <b>2,433,262</b>        | <b>2,410,105</b>    | <b>887,655</b>      |
| Total Segment  |                         |                     |                     |
| Less: Fee Related Performance Compensation (e)             | (609,245)               | (844,261)           | (165,657)           |
| Less: Equity-Based Compensation — Performance Compensation | (9,920)                 | (8,274)             | (7,651)             |
| <b>Total Segment</b>                                       | <b>\$ 1,814,097</b>     | <b>\$ 1,557,570</b> | <b>\$ 714,347</b>   |
| <b>Realized Principal Investment Income</b>                |                         |                     |                     |
| GAAP   |                         |                     |                     |
| Segment Adjustment (f)                                     | (454,071)               | (416,056)           | (232,695)           |
| <b>Total Segment</b>                                       | <b>\$ 396,256</b>       | <b>\$ 587,766</b>   | <b>\$ 158,933</b>   |

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles, the expense of equity-based awards and Transaction-Related Charges.

- (a) Represents (1) the add back of net management fees earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures.
- (b) Represents the add back of Performance Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.
- (c) Represents the removal of Transaction-Related Charges that are not recorded in the Total Segment measures.
- (d) Represents the (1) removal of amortization of transaction-related intangibles, (2) removal of certain expenses reimbursed by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures, and (3) a reduction equal to an administrative fee



**Blackstone Inc.**  
**Notes to Consolidated Financial Statements—Continued**  
**(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)**

---

collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units which is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

- (e) Fee related performance compensation may include equity-based compensation based on fee related performance revenues.
- (f) Represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

**21. Subsequent Events**

There have been no events since December 31, 2022 that require recognition or disclosure in the Consolidated Financial Statements.

**Item 8A. Unaudited Supplemental Presentation of Statements of Financial Condition**

**Blackstone Inc.**  
**Unaudited Consolidating Statements of Financial Condition**  
(Dollars in Thousands)

|  | December 31, 2022                         |   |                               |                     |
|--|---|---|-------------------------------|---------------------|
|  | Consolidated<br>Operating<br>Partnerships | Consolidated<br>Blackstone<br>Funds (a) | Reclasses and<br>Eliminations | Consolidated        |
| <b>Assets</b>  |   |   |                               |                     |
| Cash and Cash Equivalents  | \$ 4,252,003                              | \$ —                                    | \$ —                          | \$ 4,252,003        |
| Cash Held by Blackstone Funds and Other                              | —   | 241,712                                 | —                             | 241,712             |
| Investments  | 23,236,603                                | 5,136,542                               | (819,894)                     | 27,553,251          |
| Accounts Receivable  | 407,681                                   | 55,223                                  | —                             | 462,904             |
| Due from Affiliates  | 4,185,982                                 | 8,417                                   | (47,692)                      | 4,146,707           |
| Intangible Assets, Net   | 217,287                                   | —                                       | —                             | 217,287             |
| Goodwill   | 1,890,202                                 | —                                       | —                             | 1,890,202           |
| Other Assets   | 798,299                                   | 2,159                                   | —                             | 800,458             |
| Right-of-Use Assets  | 896,981                                   | —                                       | —                             | 896,981             |
| Deferred Tax Assets  | 2,062,722                                 | —                                       | —                             | 2,062,722           |
| <b>Total Assets</b>  | <b>\$37,947,760</b>                       | <b>\$ 5,444,053</b>                     | <b>\$ (867,586)</b>           | <b>\$42,524,227</b> |
| <b>Liabilities and Equity</b>  |   |   |                               |                     |
| Loans Payable  | \$10,899,584                              | \$ 1,450,000                            | \$ —                          | \$12,349,584        |
| Due to Affiliates  | 2,039,549                                 | 128,681                                 | (49,749)                      | 2,118,481           |
| Accrued Compensation and Benefits                                    | 6,101,801                                 | —                                       | —                             | 6,101,801           |
| Securities Sold, Not Yet Purchased                                   | 3,825                                     | —                                       | —                             | 3,825               |
| Repurchase Agreements  | 89,944                                    | —                                       | —                             | 89,944              |
| Operating Lease Liabilities  | 1,021,454                                 | —                                       | —                             | 1,021,454           |
| Accounts Payable, Accrued Expenses and Other<br>Liabilities          | 1,132,213                                 | 25,858                                  | —                             | 1,158,071           |
| <b>Total Liabilities</b>   | <b>21,288,370</b>                         | <b>1,604,539</b>                        | <b>(49,749)</b>               | <b>22,843,160</b>   |
| <b>Redeemable Non-Controlling Interests in Consolidated Entities</b> | <b>3</b>                                  | <b>1,715,003</b>                        | <b>—</b>                      | <b>1,715,006</b>    |
| <b>Equity</b>  |   |   |                               |                     |
| Common Stock   | 7   | —                                       | —                             | 7                   |
| Series I Preferred Stock   | —   | —                                       | —                             | —                   |
| Series II Preferred Stock  | —   | —                                       | —                             | —                   |
| Additional Paid-in-Capital   | 5,935,273                                 | 800,381                                 | (800,381)                     | 5,935,273           |
| Retained Earnings  | 1,748,106                                 | 17,456                                  | (17,456)                      | 1,748,106           |
| Accumulated Other Comprehensive Income (Loss)                        | (35,346)                                  | 7,871                                   | —                             | (27,475)            |
| Non-Controlling Interests in Consolidated Entities                   | 3,757,677                                 | 1,298,803                               | —                             | 5,056,480           |
| Non-Controlling Interests in Blackstone Holdings                     | 5,253,670                                 | —                                       | —                             | 5,253,670           |
| <b>Total Equity</b>  | <b>16,659,387</b>                         | <b>2,124,511</b>                        | <b>(817,837)</b>              | <b>17,966,061</b>   |
| <b>Total Liabilities and Equity</b>                                  | <b>\$37,947,760</b>                       | <b>\$ 5,444,053</b>                     | <b>\$ (867,586)</b>           | <b>\$42,524,227</b> |

**Blackstone Inc.**  
**Unaudited Consolidating Statements of Financial Condition—Continued**  
(Dollars in Thousands)

|  | December 31, 2021                         |   |                               |                     |
|--|---|---|-------------------------------|---------------------|
|  | Consolidated<br>Operating<br>Partnerships | Consolidated<br>Blackstone<br>Funds (a) | Reclasses and<br>Eliminations | Consolidated        |
| <b>Assets</b>  |   |   |                               |                     |
| Cash and Cash Equivalents  | \$ 2,119,738                              | \$ —                                    | \$ —                          | \$ 2,119,738        |
| Cash Held by Blackstone Funds and Other                              | —   | 79,994                                  | —                             | 79,994              |
| Investments  | 27,041,225                                | 2,018,829                               | (395,011)                     | 28,665,043          |
| Accounts Receivable  | 571,936                                   | 64,680                                  | —                             | 636,616             |
| Due from Affiliates  | 4,652,295                                 | 15,031                                  | (10,459)                      | 4,656,867           |
| Intangible Assets, Net   | 284,384                                   | —                                       | —                             | 284,384             |
| Goodwill   | 1,890,202                                 | —                                       | —                             | 1,890,202           |
| Other Assets   | 492,685                                   | 251                                     | —                             | 492,936             |
| Right-of-Use Assets  | 788,991                                   | —                                       | —                             | 788,991             |
| Deferred Tax Assets  | 1,581,637                                 | —                                       | —                             | 1,581,637           |
| <b>Total Assets</b>  | <b>\$39,423,093</b>                       | <b>\$ 2,178,785</b>                     | <b>\$ (405,470)</b>           | <b>\$41,196,408</b> |
| <b>Liabilities and Equity</b>  |   |   |                               |                     |
| Loans Payable  | \$ 7,748,062                              | \$ 101                                  | \$ —                          | \$ 7,748,163        |
| Due to Affiliates  | 1,812,223                                 | 104,334                                 | (10,459)                      | 1,906,098           |
| Accrued Compensation and Benefits                                    | 7,905,070                                 | —                                       | —                             | 7,905,070           |
| Securities Sold, Not Yet Purchased                                   | 4,292                                     | 23,557                                  | —                             | 27,849              |
| Repurchase Agreements  | 42,000                                    | 15,980                                  | —                             | 57,980              |
| Operating Lease Liabilities  | 908,033                                   | —                                       | —                             | 908,033             |
| Accounts Payable, Accrued Expenses and Other Liabilities             | 926,749                                   | 10,420                                  | —                             | 937,169             |
| <b>Total Liabilities</b>   | <b>19,346,429</b>                         | <b>154,392</b>                          | <b>(10,459)</b>               | <b>19,490,362</b>   |
| <b>Redeemable Non-Controlling Interests in Consolidated Entities</b> | <b>22,002</b>                             | <b>46,026</b>                           | <b>—</b>                      | <b>68,028</b>       |
| <b>Equity</b>  |   |   |                               |                     |
| Common Stock   | 7   | —                                       | —                             | 7                   |
| Series I Preferred Stock   | —   | —                                       | —                             | —                   |
| Series II Preferred Stock  | —   | —                                       | —                             | —                   |
| Additional Paid-in-Capital   | 5,794,727                                 | 349,822                                 | (349,822)                     | 5,794,727           |
| Retained Earnings  | 3,647,785                                 | 45,189                                  | (45,189)                      | 3,647,785           |
| Accumulated Other Comprehensive Loss                                 | (19,626)                                  | —                                       | —                             | (19,626)            |
| Non-Controlling Interests in Consolidated Entities                   | 4,017,297                                 | 1,583,356                               | —                             | 5,600,653           |
| Non-Controlling Interests in Blackstone Holdings                     | 6,614,472                                 | —                                       | —                             | 6,614,472           |
| <b>Total Equity</b>  | <b>20,054,662</b>                         | <b>1,978,367</b>                        | <b>(395,011)</b>              | <b>21,638,018</b>   |
| <b>Total Liabilities and Equity</b>                                  | <b>\$39,423,093</b>                       | <b>\$ 2,178,785</b>                     | <b>\$ (405,470)</b>           | <b>\$41,196,408</b> |

(a) The Consolidated Blackstone Funds consisted of the following:

Blackstone / GSO Global Dynamic Credit Feeder Fund (Cayman) LP

[Table of Contents](#)

Blackstone / GSO Global Dynamic Credit Funding Designated Activity Company  
Blackstone / GSO Global Dynamic Credit Master Fund  
Blackstone / GSO Global Dynamic Credit USD Feeder Fund (Ireland)  
Blackstone Annex Onshore Fund L.P.  
Blackstone Horizon Fund L.P.  
Blackstone Real Estate Special Situations Holdings L.P.  
Blackstone Strategic Alliance Fund L.P.  
BTD CP Holdings LP  
Blackstone Dislocation Fund L.P.\*  
BEPIF (Aggregator) SCSp\*  
BX Shipston SCSp\*  
Blackstone Private Equity Strategies Fund L.P.\*  
Blackstone Private Equity Strategies Fund SICAV\*  
Blackstone Infrastructure Hogan Co-Invest (CYM) L.P.\*  
Mezzanine side-by-side investment vehicles  
Private equity side-by-side investment vehicles  
Real estate side-by-side investment vehicles  
Hedge Fund Solutions side-by-side investment vehicles.

\* Consolidated as of December 31, 2022 only.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

---

## [Table of Contents](#)

No change in our internal control over financial reporting (as such term is defined in Rules 13a–15(f) and 15d–15(f) under the Exchange Act) occurred during our most recent quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Management’s Report on Internal Control Over Financial Reporting**

Management of Blackstone Inc. and subsidiaries (“Blackstone”) is responsible for establishing and maintaining adequate internal control over financial reporting. Blackstone’s internal control over financial reporting is a process designed under the supervision of its principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of its consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Blackstone’s internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Blackstone’s assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of Blackstone’s internal control over financial reporting as of December 31, 2022 based on the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that Blackstone’s internal control over financial reporting as of December 31, 2022 was effective.

Deloitte & Touche LLP, an independent registered public accounting firm, has audited Blackstone’s financial statements included in this report on Form 10-K and issued its report on the effectiveness of Blackstone’s internal control over financial reporting as of December 31, 2022, which is included herein.

### **Item 9B. Other Information**

#### **Section 13(r) Disclosure**

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, Blackstone hereby incorporates by reference herein Exhibit 99.1 of this report, which includes disclosures provided to us by Atlantia S.p.A.

### **Item 9C. Disclosures Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**Part III.****Item 10. Directors, Executive Officers and Corporate Governance****Directors and Executive Officers of Blackstone Inc.**

Our directors and executive officers as of the date of this filing are:

| <b>Name</b>                        | <b>Age</b> | <b>Position</b>  |
|------------------------------------|------------|--|
| Stephen A. Schwarzman              | 76         | Founder, Chairman and Chief Executive Officer and Director |
| Jonathan D. Gray                   | 53         | President, Chief Operating Officer and Director            |
| Michael S. Chae                    | 54         | Chief Financial Officer                                    |
| John G. Finley                     | 66         | Chief Legal Officer  |
| Joseph P. Baratta                  | 52         | Director   |
| Kelly A. Ayotte                    | 54         | Director   |
| James W. Breyer                    | 61         | Director   |
| Reginald J. Brown                  | 55         | Director   |
| Sir John Antony Hood               | 71         | Director   |
| Rochelle B. Lazarus                | 75         | Director   |
| The Right Honorable Brian Mulroney | 83         | Director   |
| William G. Parrett                 | 77         | Director   |
| Ruth Porat                         | 65         | Director   |

**Stephen A. Schwarzman** is the Chairman, Chief Executive Officer and Co-Founder of Blackstone and the Chairman of our board of directors. Mr. Schwarzman was elected Chairman of the board of directors effective March 20, 2007. He also sits on the firm's Management Committee. Mr. Schwarzman has been involved in all phases of the firm's development since its founding in 1985. Mr. Schwarzman is an active philanthropist with a history of supporting education, as well as culture and the arts, among other things. In 2020, he signed The Giving Pledge, committing to give the majority of his wealth to philanthropic causes. In both business and philanthropy, Mr. Schwarzman has dedicated himself to tackling big problems with transformative solutions. In June 2019, he donated £150 million to the University of Oxford to help redefine the study of the humanities for the 21st century. His gift – the largest single donation to Oxford since the renaissance – will create a new Centre for the Humanities which unites all humanities faculties under one roof for the first time in Oxford's history, and will offer new performing arts and exhibition venues as well as a new Institute for Ethics in AI. In October 2018, he announced a foundational \$350 million gift to establish the MIT Schwarzman College of Computing, an interdisciplinary hub which will reorient MIT to address the opportunities and challenges presented by the rise of artificial intelligence, including critical ethical and policy considerations to ensure that the technologies are employed for the common good. 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, and also gave a founding gift of \$40 million to the Inner-City Scholarship Fund, which provides tuition assistance to underprivileged children attending Catholic schools in the Archdiocese of New York. In 2013, he founded an international scholarship program, "Schwarzman Scholars," at Tsinghua University in Beijing to educate future leaders about China. At over \$575 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 is 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. In 2019, Mr. Schwarzman published his first book, *What It Takes: Lessons in the Pursuit of Excellence*, a New York Times Best Seller which draws from his experiences in business, philanthropy and public service. 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 the former co-chair of the Partnership for New

---

## [Table of Contents](#)

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 and in 2018 was ranked in the Top 50 on Forbes' list of the "World's Most Powerful People." 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 was also awarded the Order of the Aztec Eagle, Mexico's highest honor for foreigners, for his work on behalf of the U.S. in support of the U.S.-Mexico-Canada Agreement in 2018. Mr. Schwarzman holds a BA from Yale University and an MBA 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.

**Jonathan D. Gray** is President and Chief Operating Officer of Blackstone and a member of our board of directors. Mr. Gray was elected to the board of directors effective February 24, 2012. He also sits on the firm's Management Committee and previously served as Global Head of Real Estate, which he helped build into the largest real estate platform in the world. Mr. Gray joined Blackstone in 1992. He currently serves as Chairman of the board of directors of Hilton Worldwide Holdings Inc, and a member of the board of directors of Corebridge Financial. Mr. Gray also previously served as a board member of Nevada Property 1 LLC (The Cosmopolitan of Las Vegas), Invitation Homes Inc., Brixmor Property Group Inc. and La Quinta Holdings Inc. He also serves on the board of Harlem Village Academies. Mr. Gray and his wife, Mindy, established the Bassler Center for BRCA at the University of Pennsylvania School of Medicine focused on the prevention and treatment of certain genetically caused 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.

**Michael S. Chae** is Blackstone's Chief Financial Officer and a member of the firm's Management Committee and investment committees across most of the firm's businesses. Mr. Chae has management responsibility over the firm's global finance, treasury, technology and corporate development functions. He chairs our firmwide valuation and enterprise risk committees. Since joining Blackstone in 1997, Mr. Chae has served in a broad range of leadership roles including Head of International Private Equity, Head of Private Equity for Asia/Pacific, and as a senior partner in the U.S. private equity business, where he led numerous investments and served on the boards of many private and publicly traded portfolio companies. Before joining Blackstone, Mr. Chae worked at The Carlyle Group and 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 been active in the non-profit world with a focus on education and policy. Mr. Chae served as the President of the Board of Trustees of the Lawrenceville School, and remains a Trustee Emeritus and co-chair of its capital campaign. He serves on the boards of the Robin Hood Foundation, the St. Bernard's School, and the Asia Society. He is a member of the Council on Foreign Relations, and recently founded the Chae Initiative in Private Sector Leadership at Yale Law School.

**John G. Finley** is a Senior Managing Director and Chief Legal Officer of Blackstone and a member of the firm's Management Committee. Before joining Blackstone in 2010, Mr. Finley had been a partner with Simpson Thacher & Bartlett where he was a member of that law firm's Executive Committee and Co-Head of Global Mergers & Acquisitions. Mr. Finley is an Adviser on the American Law Institute's Restatement of the Law, Corporate Governance project and a member of the U.S. Advisory Council on Historic Preservation, Dean's Advisory Board of Harvard Law School, Advisory Board of the Harvard Law School Program on Corporate Governance, Gettysburg Foundation, and Board of Advisors of the Penn Institute for Law and Economics. Mr. Finley is also a director at Tradeweb. He has served on the Committee of Securities Regulation of the New York State Bar Association and the Board of Advisors of the Knight-Bagehot Fellowship in Economics and Business Journalism at Columbia University. Mr. Finley received a B.S. in Economics from the Wharton School of the University of Pennsylvania, a B.A. in History from the College of Arts and Sciences of the University of Pennsylvania, and a J.D. from Harvard Law School.

**Joseph P. Baratta** is Global Head of Private Equity at Blackstone and a member of the board of directors. Mr. Baratta was elected to the board of directors effective March 2, 2020. He also sits on the firm's Management Committee. Mr. Baratta joined Blackstone in 1998 and in 2001 he moved to London to help establish Blackstone's corporate private equity business in Europe. 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 has served on the boards of a number of Blackstone portfolio companies and currently serves as a member or observer on the boards of directors of First Eagle Investment Management, Refinitiv, SESAC, Ancestry, Candle Media and Merlin Entertainments Group. 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.

**Kelly A. Ayotte** is a member of our board of directors. Ms. Ayotte was elected to the board of directors effective May 13, 2019. Ms. Ayotte represented New Hampshire in the United States Senate from 2011 to 2016, where she chaired the Armed Services Subcommittee on Readiness and the Commerce Subcommittee on Aviation Operations. Ms. Ayotte also served on the Homeland Security and Governmental Affairs, Budget, Small Business and Entrepreneurship, and Aging Committees. Ms. Ayotte served as the "Sherpa" for Justice Neil Gorsuch, leading the effort to secure his confirmation to the United States Supreme Court. From 2004 to 2009, Ms. Ayotte served as New Hampshire's first female Attorney General having been appointed to that position by Republican Governor Craig Benson and reappointed twice by Democratic Governor John Lynch. Prior to that, she served as the Deputy Attorney General, Chief of the Homicide Prosecution Unit and as Legal Counsel to Governor Craig Benson. Ms. Ayotte began her career as a law clerk to the New Hampshire Supreme Court and as an associate at the Mclane Middleton law firm. Ms. Ayotte serves on the board of directors of Caterpillar Inc., on its nomination and governance committee, and as chair on its sustainability and other public policy committee; the board of directors of News Corporation, on its nomination and governance committee, and as chair of its compensation committee; as the lead independent director on board of directors of Boston Properties, Inc.; the board of directors of Blink Health LLC; and as chair of the board of directors of BAE Systems Inc. Ms. Ayotte previously served on the board of directors of Bloom Energy Corporation and chaired its nomination and governance committee. Ms. Ayotte also serves on the advisory boards of Microsoft, Chubb Insurance and Cirtronics. Ms. Ayotte is a Senior Advisor to Citizens for Responsible Energy Solutions. Ms. Ayotte also serves on the non-profit boards of the One Campaign, International Republican Institute, the McCain Institute, Winning for Women, NH Veteran's Count and NH Swim with a Mission. Ms. Ayotte is also a member of the Board of Advisors for the Center on Military and Political Power at the Foundation for Defense of Democracies.

**James W. Breyer** is a member of our board of directors. Mr. Breyer was elected to the board of directors effective July 14, 2016. Mr. Breyer is the Founder and Chief Executive Officer of Breyer Capital, a premier venture capital firm based in Austin, Texas and Menlo Park, California. Mr. Breyer has been an early investor in over 40 technology companies that have completed successful public offerings or mergers. He served as Partner at Accel Partners from 1990 to 2016 and Managing Partner from 1995 to 2011. Mr. Breyer also has a long record of investing in China and partnering with Chinese entrepreneurs. He is Co-Chairman of IDG Capital, based in Beijing and the first firm to bring venture capital into China. Over the past several years, Mr. Breyer has developed a deep personal and investment interest in long-term oriented entrepreneurs and teams working in artificial/augmented intelligence and human-assisted intelligence and has made numerous investments in this space. Mr. Breyer previously served on the board of directors of Twenty-First Century Fox, Inc. from 2011 to 2019, Facebook, Inc. from 2005 to 2013, Etsy, Inc. from 2008 to 2016, Dell, Inc. from 2009 to 2013 and Wal-Mart Stores, Inc. from 2001 to 2013, as well as a number of other technology companies. Mr. Breyer is currently the Chairman of the Advisory Board at the Tsinghua University School of Economics and Management, a member of Harvard Business School's Board of Dean's Advisors, a member of Harvard University's Global Advisory Council, a founding member of the



Dean's Advisory Board of Stanford University's School of Engineering, Chairman of the Stanford Engineering Venture Fund and founding member of the Stanford Institute for Human-Assisted Artificial Intelligence Advisory Board. In addition, Mr. Breyer is a long-time active volunteer as a Trustee of the San Francisco Museum of Modern Art, the Metropolitan Museum of Art, the American Film Institute and Stanford's Center for Philanthropy and Civil Society.

**Reginald J. Brown** is a member of the board of directors of Blackstone. Mr. Brown was elected to the board of directors effective September 15, 2020. Mr. Brown is a partner in the Washington, D.C., office of Kirkland & Ellis LLP. Prior to joining Kirkland, Mr. Brown was a partner at WilmerHale, where he served as chairman of the firm's Financial Institutions Group and led the firm's congressional investigations practice as vice chair of the Crisis Management and Strategic Response Group. From 2003 to 2005, Mr. Brown served as associate White House Counsel and special assistant to the President, and prior to serving in government he worked as Assistant to the CEO and Vice President for Corporate Strategy at Nationwide Mutual Insurance Company. Mr. Brown holds a BA from Yale University and a JD from Harvard Law School.

**Sir John Antony Hood** is a member of our board of directors. Sir John was elected to the board of directors effective May 14, 2018. Sir John previously served as the President and Chief Executive Officer of the Robertson Foundation, the Chair of the Rhodes Trust, on the board of the Mandela Rhodes Foundation, as Chairman of BMT Group, Ltd, and as a director of WPP plc, where he was chairman of the compensation committee. He currently serves on the Advisory Boards of the Blavatnik School of Government at Oxford. In addition, Sir John serves on the boards of the Fletcher Trust, the British Heart Foundation, and the Said Business School Foundation. From 2004 to 2009, Sir John served as Vice-Chancellor of the University of Oxford, and from 1999 to 2004, he served as Vice-Chancellor of The University of Auckland. Sir John earned a Bachelor of Engineering and a PhD in Civil Engineering from The University of Auckland. Upon completing his doctorate, he was awarded a Rhodes Scholarship to study at the University of Oxford. There he read for an MPhil in Management Studies and was a member of Worcester College. Sir John has been appointed a Knight Companion to the New Zealand Order of Merit.

**Rochelle B. Lazarus** is a member of our board of directors. Ms. Lazarus was elected to the board of directors effective July 9, 2013. Ms. Lazarus is Chairman Emeritus of Ogilvy & Mather and served as Chairman of that company from 1997 to June 2012. Prior to becoming Chief Executive Officer and Chairman, she also served as President of O&M Direct North America, Ogilvy & Mather New York, and Ogilvy & Mather North America. Ms. Lazarus currently serves on the boards of Rockefeller Capital Management, Organon, World Wildlife Fund, Lincoln Center for the Performing Arts and the Partnership for New York City. She also previously served on the board of General Electric Company and Merck & Co. Ms. Lazarus is a trustee of the New York Presbyterian Hospital and is a member of the Board of Overseers of Columbia Business School.

**The Right Honorable Brian Mulroney** is a member of our board of directors. Mr. Mulroney was elected to the board of directors effective June 21, 2007. Mr. Mulroney is a senior partner for Norton Rose Fulbright Canada LLP. Prior to joining Norton Rose Fulbright Canada, Mr. Mulroney was the eighteenth Prime Minister of Canada from 1984 to 1993 and leader of the Progressive Conservative Party of Canada from 1983 to 1993. He served as the Executive Vice President of the Iron Ore Company of Canada and President beginning in 1977. Prior to that, Mr. Mulroney served on the Cliché Commission of Inquiry in 1974. Mr. Mulroney is a Senior Advisor of Global Affairs at Barrick Gold Corporation, where he previously served as a member of the board of directors, and is the Chairman of their International Advisory Board. Mr. Mulroney is also Chairman of the board of directors of Quebecor Inc. and a member of the board of directors of Acreage Holdings Inc., and he previously served on the board of directors of Wyndham Hotels & Resorts, Inc., Archer Daniels Midland Company and Quebecor World Inc.

**William G. Parrett** is a member of our board of directors. Mr. Parrett was elected to the board of directors effective November 9, 2007. Until May 31, 2007, Mr. Parrett served as the Chief Executive Officer of Deloitte Touche Tohmatsu and Senior Partner of Deloitte (USA). Certain of the member firms of Deloitte Touche Tohmatsu or their subsidiaries and affiliates provide professional services to Blackstone or its affiliates. Mr. Parrett co-

founded the Global Financial Services Industry practice of Deloitte and served as its first Chairman. Mr. Parrett is a member of the board of directors of New York Foundation for Senior Citizens, ThoughtWorks, where he is the chair of the audit committee and a member of the nominating and governance Committee, and Oracle Corporation, where he is a member of the nominating and governance committee. Mr. Parrett was also previously a member of the board of directors of Eastman Kodak Company, Thermo Fisher Scientific Inc., UBS AG, UBS Americas and Conduent Inc. Mr. Parrett is a past Senior Trustee of the United States Council for International Business and a past Chairman of the Board of Trustees of United Way Worldwide. Mr. Parrett is a Certified Public Accountant with an active license.

**Ruth Porat** is a member of the board of directors of Blackstone. Ms. Porat was elected to the board of directors effective June 25, 2020. Ms. Porat joined Google as Senior Vice President and Chief Financial Officer in May 2015 and has also held the same title at Alphabet since it was created in October 2015. She is responsible for Finance, Business Operations and Real Estate & Workplace Services. Prior to joining Google, Ms. Porat was Executive Vice President and Chief Financial Officer of Morgan Stanley and held roles there that included Vice Chairman of Investment Banking, Co-Head of Technology Investment Banking and Global Head of the Financial Institutions Group. Ms. Porat is a member of the Board of Directors of the Stanford Management Company, the Council on Foreign Relations and Bloomberg Philanthropies, and a member of the Board of Trustees of Memorial Sloan Kettering Cancer Center. She previously spent ten years as a member of the Stanford University Board of Trustees. Ms. Porat holds a BA from Stanford University, an MSc from The London School of Economics and an MBA from the Wharton School.

### **Governance and Board Composition**

Our capital stock consists of common stock, Series I preferred stock and Series II preferred stock. Under our amended and restated certificate of incorporation and Delaware law, holders of our common stock are entitled to vote, together with holders of our Series I preferred stock, voting as a single class, on a number of significant matters, including certain sales, exchanges or other dispositions of all or substantially all of our assets, a merger, consolidation or other business combination, the removal of the Series II Preferred Stockholder and forced transfer by the Series II Preferred Stockholder (as defined below) of its shares of Series II preferred stock and the designation of a successor Series II Preferred Stockholder. The single share of outstanding Series II preferred stock is currently held by Blackstone Group Management L.L.C. (the "Series II Preferred Stockholder"), an entity owned by our senior managing directors and controlled by our founder, Mr. Schwarzman.

The Series II Preferred Stockholder elects our board of directors in accordance with the Series II Preferred Stockholder's limited liability company agreement, where our senior managing directors have agreed that our founder, Mr. Schwarzman will have the power to vote upon, act upon, consent to, approve or otherwise determine any matters to be voted upon, acted upon, consented to, approved or otherwise determined by the members of the Series II Preferred Stockholder. The limited liability company agreement of our Series II Preferred Stockholder provides that at such time as Mr. Schwarzman should cease to be a founding member, Jonathan D. Gray will thereupon succeed Mr. Schwarzman as the sole founding member of our Series II Preferred Stockholder, and thereafter such power will revert to the members of Series II Preferred Stockholder holding a majority in interest in the Series II Preferred Stockholder.

In identifying candidates for membership on the board of directors, Mr. Schwarzman, acting on behalf of the Series II Preferred Stockholder, takes into account (a) minimum individual qualifications, such as strength of character, mature judgment, industry knowledge or experience and an ability to work collegially with the other members of the board of directors, and (b) all other factors he considers appropriate.

After conducting an initial evaluation of a candidate, Mr. Schwarzman will interview that candidate if he believes the candidate might be suitable to be a director and may also ask the candidate to meet with other directors and senior management. If, following such interview and any consultations with directors and senior management, Mr. Schwarzman believes a candidate would be a valuable addition to the board of directors, he will appoint that individual to the board of directors.

---

## [Table of Contents](#)

When considering whether the members of the board of directors have the experience, qualifications, attributes and skills, taken as a whole, to enable the board to satisfy its oversight responsibilities effectively in light of Blackstone's business and structure, Mr. Schwarzman focused on the information described in each of the board members' biographical information set forth above. In particular, with regard to Ms. Ayotte, Mr. Schwarzman considered her distinguished career in government and public service, especially her service as a United States Senator and as New Hampshire Attorney General. With regard to Mr. Breyer, Mr. Schwarzman considered his extensive financial background and significant investment experience at Breyer Capital and Accel Partners. With regard to Mr. Brown, Mr. Schwarzman considered his distinguished career in public service and experience advising large institutions and prominent figures in the private and public sector. With regard to Sir John, Mr. Schwarzman considered his distinguished experience playing a key role in the management and oversight of leading, complex institutions and philanthropic organizations around the world. With regard to Ms. Lazarus, Mr. Schwarzman considered her extensive business background and her management experience in a variety of senior leadership roles at Ogilvy & Mather. With regard to Mr. Mulrone, Mr. Schwarzman considered his distinguished career of government service, especially his service as the Prime Minister of Canada. With regard to Mr. Parrett, Mr. Schwarzman considered his significant experience, expertise and background with regard to auditing and accounting matters, his leadership role at Deloitte and his extensive experience serving as a director on boards of directors. With regard to Ms. Porat, Mr. Schwarzman considered her extensive experience in the financial industry and her leadership roles with Alphabet, Google and Morgan Stanley. With regard to Messrs. Gray and Baratta, Mr. Schwarzman considered their leadership and extensive knowledge of our business and operations gained through their years of service at our firm and, with regard to himself, Mr. Schwarzman considered his role as founder and long-time Chief Executive Officer of our firm.

### **Controlled Company Exception and Director Independence**

Because the Series II Preferred Stockholder holds more than 50% of the voting power for the election of directors, we are a "controlled company" within the meaning of the corporate governance standards of the NYSE. Under these standards, a "controlled company" may elect not to comply with certain corporate governance standards, including the requirements (a) that a majority of its board of directors consist of independent directors, (b) that its board of directors have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (c) that its board of directors have a nominating and corporate governance committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. See "Part I. Item 1A Risk Factors — Risks Related to Our Organizational Structure — We are a controlled company and as a result fall within the exceptions from certain corporate governance and other requirements under the rules of the New York Stock Exchange." We currently utilize the second and third of these exemptions. In the event that we cease to be a "controlled company" and our shares of common stock continue to be listed on the NYSE, we will be required to comply with these provisions within the applicable transition periods. While we are exempt from the NYSE rules requiring a majority of independent directors, we currently have and intend to continue to maintain a majority independent board of directors.

Our board of directors has a total of eleven members, including eight members, Messrs. Breyer, Brown, Hood, Mulrone and Parrett, and Mses. Ayotte, Lazarus and Porat, who are independent under NYSE rules relating to corporate governance matters and the independence standards described in our governance policy.

### **Board Committees**

Our board of directors has three standing committees: the audit committee, the compensation committee and the executive committee.

---

## [Table of Contents](#)

**Audit Committee.** The audit committee consists of Messrs. Parrett (Chairman), Breyer, and Hood and Mses. Ayotte, Lazarus and Porat. The purpose of the audit committee is, among other things, to assist the board of directors in fulfilling its responsibility with respect to its oversight of (a) the quality and integrity of our financial statements, (b) our compliance with legal and regulatory requirements, (c) our independent auditor’s qualification, independence and performance, and (d) the performance of our internal audit function. The audit committee’s responsibilities also include reviewing with management, the independent auditors and internal audit, the areas of material risk to our operations and financial results, including major financial risks and exposures and our guidelines and policies with respect to risk assessment and risk management. The members of the audit committee meet the independence standards and financial literacy requirements for service on an audit committee of a board of directors pursuant to the NYSE listing standards and SEC rules applicable to audit committees. The board of directors has determined that each of Mr. Parrett and Mses. Lazarus and Porat is an “audit committee financial expert” within the meaning of Item 407(d)(5) of Regulation S-K. The audit committee has a charter, which is available on our website at <http://ir.blackstone.com> under “Corporate Governance.”

**Compensation Committee.** The compensation committee consists of Mr. Schwarzman. The purpose of the compensation committee is, among other things, to fix, and establish policies for, the compensation of officers and employees of the Company and its subsidiaries.

**Executive Committee.** The executive committee consists of Messrs. Schwarzman, Gray and Baratta. The board of directors has delegated all of the power and authority of the full board of directors to the executive committee to act when the board of directors is not in session.

### **Code of Business Conduct and Ethics**

We have a Code of Business Conduct and Ethics and a Code of Ethics for Financial Professionals, which apply to our principal executive officer, principal financial officer and principal accounting officer. Each of these codes is available on our website at <http://ir.blackstone.com> under “Corporate Governance.” We intend to disclose any amendment to or waiver of the Code of Ethics for Financial Professionals and any waiver of our Code of Business Conduct and Ethics on behalf of an executive officer or director either on our website or in an 8-K filing.

### **Corporate Governance Guidelines**

The board of directors has a Governance Policy, which addresses matters such as the board of directors’ responsibilities and duties and the board of directors’ composition and compensation. The Governance Policy is available on our website at <http://ir.blackstone.com> under “Corporate Governance.”

### **Communications to the Board of Directors**

The non-management members of our board of directors meet at least quarterly. The presiding director at these non-management board member meetings is Mr. Parrett. All interested parties, including any employee or stockholder, may send communications to the non-management members of our board of directors by writing to: Blackstone Inc., Attn: Audit Committee, 345 Park Avenue, New York, New York 10154.

### **Delinquent Section 16(a) Reports**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors, and persons who own more than ten percent of a registered class of Blackstone Inc.’s equity securities to file initial reports of ownership and reports of changes in ownership with the SEC and furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of the copies of such reports furnished to us or written representations from such persons that they were not required to file a Form 5 to report previously unreported ownership or changes in ownership, we believe that, with respect to the fiscal year ended December 31, 2022, such persons complied with all such filing requirements, with the exception of the following

---

[Table of Contents](#)

late filings due to administrative oversight: a Form 4 report on February 25, 2022 by Ms. Porat reflecting a purchase of common stock and a Form 4 report on November 1, 2022 by Mr. Baratta reflecting the exchange of Blackstone Holdings Partnership Units for an equal number of shares of common stock.

**Item 11. Executive Compensation**

**Compensation Discussion and Analysis**

***Overview of Compensation Philosophy and Program***

The intellectual capital collectively possessed by our senior managing directors (including our named executive officers) and other employees is the most important asset of our firm. We invest in people. We hire qualified people, train them, encourage them to provide their best thinking to the firm for the benefit of the investors in the funds we manage, and compensate them in a manner designed to retain and motivate them and align their interests with those of the investors in our funds and our shareholders.

Our overriding compensation philosophy for our senior managing directors and certain other employees is that compensation should be composed primarily of (a) annual cash bonus payments tied to Blackstone's overall performance and the performance of the applicable business unit(s) in which such employee works, (b) performance interests (composed primarily of Performance Allocations, commonly referred to as carried interest, and incentive fee interests) tied to the performance of the investments made by the funds in the business unit in which such employee works or for which he or she has responsibility, and (c) deferred equity awards reflecting the value of our common stock. We believe that the appropriate combination of annual cash bonus payments and performance interests and/or deferred equity awards encourages our senior managing directors and other employees to focus on the underlying performance of our investment funds, as well as the overall performance of the firm and interests of our shareholders, and that base salary should represent a significantly lesser component of total compensation.

We believe that the proportion of compensation that is "at risk" should increase as an employee's level of responsibility rises. Base salary generally represents a smaller percentage of the total compensation of employees at higher total compensation levels compared to employees at lower total compensation levels. Employees at higher total compensation levels are generally targeted to receive a greater percentage of their total compensation in the form of participation in performance interests, deferred equity awards and, to a lesser extent, annual cash bonuses subject to deferral.

Our compensation program includes significant elements that discourage excessive risk-taking and align the compensation of our employees with the long-term performance of the firm. For example, notwithstanding the fact that for accounting purposes we accrue compensation for the Performance Plans (as defined below) related to our carry funds as increases in the carrying value of the portfolio investments are recorded in those carry funds, we only make cash payments to our employees related to carried interest when profitable investments have been realized and cash is distributed first to the investors in our funds, followed by the firm and only then to employees of the firm. Moreover, if a carry fund fails to achieve specified investment returns due to diminished performance of later investments, our Performance Plans entitle us to "clawback" carried interest payments previously made to an employee for the benefit of the limited partner investors in that fund, and we escrow a portion of all carried interest payments made to employees to help fund their potential future "clawback" obligations, all of which further discourages excessive risk-taking by our employees. Similarly, for our investment funds that pay incentive fees, those incentive fees are only paid to the firm and employees of the firm to the extent an applicable fund's portfolio of investments has profitably appreciated in value (in most cases above a specified level) during the applicable period. In addition, and as noted below with respect

## [Table of Contents](#)

to our named executive officers, requiring our professional employees to invest in certain of the funds they manage directly aligns the interests of our professionals and our fund investors. In most cases, the carried interest earned on these investments represent a significant percentage of employees' after-tax compensation. Lastly, because our equity awards have significant vesting or deferral provisions, the actual amount of compensation realized by the recipient is tied directly to the long-term performance of our common stock. In applicable jurisdictions, specifically in the European Union and the United Kingdom, our compensation program includes additional remuneration policies that may limit or otherwise alter the compensation for certain employees consistent with local regulatory requirements and are aimed at, among other things, discouraging inappropriate risk-taking and aligning compensation with the firm's strategy and long-term interests consistent with our general compensation program.

We believe our current compensation and benefit allocations for senior professionals are best in class and are consistent with companies in the alternative asset management industry. We generally do not rely on compensation surveys or compensation consultants. Our senior management periodically reviews the effectiveness and competitiveness of our compensation program, and such reviews may in the future involve the assistance of independent consultants.

*Personal Investment Obligations.* As part of our compensation philosophy and program, we require our named executive officers to invest their own capital in and alongside the funds that we manage. We believe that this strengthens the alignment of interests between our named executive officers and the investors in those investment funds. (See “— Item 13. Certain Relationships and Related Transactions, and Director Independence — Investment In or Alongside Our Funds.”) In determining compensation for our named executive officers, we do not take into account the gains or losses attributable to the personal investments by our named executive officers in our investment funds.

*Minimum Retained Ownership Requirements.* We believe the continued ownership by our named executive officers of significant amounts of our equity affords significant alignment of interests with our shareholders. For equity awards granted in 2019 and onward (other than grants made under our Bonus Deferral Plan), our named executive officers are required to hold 25% of their vested equity for two years after the applicable vesting event. If the named executive officer's employment terminates prior to such time, however, such 25% of the vested equity must be held for two years after termination of employment. The minimum retained ownership requirements for our named executive officers are further described below under “— Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — Terms of Discretionary Equity Awards — Minimum Retained Ownership Requirements.”

### **Named Executive Officers**

In 2022, our named executive officers were:

| <u>Executive</u>      | <u>Title</u>                          |
|-----------------------|---------------------------------------|
| Stephen A. Schwarzman | Chairman and Chief Executive Officer  |
| Jonathan D. Gray      | President and Chief Operating Officer |
| Michael S. Chae       | Chief Financial Officer               |
| John G. Finley        | Chief Legal Officer                   |
| Hamilton E. James     | Former Executive Vice Chairman*       |

\* Effective January 31, 2022, Mr. James retired as a director and as Executive Vice Chairman of Blackstone.

**Compensation Elements for Named Executive Officers**

The key elements of the compensation of our named executive officers for 2022 were base compensation, which is composed of base salary, cash bonus and equity-based compensation, and performance compensation, which is composed of carried interest and incentive fee allocations:

1. **Base Salary.** Each named executive officer received a \$350,000 annual base salary in 2022, which equals the total yearly partnership drawings that were received by each of our senior managing directors prior to our initial public offering in 2007. In keeping with historical practice, we continue to pay this amount as a base salary.

2. **Annual Cash Bonus Payments / Deferred Equity Awards.** Since our initial public offering, Mr. Schwarzman has not received any cash compensation other than the \$350,000 annual salary described above and the actual realized carried interest distributions or incentive fees he may receive in respect of his participation in the carried interest or incentive fees earned from our funds through our Performance Plans described below. We believe that having Mr. Schwarzman's compensation largely based on ownership of a portion of the carried interest or incentive fees earned from our funds aligns his interests with those of the investors in our funds and our shareholders.

Each of our named executive officers other than Mr. Schwarzman and Mr. James received annual cash bonus payments in respect of 2022 in addition to their base salary. These cash bonus payments included participation interests in the earnings of the firm's various investment businesses. For all named executive officers, the amount of cash payments paid to such named executive officer at the end of the year in respect of such year was determined in the discretion of Mr. Schwarzman and Mr. Gray, as described below. Earnings for the firm's investment businesses are calculated based on the annual operating income of the businesses and are generally a function of the performance of the businesses, which is evaluated by Mr. Schwarzman and Mr. Gray. The ultimate cash payment amounts were based on (a) the prior and anticipated performance of the named executive officer, (b) the prior and anticipated performance of the firm's segments and product lines, (c) the overall success of the firm and (d) where applicable, the estimated participation interests given to the named executive officer at the beginning of the year in respect of the investments to be made in that year. We make annual cash bonus payments in the first quarter of the ensuing year to reward individual performance for the prior year. The ultimate cash payments that are made are fully discretionary as further discussed below under "— Determination of Incentive Compensation."

For 2022, all named executive officers other than Mr. Schwarzman and Mr. James were selected to participate in the Bonus Deferral Plan. The Bonus Deferral Plan provides for the deferral of a portion of each participant's annual cash bonus payment. The amount of each participant's annual cash bonus payment deferred under the Bonus Deferral Plan is calculated pursuant to a deferral rate table using the participant's total annual incentive compensation, which generally includes such participant's annual cash bonus payment and a portion of any incentive fees earned in connection with our investment funds and is subject to certain adjustments, including reductions for mandatory contributions to our investment funds. By deferring a portion of a participant's compensation, the Bonus Deferral Plan acts as an employment retention mechanism and thereby enhances the alignment of interests between such participant and the firm. Many publicly traded asset managers utilize deferred compensation plans as a means of retaining and motivating their professionals, and we believe that it is in the interest of our shareholders to do the same for our personnel.

---

## [Table of Contents](#)

On January 9, 2023, Mr. Gray, Mr. Chae and Mr. Finley each received a deferral award under the Bonus Deferral Plan of deferred restricted common stock units in respect of their service in 2022. The percentage of the 2022 annual cash bonus payment mandatorily deferred into deferred restricted common stock units for Messrs. Gray, Chae and Finley was approximately 100%, 52.2% and 49.3%, respectively. These awards are reflected as stock awards for fiscal year 2022 in the Summary Compensation Table and in the Grants of Plan-Based Awards in 2022 table.

3. Discretionary Equity Awards. On April 1, 2022, Mr. Gray, Mr. Chae and Mr. Finley were awarded a discretionary award of 314,747, 86,970 and 74,546 deferred restricted common stock units, respectively. These awards reflected 2021 performance and were intended to further promote retention and to incentivize future performance. The awards were granted under the 2007 Equity Incentive Plan. The awards will vest 10% on July 1, 2023, 10% on July 1, 2024, 20% on July 1, 2025, 30% on July 1, 2026 and 30% on July 1, 2027. These awards are reflected as stock awards for fiscal 2022 in the Summary Compensation Table and in the Grants of Plan-Based Awards in 2022 table.

In January 2023, Mr. Gray, Mr. Chae and Mr. Finley were each informed of anticipated discretionary awards of deferred restricted common stock units with values of \$30,000,000, \$10,000,000 and \$9,000,000, respectively. These anticipated awards reflect 2022 performance and are intended to further promote retention and to incentivize future performance. These awards are expected to be granted under the 2007 Equity Incentive Plan on April 1, 2023, subject to the named executive officer's continued employment through such date. Once granted, these awards will vest 10% on July 1, 2024, 10% on July 1, 2025, 20% on July 1, 2026, 30% on July 1, 2027 and 30% on July 1, 2028 and will be reflected as stock awards for fiscal 2023 in the Summary Compensation Table and in the Grants of Plan-Based Awards in 2023 table.

4. Participation in Carried Interest and Incentive Fees. During 2022, all of our named executive officers participated in the carried interest of our carry funds and/or the incentive fees of our funds that pay incentive fees through their participation interests in the carry or incentive fee pools generated by these funds. The carry or incentive fee pool with respect to each fund in a given year is funded by a fixed percentage of the total amount of carried interest or incentive fees earned by Blackstone for such fund in that year. We refer to these pools and employee participation therein as our "Performance Plans" and payments made thereunder as "performance payments." The aggregate amount of performance payments payable through our Performance Plans is directly tied to the performance of the funds, which we believe fosters a strong alignment of interests between the investors in those funds and the named executive officers, and therefore benefits our shareholders. In addition, most alternative asset managers, including several of our competitors, use participation in carried interest or incentive fees as a central means of compensating and motivating their professionals, and we must do the same in order to attract and retain the most qualified personnel. For purposes of our financial statements, we treat the income allocated to all our personnel who have participation interests in the carried interest or incentive fees generated by our funds as compensation, and the amounts of carried interest and incentive fees earned by named executive officers are reflected as "All Other Compensation" in the Summary Compensation Table. Distributions in respect of our Performance Plans for each named executive officer are determined on the basis of the percentage participation in the relevant investments previously allocated to that named executive officer, which percentage participations are established in January of each year in respect of the investments to be made in that year. The percentage participation for a named executive officer may vary from year to year and fund to fund due to several factors, which may include changes in the size and composition of the pool of Blackstone personnel participating in such Performance Plan in a given year, the performance of our various



---

## [Table of Contents](#)

businesses, new developments in our businesses and product lines, and the named executive officer's leadership and oversight of the function for which the named executive officer is responsible and such named executive officer's contributions with respect to our strategic initiatives. In addition, certain of our employees, including our named executive officers, may participate in profit sharing initiatives whereby these individuals may receive allocations of investment income from Blackstone's firm investments. Our employees, including our named executive officers, may also receive equity awards in our investment advisory clients and/or be allocated securities of such clients that we have received.

(a) *Carried Interest.* Distributions of carried interest in cash (or, in some cases, in-kind) to our named executive officers and other employees who participate in our Performance Plans relating to our carry funds depends on the realized proceeds and timing of the cash realizations of the investments owned by the carry funds in which they participate. Our carry fund agreements also set forth specified preconditions to a carried interest distribution, which typically include that there must have been a positive return on the relevant investment and that the fund must be above its carried interest hurdle rate. In addition, as described below, employees or senior managing directors may also be required to have fulfilled specified service requirements to be eligible to receive carried interest distributions. For our carry funds, carried interest distributions for the named executive officer's participation interests are generally made to the named executive officer following the actual realization of the investment, although a portion of such carried interest is held back by the firm in respect of any future "clawback" obligation related to the fund. In allocating participation interests in the carry pools, we have not historically taken into account or based such allocations on any prior or projected triggering of any "clawback" obligation related to any fund. To the extent any "clawback" obligation were to be triggered for a fund, carried interest previously distributed to a named executive officer would have to be returned to the limited partners of such fund, thereby reducing the named executive officer's overall compensation for any such year. Moreover, because a carried interest recipient (including Blackstone itself) may have to fund more than its respective share of a "clawback" obligation under the governing documents (generally, up to an additional 67%), the compensation paid to a named executive officer for any given year could be significantly reduced or even negative in the event a "clawback" obligation were to arise.

Participation in carried interest generated by our carry funds for all named executive officers other than Mr. Schwarzman and Mr. James is subject to vesting. Vesting serves as an employment retention mechanism and thereby enhances the alignment of interests between a participant in our Performance Plans and the firm. Carried interest generally vests in equal installments on the first through fourth anniversary of the closing of the investment to which it relates (unless an investment is realized prior to the expiration of such four-year anniversary, in which case an active named executive officer is deemed 100% vested in the proceeds of such realizations). In addition, any named executive officer who is retirement eligible will automatically vest in 50% of their otherwise unvested carried interest allocation upon retirement. (See "— Non-Competition and Non-Solicitation Agreements — Retirement.") We believe that vesting of carried interest participation enhances the stability of our senior management team and provides greater incentives for our named executive officers to remain at the firm. Due to his unique status as a founder and the longtime chief executive officer of our firm, Mr. Schwarzman vests in 100% of his carried interest participation related to any investment by a carry fund upon the closing of that investment. In recognition of his significant contributions to the firm prior to his retirement and the value Mr. James provided as Executive Vice Chairman, Mr. James fully vested in any carried interest participation related to any investment by a carry fund upon the closing of that investment.

---

## [Table of Contents](#)

(b) *Incentive Fees.* Cash distributions of incentive fees to our named executive officers and other employees who participate in our Performance Plans relating to the funds that pay incentive fees depend on the performance of the investments owned by those funds in which they participate. For our investment funds that pay incentive fees, those incentive fees are only paid to the firm and employees of the firm to the extent an applicable fund's portfolio of investments has profitably appreciated in value (in most cases above a specified level) during the applicable period and following the calculation of the profit split (if any) between the fund's general partner or investment adviser and the fund's investors.

(c) *Investment Advisory Client Interests.* BXMT and Blackstone Real Estate Income Trust ("BREIT") are investment advisory clients of Blackstone. Compensation we receive from investment advisory clients in the form of securities may be allocated to employees and senior managing directors. In 2022, Messrs. Schwarzman, Gray, Chae and Finley were allocated restricted shares of listed common stock of BXMT in connection with investment advisory services provided by Blackstone to BXMT. In 2022, Messrs. Schwarzman, Gray, James, Chae and Finley were also allocated fully vested shares of BREIT. The BREIT shares were allocated in the first quarter of 2022 in respect of 2021 performance. The value of these allocated shares is reflected as "All Other Compensation" in the Summary Compensation Table.

5. *Other Benefits.* Upon the consummation of our initial public offering in June 2007, we entered into a founding member agreement with our founder, Mr. Schwarzman, which provides (as subsequently amended) specified benefits to him following his retirement. (See "— Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — Schwarzman Founding Member Agreement.") Mr. Schwarzman is provided certain security services, which may include home security systems and monitoring, and personal and related security services. These security services are provided for our benefit, and we consider the related expenses to be appropriate business expenses rather than personal benefits for Mr. Schwarzman. Nevertheless, the expenses associated with these security services are reflected in the "All Other Compensation" column of the Summary Compensation Table below to the extent the aggregate amount of all perquisites or other personal benefits received exceeded \$10,000. In addition, until February 2022, we provided certain unused company-leased office space, and limited administrative support, for use by certain individuals who work for the Education Finance Institute (EFI), a charitable organization formed by Mr. James, for which there was no incremental cost to Blackstone.

### ***Determination of Incentive Compensation***

Mr. Schwarzman reserves final approval of each named executive officer's compensation, other than his own, and receives recommendations from Mr. Gray on such compensation determinations (other than with respect to Mr. Gray's own compensation). Mr. Schwarzman's compensation has been established pursuant to the terms of his amended and restated founding member agreement, which is described below under "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — Schwarzman Founding Member Agreement." For 2022, these decisions were based primarily on Mr. Schwarzman's and Mr. Gray's assessment of such named executive officer's individual performance, operational performance for the areas of the business for which the named executive officer has responsibility, and the named executive officer's potential to enhance investment returns for the investors in our funds and service to our advisory clients, and to contribute to long-term shareholder value. In evaluating these factors, Mr. Schwarzman and Mr. Gray relied upon their judgment to determine the ultimate amount of a named executive officer's annual cash bonus payment and participation in carried interest, incentive fees and investment advisory client interests that was

---

## [Table of Contents](#)

necessary to properly induce the named executive officer to seek to achieve our objectives and reward a named executive officer in achieving those objectives over the course of the prior year. Key factors that Mr. Schwarzman considered in making such determination with respect to Mr. Gray were his service as President and Chief Operating Officer, his role in overseeing the growth and operations of the firm, and his leadership on the strategic direction of the firm. Key factors that Messrs. Schwarzman and Gray considered in making such determinations with respect to Mr. Chae were his leadership and oversight of our global finance, treasury, technology and corporate development functions and his role in strategic initiatives undertaken by the firm. Key factors that Messrs. Schwarzman and Gray considered in making such determinations with respect to Mr. Finley were his leadership and oversight of our global legal and compliance functions, his role in positioning the firm to be compliant with and responsive to evolving legal and regulatory requirements applicable to us and our investment businesses, and his role in strategic initiatives undertaken by the firm. For 2022, Messrs. Schwarzman and Gray also considered Blackstone's overall performance and each named executive officer's prior year annual cash bonus payments, the named executive officers' allocated share of performance interests through participation in our Performance Plans, the appropriate balance between incentives for long-term and short-term performance, and the compensation paid to the named executive officer's peers within the firm. The actual cash bonus amounts awarded based on these considerations, net of the portion of Mr. Gray's, Mr. Chae's and Mr. Finley's bonus mandatorily deferred into deferred restricted common stock units pursuant to the Bonus Deferral Plan, are reflected in the "Bonus" column of the Summary Compensation Table below. Since Mr. James retired from the firm in January 2022, he was not eligible to receive an annual cash bonus with respect to 2022.

### **Compensation Committee Report**

The compensation committee of the board of directors has reviewed and discussed with management the foregoing Compensation Discussion and Analysis and, based on such review and discussion, has determined that the Compensation Discussion and Analysis should be included in this annual report.

*Stephen A. Schwarzman*

### **Compensation Committee Interlocks and Insider Participation**

During 2022, our compensation committee was comprised of Mr. Schwarzman, and none of our executive officers served as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity whose executive officers served on our compensation committee or our board of directors. For a description of certain transactions between us and Mr. Schwarzman, see "— Item 13. Certain Relationships and Related Transactions, and Director Independence."

[Table of Contents](#)

**Summary Compensation Table**

The following table provides summary information concerning the compensation of our Chief Executive Officer, our Chief Financial Officer and each of our other named executive officers for services rendered to us. These individuals are referred to as our named executive officers in this annual report.

| Name and Principal Position                                      | Year | Salary     | Bonus (a)    | Stock Awards<br>(b) | All Other<br>Compensation<br>(c) | Total         |
|--|------|------------|--------------|---------------------|----------------------------------|---------------|
| Stephen A. Schwarzman<br>Chairman and<br>Chief Executive Officer | 2022 | \$ 350,000 | \$ —         | \$ —                | \$252,772,146                    | \$253,122,146 |
|  | 2021 | \$ 350,000 | \$ —         | \$ —                | \$159,931,754                    | \$160,281,754 |
|  | 2020 | \$ 350,000 | \$ —         | \$ —                | \$ 86,030,331                    | \$ 86,380,331 |
| Jonathan D. Gray<br>President and<br>Chief Operating Officer     | 2022 | \$ 350,000 | \$ —         | \$54,581,040        | \$241,541,158                    | \$296,472,198 |
|  | 2021 | \$ 350,000 | \$ —         | \$52,408,134        | \$103,836,036                    | \$156,594,170 |
|  | 2020 | \$ 350,000 | \$ 4,650,000 | \$36,838,755        | \$ 81,366,606                    | \$123,205,361 |
| Michael S. Chae<br>Chief Financial Officer                       | 2022 | \$ 350,000 | \$ 3,179,404 | \$14,586,650        | \$ 17,909,803                    | \$ 36,025,856 |
|  | 2021 | \$ 350,000 | \$ 4,566,274 | \$11,278,331        | \$ 14,610,658                    | \$ 30,805,263 |
|  | 2020 | \$ 350,000 | \$ 4,650,000 | \$12,160,258        | \$ 10,825,066                    | \$ 27,985,324 |
| John G. Finley<br>Chief Legal Officer                            | 2022 | \$ 350,000 | \$ 2,863,548 | \$12,316,037        | \$ 6,681,266                     | \$ 22,210,851 |
|  | 2021 | \$ 350,000 | \$ 3,558,699 | \$ 9,623,557        | \$ 4,260,136                     | \$ 17,792,392 |
|  | 2020 | \$ 350,000 | \$ 3,737,919 | \$ 6,849,868        | \$ 2,341,112                     | \$ 13,278,899 |
| Hamilton E. James<br>Former Executive Vice Chairman              | 2022 | \$ 29,167  | \$ —         | \$ —                | \$ 97,369,060                    | \$ 97,398,227 |
|  | 2021 | \$ 350,000 | \$16,786,756 | \$ —                | \$ 79,375,028                    | \$ 96,511,784 |
|  | 2020 | \$ 350,000 | \$19,052,642 | \$ —                | \$ 45,373,247                    | \$ 64,775,889 |

(a) The amounts reported in this column reflect the annual cash bonus payments made for performance in the indicated year.

The amount reported as “bonus” for 2022 for Mr. Gray, Mr. Chae and Mr. Finley is shown net of their mandatory deferral pursuant to the Bonus Deferral Plan. The deferred amounts for 2022 were as follows: Mr. Gray, \$14,366,214, Mr. Chae, \$3,470,596 and Mr. Finley, \$2,786,452. For additional information on the Bonus Deferral Plan, see “— Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — Terms of Deferred Restricted Common Stock Units Granted Under the Bonus Deferral Plan in 2023 and Prior Years.”

(b) The reference to “stock” in this table refers to deferred restricted Blackstone Holdings Partnership Units or deferred restricted common stock units. The amounts reported in this column represent the grant date fair value of stock awards granted for financial statement reporting purposes in accordance with GAAP pertaining to equity-based compensation. The assumptions used in determining the grant date fair value are set forth in Note 17. “Equity-Based Compensation” in the “Notes to Consolidated Financial Statements” in “Part II. Item 8. Financial Statements and Supplementary Data.”

Amounts reported for 2022 reflect the following deferred restricted common stock units granted on January 9, 2023, for 2022 performance under the Bonus Deferral Plan: Mr. Gray, 176,874 deferred restricted common stock units with a grant date fair value of \$14,252,507, Mr. Chae, 42,730 deferred restricted common stock units with a grant date fair value of \$3,443,183 and Mr. Finley, 34,307 deferred restricted common stock units with a grant date fair value of \$2,764,458. The grant date fair value of these equity awards is computed in accordance with GAAP and generally differs from the dollar amount of such awards. For additional information on the Bonus Deferral Plan, see “— Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — Terms of Discretionary Equity Awards.”

## [Table of Contents](#)

- (c) Amounts reported for 2022 include distributions, whether in cash or in-kind, in respect of carried interest or incentive fee allocations relating to our Performance Plans to the named executive officer in 2022 as follows: \$190,454,374 for Mr. Schwarzman, \$162,058,339 for Mr. Gray, \$86,181,832 for Mr. James, \$13,660,929 for Mr. Chae and \$4,981,717 for Mr. Finley. Any in-kind distributions in respect of carried interest are reported based on the market value of the securities distributed as of the date of distribution. For 2022, no named executive officers received such in-kind distributions. We have determined to present compensation relating to carried interest and incentive fees within the Summary Compensation Table in the year in which such compensation is paid to the named executive officer under the terms of the relevant Performance Plan. Accordingly, the amounts presented in the table differ from the compensation expense recorded by us on an accrual basis for such year in respect of carried interest and incentive fees allocable to a named executive officer, which accrued amounts for 2022 are separately disclosed in this footnote to the Summary Compensation Table. We believe that the presentation of the amounts of carried interest- and incentive fee-related compensation paid to a named executive officer during the year, instead of the amounts of compensation expense we have recorded on an accrual basis, most appropriately reflects the actual compensation received by the named executive officer and represents the amount most directly aligned with the named executive officer's performance. By contrast, the amount of compensation expense accrued in respect of carried interest and incentive fees allocable to a named executive officer can be highly volatile from year to year, with amounts accrued in one year being reversed in a following year, and vice versa, causing such amounts to be less useful as a measure of the compensation earned by a named executive officer in any particular year.

To the extent compensation expense recorded by us on an accrual basis in respect of carried interest or incentive fee allocations (rather than cash or in-kind distributions) were to be included for 2022, the amounts would be \$37,852,887 for Mr. Schwarzman, \$40,315,111 for Mr. Gray, \$(6,502,742) for Mr. James, \$3,286,273 for Mr. Chae and \$1,109,756 for Mr. Finley. For financial statement reporting purposes, the accrual of compensation expense is equal to the amount of carried interest and incentive fees related to performance fee revenues as of the last day of the relevant period as if the performance fee revenues in the funds generating such carried interest or incentive fees were realized as of the last day of the relevant period.

With respect to Messrs. Schwarzman, Gray, Chae and Finley, amounts shown for 2022 also include the value of restricted shares of listed common stock of BXMT allocated to such named executive officers based on the closing price of BXMT's common stock on the date of the award as follows: \$987,782 for Mr. Schwarzman, \$948,233 for Mr. Gray, \$111,996 for Mr. Chae and \$44,798 for Mr. Finley. These restricted BXMT shares will vest over three years with one-sixth of the shares vesting at the end of the second quarter after the date of the award and the remaining shares vesting in ten equal quarterly installments thereafter. In addition, with respect to Messrs. Schwarzman, Gray, James, Chae and Finley, amounts shown for 2022 also include the value of BREIT shares allocated to such named executive officers based on BREIT's 2021 year-end net asset value as follows: \$57,833,552 for Mr. Schwarzman, \$78,534,586 for Mr. Gray, \$11,031,674 for Mr. James, \$4,136,878 for Mr. Chae and \$1,654,751 for Mr. Finley. These BREIT shares are fully vested upon delivery. With the exception of \$3,496,437 of expenses related to security services in 2022 for Mr. Schwarzman and members of his family, there were no perquisites or other personal benefits provided to the other named executive officers for which the aggregate incremental cost to the Company exceeded \$10,000, and information regarding any such perquisites or other personal benefits has therefore not been included. As noted above under "— Compensation Discussion and Analysis — Compensation Elements for Named Executive Officers — Other Benefits," we consider the expenses for security services for Mr. Schwarzman to be for our benefit and appropriate business expenses rather than personal benefits for Mr. Schwarzman. Mr. Schwarzman makes business and personal use of a car and driver and he and members of his family may also make occasional business and personal use of an airplane in which we have a fractional interest. In each case, he bears the full cost of such personal usage. In addition, certain Blackstone personnel administer personal matters for Mr.

## [Table of Contents](#)

Schwarzman and members of his family and certain matters for the Stephen A. Schwarzman Education Foundation (“SASEF”) and the Stephen A. Schwarzman Foundation (“SASF”), and Mr. Schwarzman, SASEF and SASF, as applicable, respectively, bear the full incremental cost to us of such personnel, if any. There is no incremental expense incurred by us in connection with the use of any car and driver, airplane or personnel by Messrs. Schwarzman or James, as described above. For Mr. James, amounts for 2022 also include separation benefits received by Mr. James pursuant to the terms of his withdrawal agreement valued at \$155,554, which amount includes the incremental cost to the Company, if any, of primarily administrative and technology transition benefits provided under the agreement. For additional information on Mr. James’ withdrawal agreement, see “— Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — James Withdrawal Agreement.”

### Grants of Plan-Based Awards in 2022

The following table provides information concerning equity awards granted in 2022 or, for deferred restricted common stock units granted under the Bonus Deferral Plan or on the same terms as the deferred bonus awards under the Bonus Deferral Plan, with respect to 2022, to our named executive officers:

| <u>Name</u>           | <u>Grant Date</u> | <u>All Other<br/>Stock Awards:<br/>Number of<br/>Shares of<br/>Stock<br/>or Units</u> | <u>Grant Date Fair<br/>Value<br/>of Stock and<br/>Option<br/>Awards</u> |
|-----------------------|-------------------|---|---|
| Stephen A. Schwarzman | —                 | —   | \$ —  |
| Jonathan D. Gray      | 4/1/2022          | 314,747(a)  | \$40,328,533  |
|                       | 1/9/2023          | 176,874 (b)   | \$14,252,507  |
| Michael S. Chae       | 4/1/2022          | 86,970(a)   | \$11,143,466  |
|                       | 1/9/2023          | 42,730 (b)  | \$ 3,443,183  |
| John G. Finley        | 4/1/2022          | 74,546(a)   | \$ 9,551,579  |
|                       | 1/9/2023          | 34,307 (b)  | \$ 2,764,458  |
| Hamilton E. James     | —                 | —   | \$ —  |

- (a) Represents deferred restricted common stock units granted in 2022 under our 2007 Equity Incentive Plan for 2021 performance.
- (b) Represents deferred restricted common stock units granted in 2023 under the Bonus Deferral Plan for 2022 performance. These grants are reflected in the “Stock Awards” column of the Summary Compensation Table in 2022.

### Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022

#### *Terms of Discretionary Equity Awards*

*Vesting Provisions.* The 981,883 deferred restricted Blackstone Holdings Partnership Units granted to Mr. Chae in 2016 began vesting annually in substantially equal installments over six years beginning on July 1, 2019. The 708,601, 47,241 and 47,241 deferred restricted Blackstone Holdings Partnership Units granted in 2019 to Mr. Gray, Mr. Chae and Mr. Finley, respectively, vested 20% on July 1, 2022, and will vest 30% on July 1, 2023 and 50% on July 1, 2024. The 757,217, 216,348 and 108,174 deferred restricted common stock units granted in 2020 to Mr. Gray, Mr. Chae and Mr. Finley, respectively, vested 10% on July 1, 2021, 10% on July 1, 2022, and will vest 20% on July 1, 2023, 30% on July 1, 2024 and 30% on July 1, 2025. The 533,628, 105,322 and 91,279 deferred restricted common stock units granted in 2021 to Mr. Gray, Mr. Chae and Mr. Finley, respectively, vested 10% on July 1,

---

## [Table of Contents](#)

2022, and will vest 10% on July 1, 2023, 20% on July 1, 2024, 30% on July 1, 2025 and 30% on July 1, 2026. The 314,747, 86,970 and 74,546 deferred restricted common stock units granted in 2022 to Mr. Gray, Mr. Chae and Mr. Finley, respectively, will vest 10% on July 1, 2023, 10% on July 1, 2024, 20% on July 1, 2025, 30% on July 1, 2026 and 30% on July 1, 2027.

Except as described below, unvested discretionary equity awards are generally forfeited upon termination of employment. With respect to Mr. Gray, the deferred restricted Blackstone Holdings Partnership Units granted to him in 2019 and the deferred common stock units granted to him in 2020 and subsequent years will become fully vested if he is terminated by us without cause. In addition, upon the death or permanent disability of a named executive officer, all unvested discretionary equity awards of common stock units held at that time will vest immediately. In connection with a named executive officer's termination of employment due to qualifying retirement, 50% of such units will continue to vest and be delivered over the vesting period, subject to forfeiture if the named executive officer violates any applicable provision of his employment agreement or engages in any competitive activity (as such term is defined in the applicable award agreement). (See "Non-Competition and Non-Solicitation Agreements — Retirement.") Further, in the event of a change in control (defined in the Blackstone Holdings partnership agreements as the occurrence of any person, other than Blackstone Group Management L.L.C. or a person approved by Blackstone Group Management L.L.C., becoming the Series II Preferred Stockholder), all unvested discretionary equity awards will automatically be deemed vested as of immediately prior to such change in control.

All vested and unvested equity awards (and our common stock delivered upon vesting or received in exchange for Blackstone Holdings Partnership Units) held by a named executive officer will be immediately forfeited in the event the named executive officer materially breaches any of their restrictive covenants set forth in the non-competition and non-solicitation agreement outlined under "Non-Competition and Non-Solicitation Agreements" or their service is terminated for cause. Notwithstanding the foregoing, Mr. Schwarzman will not be required to forfeit more than 25% of the units held by him as of March 1, 2018, the date of his amended and restated founding member agreement.

*Cash Dividend Equivalents.* All discretionary equity awards are entitled to the payment of current cash dividend equivalents. In accordance with the SEC's rules, the current cash dividend equivalents are not required to be reported in the Summary Compensation Table because the amounts of future cash dividends are factored into the grant date fair value of the awards.

*Minimum Retained Ownership Requirements.* For units granted in 2014 and prior years (other than grants made under our Bonus Deferral Plan), while employed by us and generally for one year following the termination of employment, our named executive officers (except as otherwise provided below) are required to hold at least 25% of all vested equity received by such named executive officer; provided that with respect to vested equity received in connection with the reorganization we effected prior to our initial public offering, such percentage is reduced to 12.5% upon qualifying retirement. For equity granted in 2015 through 2018 (other than grants made under our Bonus Deferral Plan) our named executive officers (except as otherwise provided below) are required to hold 25% of their vested equity until the earlier of (1) ten years after the applicable vesting date and (2) one year following termination of employment. For equity awards granted in 2019 and onward (other than grants made under our Bonus Deferral Plan), our named executive officers (except as otherwise provided below) are required to hold 25% of their vested equity for two years after the applicable vesting event. If the named executive officer's employment terminates prior to such time, however, such 25% of the vested

---

## [Table of Contents](#)

equity must be held for two years after termination of employment. The requirement that one continue to hold such minimum amounts of vested equity is subject to the qualification in Mr. Schwarzman's case that in no event will he be required to hold equity having a market value greater than \$1.5 billion or hold equity following termination of employment. Each of our named executive officers is in compliance with these minimum retained ownership requirements.

*Transfer Restrictions.* None of our named executive officers may transfer Blackstone Holdings Partnership Units other than pursuant to transactions or programs approved by us.

This transfer restriction applies to sales and pledges of Blackstone Holdings Partnership Units, grants of options, rights or warrants to purchase Blackstone Holdings Partnership Units or swaps or other arrangements that transfer to another, in whole or in part, any of the economic consequences of ownership of the Blackstone Holdings Partnership Units other than as approved by us. We will generally approve pledges or transfers to personal planning vehicles beneficially owned by the families of our pre-IPO owners and charitable gifts, provided that the pledgee, transferee or donee agrees to be subject to the same transfer restrictions (except as specified above with respect to Mr. Schwarzman). Transfers to Blackstone are also exempt from the transfer restrictions.

The transfer restrictions set forth above will continue to apply generally for one year following the termination of employment of a named executive officer other than Mr. Schwarzman for any reason, except that the transfer restrictions set forth above will lapse upon death or permanent disability or in the event of a change in control (as defined above).

### ***Terms of Deferred Restricted Common Stock Units Granted Under the Bonus Deferral Plan in 2023 and Prior Years***

In 2007, we established our Bonus Deferral Plan for certain eligible employees in order to provide such eligible employees with a pre-tax deferred incentive compensation opportunity and to enhance the alignment of interests between such eligible employees and Blackstone and our affiliates. The Bonus Deferral Plan is an unfunded, nonqualified Bonus Deferral Plan which provides for the automatic, mandatory deferral of a portion of each participant's annual cash bonus payment.

At the end of each year, the Plan Administrator (as defined in the Bonus Deferral Plan) selects plan participants in its sole discretion and notifies such individuals that they have been selected to participate in the Bonus Deferral Plan for such year. Participation is mandatory for those employees selected by the Plan Administrator to be participants. An individual who is not so selected may not elect to participate in the Bonus Deferral Plan. The selection of participants is made on an annual basis; an individual selected to participate in the Bonus Deferral Plan for a given year may not necessarily be selected to participate in a subsequent year. For 2022, all employees other than Mr. Schwarzman and Mr. James, who received no bonus in respect of 2022, were selected to participate in the Bonus Deferral Plan, with the deferred amount (if any) determined in accordance with the table described below.

In respect of the deferred portion of his or her annual cash bonus payment, each participant receives deferral units which represent rights to receive in the future a specified amount of common stock units under our 2007 Equity Incentive Plan, subject to vesting provisions described below. The amount of each participant's annual cash bonus payment deferred under the Bonus Deferral Plan is calculated pursuant to a deferral rate table using the participant's total annual incentive compensation, which generally includes such participant's annual cash bonus payment and a portion of any incentive fees earned in connection with our investment funds, and is subject to certain adjustments, including



## [Table of Contents](#)

reductions for mandatory contributions to our investment funds. For deferrals of annual cash bonus payments, the deferral percentage was calculated on the basis set forth in the following table (or such other table that may be adopted by the Plan Administrator).

| <u>Portion of Annual Incentive</u> | <u>Marginal Deferral Rate Applicable to Such Portion</u> | <u>Effective Deferral Rate for Entire Annual Bonus (a)</u> |
|------------------------------------|--|--|
| \$0—100,000                        | 0%   | 0.0%   |
| \$100,001—200,000                  | 15%  | 7.5%   |
| \$200,001—500,000                  | 20%  | 15.0%  |
| \$500,001—750,000                  | 30%  | 20.0%  |
| \$750,001—1,250,000                | 40%  | 28.0%  |
| \$1,250,001—2,000,000              | 45%  | 34.4%  |
| \$2,000,001—3,000,000              | 50%  | 39.6%  |
| \$3,000,001—4,000,000              | 55%  | 43.4%  |
| \$4,000,001—5,000,000              | 60%  | 46.8%  |
| \$5,000,000 +                      | 65%  | 52.8%  |

(a) Effective deferral rates are shown for illustrative purposes only and are based on an annual cash payment equal to the maximum amount in the range shown in the far left column (which is assumed to be \$7,500,000 for the last range shown).

**Mandatory Deferral Awards.** Generally, deferral units are satisfied by delivery of shares of our common stock in equal annual installments over a three-year deferral period. Delivery of shares of our common stock underlying vested deferral units is generally made during open trading window periods to facilitate the participant's liquidity to meet tax obligations. If the participant's employment is terminated for cause, the participant's undelivered deferral units (vested and unvested) will be immediately forfeited. Upon a change in control or termination of the participant's employment because of death, any undelivered deferral units (vested and unvested) will become immediately deliverable. Unvested bonus deferral awards will be forfeited upon resignation, will immediately vest and be delivered if the participant's employment is terminated without cause or because of disability and, in connection with a qualifying retirement, will continue to vest and be delivered over the applicable deferral period, subject to forfeiture if the participant violates any applicable provision of his or her employment agreement or engages in any competitive activity (as such term is defined in the Bonus Deferral Plan).

The 30,487 and 40,960 deferred restricted common stock units granted under the Bonus Deferral Plan to Mr. Chae and Mr. Finley, respectively, in 2020 for 2019 performance vested one-third on January 1, 2021, one-third on January 1, 2022 and one-third on January 1, 2023. The 94,504, 52,993 and 38,734 deferred restricted common stock granted to Mr. Gray, Mr. Chae and Mr. Finley, respectively, in 2021 for 2020 performance vested one-third on January 1, 2022, one-third on January 1, 2023, and will vest one-third on January 1, 2024. The 105,312, 28,797 and 23,663 deferred restricted common stock granted to Mr. Gray, Mr. Chae and Mr. Finley, respectively, in 2022 for 2021 performance vested one-third on January 1, 2023, and will vest one-third on January 1, 2024 and one-third on January 1, 2025. The 176,874, 42,730 and 34,307 deferred restricted common stock granted to Mr. Gray, Mr. Chae and Mr. Finley, respectively, in 2023 for 2022 performance will vest one-third on January 1, 2024, one-third on January 1, 2025 and one-third on January 1, 2026.

### **Schwarzman Founding Member Agreement**

Upon the consummation of our initial public offering, we entered into a founding member agreement with Mr. Schwarzman. On March 1, 2018, we amended and restated this agreement, with

---

## [Table of Contents](#)

the approval of the conflicts committee advised by independent counsel, to address certain retirement benefits to be received by Mr. Schwarzman. Mr. Schwarzman's agreement provides that he will remain our Chairman and Chief Executive Officer (or, as determined by Mr. Schwarzman, our Chairman or Executive Chairman) while continuing service with us and requires him to give us six months' prior written notice of intent to terminate service with us. The agreement provides that following retirement (or, if applicable, the date on which he ceases active service as a result of his permanent disability), Mr. Schwarzman will be provided with specified retirement benefits for the remainder of his life, including that he be permitted to retain his then current office and continue to be provided with administrative support, access to office services and a car and driver. Mr. Schwarzman will also continue to receive health benefits following his retirement until his death, subject to his continuing payment of the related health insurance premiums consistent with current policies. Finally, Mr. Schwarzman will also receive reimbursement for travel costs (including travel on personal aircraft) for Blackstone related business functions, annual home and personal security benefits, reasonable access to our Chief Legal Officer, reasonable access to certain events, legal representation for Blackstone related matters, and, subject to his continuing payment of costs and expenses related thereto, he will continue to be provided with offices, technology and support for his family office team at levels consistent with current practice.

The agreement provides that, following Mr. Schwarzman's termination of service, he or related entities will remain entitled to receive awards of carried interest at reduced levels until the later of February 14, 2027 or the date of Mr. Schwarzman's death. The profit sharing percentage for any carried interest awarded in new funds launched after Mr. Schwarzman's termination of service shall generally be set at 50% of the profit sharing percentage Mr. Schwarzman held in the most recent corresponding predecessor fund prior to his termination of employment or, in the case of new funds without a corresponding predecessor fund prior to Mr. Schwarzman's termination of service, a profit sharing percentage set at 50% of the median of the aggregate profit sharing percentages held by Mr. Schwarzman at the time of his termination of service.

While currently Mr. Schwarzman is entitled to invest in or alongside our investment funds without being subject to management fees or carried interest, this has been extended to continue until ten years following the date of Mr. Schwarzman's death as to Mr. Schwarzman, his estate and related entities.

On July 1, 2019, in connection with the Conversion and with the approval of the conflicts committee advised by independent counsel, we amended this agreement to address the ongoing compensation to be received by Mr. Schwarzman. Pursuant to the amended agreement, Mr. Schwarzman is entitled to distributions and benefits in amounts and at levels that are consistent with current practices. In addition, the amended agreement provides that, prior to Mr. Schwarzman's termination of service, the profit sharing percentage for any carried interest in new funds in which there is a corresponding predecessor fund shall be set at the same profit sharing percentage he or related entities held in the most recent such predecessor fund and, in the case where there is no such predecessor fund, the profit sharing percentage shall be set at the median profit sharing percentage owned by him or related entities across all funds existing at the time in question. In connection with the amended agreement, Mr. Schwarzman informed the former conflicts committee of our board of directors that he has no current plan to retire.

---

## [Table of Contents](#)

### ***Senior Managing Director Agreements***

Upon the consummation of our initial public offering, we entered into substantially similar senior managing director agreements with each of our named executive officers and other senior managing directors employed at the firm at that time, other than our founder. Senior managing directors who have joined the firm after our initial public offering (including Mr. Finley) have also entered into senior managing director agreements. The agreements generally provide that each senior managing director will devote substantially all of his or her business time, skill, energies and attention to us in a diligent manner. Each senior managing director will be paid distributions and receive benefits in amounts determined by Blackstone from time to time in its sole discretion. The agreements require us to provide the senior managing director with 90 days' prior written notice prior to terminating his or her service with us (other than a termination for cause). Additionally, the agreements with our named executive officers require each senior managing director to give us 90 days' prior written notice of intent to terminate service with us and require the senior managing director to be placed on a 90-day period of "garden leave" following the senior managing director's termination of service (as further described under the caption "— Non-Competition and Non-Solicitation Agreements" below).

### ***James Withdrawal Agreement***

In connection with the retirement of Hamilton E. James on January 31, 2022 (the "Effective Date"), Blackstone and Mr. James entered into a withdrawal agreement dated as of May 3, 2022, pursuant to which Mr. James and Blackstone clarified certain agreements and understandings regarding his retirement from his positions as a director and Executive Vice Chairman of Blackstone as of the Effective Date.

Under the terms of the withdrawal agreement, Mr. James entered into a general release of claims in favor of Blackstone and its related parties and affirmed his non-competition, non-solicitation, non-disparagement and confidentiality covenants contained in his Non-Competition and Non-Solicitation Agreement subject to certain limited exceptions and clarifications. Payments and benefits provided under the withdrawal agreement are generally subject to Mr. James' timely execution and non-revocation of the release and compliance with these restrictive covenants.

The withdrawal agreement provided that Mr. James would receive certain transitional period benefits and services generally for up to six months following his retirement, which included, among other items, technology and operational support, as mutually agreed with Blackstone.

In addition, the withdrawal agreement specifies that Mr. James' Blackstone Holdings Partnership Units and shares of common stock in Blackstone would not continue to vest following the Effective Date. Mr. James was vested in and retained (a) any carried interest awards that relate to portfolio company investments that closed prior to the Effective Date, (b) any carried interest awards that relate to the tranches of certain "life of fund" investments covering periods that commenced prior to the Effective Date and (c) any allocations of incentive fees that crystalized prior to the Effective Date. Per the withdrawal agreement, Mr. James is also eligible to participate in an annual side-by-side election program to invest up to a specified cap per election period in 2022 and 2023 across all funds with respect to which an investment opportunity is offered generally to senior managing directors during such election periods. Mr. James' investments are subject to certain fees as further described in the withdrawal agreement.

[Table of Contents](#)**Outstanding Equity Awards at 2022 Fiscal Year End**

The following table provides information regarding outstanding unvested equity awards made to our named executive officers as of December 31, 2022.

| Name                  | Stock Awards (a)  |   |
|-----------------------|---|---|
|                       | Number of Shares or Units of Stock That Have Not Vested | Market Value of Shares or Units of Stock That Have Not Vested (b) |
| Stephen A. Schwarzman | —   | \$ —  |
| Jonathan D. Gray      | 2,312,856   | \$172,721,012   |
| Michael S. Chae       | 836,944   | \$ 62,365,920   |
| John G. Finley (c)    | 378,476   | \$ 28,298,356   |
| Hamilton E. James     | —   | \$ —  |

- (a) The references to “stock” or “shares” in this table refer to unvested deferred restricted Blackstone Holdings Partnership Units and unvested deferred restricted common stock units (including deferred restricted common stock units granted under the Bonus Deferral Plan to Messrs. Gray, Chae and Finley in 2023 in respect of 2022 performance). The vesting terms of these awards are described under the caption “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022” above.
- (b) The dollar amounts shown under this column were calculated by multiplying the number of unvested deferred restricted Blackstone Holdings Partnership Units or unvested deferred restricted common stock units held by the named executive officer by the closing market price of \$74.19 per share of our common stock on December 30, 2022, the last trading day of 2022, other than the deferred restricted common stock units granted in 2023 in respect of 2022 performance, which are valued as of the date of their grant.
- (c) Amounts reported for Mr. Finley include (1) 18,897 deferred restricted Blackstone Holdings Partnership Units, which reflects 50% of the unvested deferred restricted Blackstone Holdings Partnership Units that have been granted to Mr. Finley as discretionary equity awards, (2) 121,619 deferred restricted common stock units which reflects 50% of the unvested deferred restricted common stock units that have been granted to Mr. Finley as discretionary equity awards and (3) 97,445 deferred restricted common stock units granted pursuant to the Bonus Deferral Plan, which are considered vested and undelivered for financial statement reporting purposes in accordance with GAAP pertaining to equity-based compensation due to Mr. Finley’s retirement eligibility. Upon retirement the deferred restricted Blackstone Holdings Partnership Units are scheduled to vest and be delivered over the vesting period and the deferred restricted common stock units are scheduled to be delivered in equal annual installments over the three year deferral period, in each case subject to forfeiture if the named executive officer violates any applicable provision of his employment agreement or engages in any competitive activity (as such term is defined in the applicable award agreement or the Bonus Deferral Plan, as applicable).

## [Table of Contents](#)

### Option Exercises and Stock Vested in 2022

The following table provides information regarding the number of outstanding initially unvested equity awards made to our named executive officers that vested during 2022:

| Name                  | Stock Awards (a)                     |                               |
|-----------------------|--------------------------------------|-------------------------------|
|                       | Number of Shares Acquired on Vesting | Value Realized on Vesting (b) |
| Stephen A. Schwarzman | —                                    | \$ —                          |
| Jonathan D. Gray      | 302,306                              | \$29,214,779                  |
| Michael S. Chae       | 247,673                              | \$24,542,031                  |
| John G. Finley        | 78,305                               | \$ 9,057,312                  |
| Hamilton E. James     | —                                    | \$ —                          |

- (a) The references to “stock” or “shares” in this table refer to deferred restricted Blackstone Holdings Partnership Units and our deferred restricted common stock units.
- (b) The value realized on vesting is based on the closing market prices of our common stock on the day of vesting.

### Potential Payments Upon Termination of Employment or Change in Control

Upon a change of control event where any person, other than Blackstone Group Management L.L.C. or a person approved by Blackstone Group Management L.L.C., becomes the Series II Preferred Stockholder or a termination of employment because of death or disability, any unvested deferred restricted Blackstone Holdings Partnership Units or unvested deferred restricted common stock units held by any of our named executive officers will automatically be deemed vested as of immediately prior to such occurrence of such change of control or such termination of employment. Had such a change of control or such a termination of employment occurred on December 30, 2022, the last business day of 2022, each of our continuing named executive officers would have vested in the following numbers of deferred restricted Blackstone Holdings Partnership Units and deferred restricted common stock units, having the following values based on our closing market price of \$74.19 per share of common stock on December 30, 2022, other than the deferred restricted common stock units granted to Mr. Gray, Mr. Chae and Mr. Finley in 2023 in respect of 2022 performance, which are valued as of the date of their grant: Mr. Schwarzman had no outstanding unvested equity at December 30, 2022; Mr. Gray — 566,881 deferred restricted Blackstone Holdings Partnership Units and 1,745,975 deferred restricted common stock units with an aggregate value of \$172,721,012, Mr. Chae — 365,088 deferred restricted Blackstone Holdings Partnership Units and 471,856 deferred restricted common stock units with an aggregate value of \$62,365,920, and Mr. Finley — 37,793 deferred restricted Blackstone Holdings Partnership Units and 340,683 deferred restricted common stock units with an aggregate value of \$28,298,356. In addition, the Bonus Deferral Plan provides that upon a change in control or termination of the participant’s employment because of death, any fully vested but undelivered deferred restricted common stock units will become immediately deliverable.

In connection with a named executive officer’s termination of employment due to qualifying retirement, 50% of the unvested deferred restricted Blackstone Holdings Partnership Units will continue to vest and be delivered over the vesting period and any unvested deferred restricted common stock units will vest and be delivered in equal annual installments over the three year deferral period, in each case subject to forfeiture if the named executive officer violates any applicable provision of his employment agreement or engages in any competitive activity (as such term is defined in the applicable award agreement or the Bonus Deferral Plan, as applicable). (See “Non-Competition and Non-Solicitation Agreements — Retirement.”) Mr. James, who was retirement eligible at the time of his retirement effective January 31, 2022, had no outstanding unvested equity at the time of his retirement. For a description of the benefits received by Mr. James in connection with his retirement, see “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — James

## [Table of Contents](#)

Withdrawal Agreement.” As of December 30, 2022, Mr. Finley was retirement eligible. If Mr. Finley had retired on December 30, 2022, 18,897 of his deferred restricted Blackstone Holdings Partnership Units and 121,619 of his deferred restricted common units granted as discretionary awards would continue to vest and be delivered over the vesting period and 97,445 of his deferred restricted common stock units would vest and be delivered over the three year deferral period, in each case subject to forfeiture if the named executive officer violates any applicable provision of his employment agreement or engages in any competitive activity (as such term is defined in the applicable award agreement or the Bonus Deferral Plan, as applicable).

Upon a termination of Mr. Gray’s, Mr. Chae’s or Mr. Finley’s employment without cause, the deferred restricted common stock units granted to them under the Bonus Deferral Plan in respect of 2022, 2021 and 2020, as applicable, will become fully vested. For 2020, the Bonus Deferral Plan provided no participant’s annual cash bonus payment would exceed \$4.65 million, resulting in an increase in the amount of cash bonus mandatorily deferred into deferred restricted common stock units for some employees. Employees whose 2020 annual cash bonus payment was capped, including Mr. Gray and Mr. Chae, were awarded an additional equity award equal to 10% of their deferral amount in the form of deferred restricted common stock units, which, in the case of Mr. Gray and Mr. Chae, will also become fully vested upon a termination of their employment without cause. Had such a termination of employment occurred on December 30, 2022, the last business day of 2022, each of Mr. Gray, Mr. Chae and Mr. Finley would have vested in the following numbers of deferred restricted common stock units, respectively, having the following values based on our closing market price of \$74.19 per share of common stock on December 30, 2022, other than the deferred restricted common stock units granted to Mr. Gray, Mr. Chae and Mr. Finley in 2023 in respect of 2022 performance, which are valued as of the date of their grant: Mr. Gray — 345,189 deferred restricted common stock units with an aggregate value of \$26,739,772, Mr. Chae — 117,017 deferred restricted common stock units with an aggregate value of \$8,954,536 and Mr. Finley — 97,445 deferred restricted common stock units with an aggregate value of \$7,448,666.

Upon a termination of Mr. Gray’s employment without cause, the deferred restricted Blackstone Holdings Partnership Units granted to him on July 1, 2019 and the deferred restricted common stock units granted to him on April 1, 2020, April 1, 2021 and April 1, 2022 will become fully vested. Had such a termination occurred on December 30, 2022, the last business day of 2022, Mr. Gray would have vested in 566,881 deferred restricted Blackstone Holdings Partnership units with a value of \$42,056,901 and 1,400,787 deferred restricted common stock units with a value of \$103,924,388 based on our closing market price of \$74.19 per share of our common stock on December 30, 2022.

In addition, except as described below, unvested carried interest in our carry funds is generally forfeited upon termination of employment. Upon the death or disability of any named executive officer who participates in the carried interest of our carry funds, the named executive officer will be deemed 100% vested in any unvested portion of carried interest in our carry funds. Furthermore, any named executive officer that is retirement eligible will automatically vest in 50% of their otherwise unvested carried interest allocation upon retirement. (See “— Non-Competition and Non-Solicitation Agreements — Retirement.”)

In addition, pursuant to Mr. Schwarzman’s founding member agreement described above under “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 — Schwarzman Founding Member Agreement,” following retirement and for the remainder of his life, Mr. Schwarzman will be provided with specified retirement benefits, including a car and driver, retention of

---

## [Table of Contents](#)

his current office, administrative support and annual home and personal security benefits. The value of such retirement benefits is estimated at approximately \$4.6 million per year based on 2022 costs. We have not assigned a value to the entitlements of Mr. Schwarzman and his estate and related entities to receive carried interest in new funds or to invest in our investment funds fee free following his termination of service as such value cannot be reasonably estimated. We anticipate that any incremental cost to us with respect to the other personal benefits to which Mr. Schwarzman is entitled following his retirement will be de minimis.

### **Non-Competition and Non-Solicitation Agreements**

Upon the consummation of our initial public offering, we entered into a non-competition and non-solicitation agreement with our founder, our other senior managing directors, most of our other professional employees and specified senior administrative personnel to whom we refer collectively as “Contracting Persons.” Contracting Persons who joined the firm after our initial public offering have also executed non-competition and non-solicitation agreements. The following are descriptions of the material terms of such agreement. With the exception of the differences noted in the description below, the terms of each non-competition and non-solicitation agreement are generally in relevant part similar.

*Full-Time Commitment.* Each Contracting Person agrees to devote substantially all of the Contracting Person’s business time, skill, energies and attention to responsibilities at Blackstone in a diligent manner. Mr. Schwarzman has agreed that our business will be his principal business pursuit and that he will devote such time and attention to the business of the firm as may be reasonably requested by us.

*Confidentiality.* Each Contracting Person is required, whether during or after employment with us, to protect and use “confidential information” in accordance with strict restrictions placed by us on its use and disclosure. Every employee is subject to similar strict confidentiality obligations imposed by our Code of Conduct applicable to all Blackstone personnel.

*Notice of Termination.* Each Contracting Person is required to give us prior written notice the intention to leave our employ — six months in the case of Mr. Schwarzman, 90 days for all of our other senior managing directors and between 30 and 60 days in the case of all other Contracting Persons. In certain jurisdictions, the notice period as described in the preceding sentence is lengthened to include the potential garden leave period described below, in which case such notice and garden leave periods run concurrently.

*Garden Leave.* Generally, upon voluntary departure from the firm, Blackstone has the right, but not the obligation, to place the Contracting Person on a prescribed period of “garden leave.” The period of garden leave is 90 days for our non-founding senior managing directors and generally between 30 and 60 days for other Contracting Persons. During this period the Contracting Person will continue to receive base compensation and benefits but is prohibited from commencing employment with a new employer until the garden leave period has expired. The period of garden leave for each Contracting Person will run concurrently with the non-competition Restricted Period that applies as described below and, as noted above, may also run concurrently with the notice period in certain jurisdictions. Mr. Schwarzman is subject to non-competition covenants but not garden leave requirements.

*Non-Competition.* During the term of employment of each Contracting Person, and during the Restricted Period (as such term is defined below) immediately thereafter, the Contracting Person will not, directly or indirectly:

---

## [Table of Contents](#)

- engage in any business activity in which we operate, including any competitive business,
- render any services to any competitive business, or
- acquire a financial interest in or become actively involved with any competitive business (other than as a passive investor holding minimal percentages of the stock of public companies).

“Competitive business” means any business that competes, during the term of employment through the date of termination, with our business, including any businesses that we are actively considering conducting at the time of the Contracting Person’s termination of employment, so long as the Contracting Person knows or reasonably should have known about such plans, in any geographical or market area where we or our affiliates provide our products or services.

*Non-Solicitation.* During the term of employment of each Contracting Person, and during the Restricted Period immediately thereafter, the Contracting Person will not, directly or indirectly, in any manner solicit any of our employees to leave their employment with us or hire any such employee who was employed by us as of the date of the Contracting Person’s termination or who left employment with us within one year prior to or after the date of the Contracting Person’s termination. Additionally, each Contracting Person may not solicit or encourage to cease to work with us any consultant or senior advisers that the Contracting Person knows or should know is under contract with us.

In addition, during the term of employment of each Contracting Person, and during the Restricted Period immediately thereafter, the Contracting Person will not, directly or indirectly, in any manner solicit the business of any client or prospective client of ours with whom the Contracting Person, employees reporting to the Contracting Person, or anyone whom the Contracting Person had direct or indirect responsibility over had personal contact or dealings on our behalf during the three-year period immediately preceding the Contracting Person’s termination. Contracting Persons who are employed in our asset management businesses are subject to a similar non-solicitation covenant with respect to investors and prospective investors in our investment funds.

*Non-Interference and Non-Disparagement.* During the term of employment of each Contracting Person, and during the Restricted Period immediately thereafter, the Contracting Person may not interfere with business relationships between us and any of our clients, customers, suppliers or partners. Each Contracting Person is also prohibited from disparaging us in any way. However, such interference and disparagement prohibitions are subject to certain limitations as required by law.



## [Table of Contents](#)

*Restricted Period.* For purposes of the foregoing covenants, the “Restricted Period” will generally be defined as follows:

| <u>Covenant</u>  | <u>Stephen A. Schwarzman</u>               | <u>Other Senior<br/>Managing Directors</u>   | <u>Other Contracting<br/>Employees</u>  |
|--|--|--|---|
| <i>Non-competition</i>                                     | Two years after termination of employment. | One year after termination of employment (or 90 days in the event of a termination without “cause”). | Generally between 90 days and nine months after termination of employment (which may be reduced in the event of a termination without “cause”). |
| <i>Non-solicitation of Blackstone employees</i>            | Two years after termination of employment. | Two years after termination of employment.   | Generally one year after termination of employment.   |
| <i>Non-solicitation of Blackstone clients or investors</i> | Two years after termination of employment. | One year after termination of employment.  | Generally between six months and one year after termination of employment.  |
| <i>Non-interference with business relationships</i>        | Two years after termination of employment. | One year after termination of employment.  | Generally between six months and one year after termination of employment.  |

*Retirement.* Blackstone personnel are eligible to retire if they have satisfied either of the following tests: (a) one has reached the age of 65 and has at least five full years of service with our firm; or (b) generally one has reached the age of 55 and has at least five full years of service with our firm and the sum of his or her age plus years of service with our firm totals at least 65.

*Intellectual Property.* Each Contracting Person is subject to customary intellectual property covenants with respect to works created, invented, designed or developed by such Contracting Person that are relevant to or implicated by employment with us.

*Specific Performance.* In the case of any breach of the confidentiality, non-competition, non-solicitation, non-interference, non-disparagement or intellectual property provisions by a Contracting Person, the breaching individual agrees that we will be entitled to seek equitable relief in the form of specific performance, restraining orders, injunctions or other equitable remedies (including forfeiture of the breaching individual’s vested and unvested interests in Blackstone).

### **Pay Ratio Disclosure**

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information regarding the ratio of the annual total compensation for our principal executive officer to the median of the annual total compensation of all our employees (other than our principal executive officer) (the “CEO Pay Ratio”). Our CEO Pay Ratio is a reasonable estimate calculated in a manner consistent with Item 402(u). However, due to the flexibility afforded by Item 402(u) in calculating the CEO Pay Ratio, our CEO Pay Ratio may not be comparable to the CEO pay ratios presented by other companies. As of December 31, 2022, we employed approximately 4,695 people, including our 222 senior managing directors. We identified our median employee using our global employee population as of December 31, 2022. To identify our median employee, we used annual base salary and bonuses earned in 2022. We believe this consistently applied compensation measure reasonably reflects annual compensation across our employee base. Application of our consistently applied compensation measure identified 2 employees with the same total annual base salary and cash bonus earned in 2022. We identified our median employee from among these employees by reviewing the components of their annual total compensation and selecting the employee whose title, tenure and compensation characteristics most accurately reflected the compensation of a typical employee. After identifying our median employee, we calculated the median employee’s annual total compensation in accordance with the requirements of the Summary Compensation Table. For 2022, the annual total compensation for Mr. Schwarzman, our principal executive officer, was \$253,122,146 and our median employee’s annual total compensation was \$237,000. Accordingly, annual total compensation of our principal executive officer was approximately one thousand and sixty eight times the annual total compensation of our median employee.

## [Table of Contents](#)

### Director Compensation in 2022

No additional remuneration is paid to our employees for service on our board of directors. In 2022, each of our non-employee directors received an annual cash retainer of \$150,000 and a grant of deferred restricted common stock units equivalent in value to \$210,000, with a grant date fair value determined as described in footnote (a) to the first table below. An additional \$40,000 annual cash retainer was paid to the Chairman of the Audit Committee during 2022, \$30,000 of which was paid in cash and the remainder of which was paid in the form of deferred restricted common stock units equivalent in value to \$10,000 and with the same vesting terms as the other deferred restricted common stock units. The amounts of our non-employee directors' compensation were approved by our board of directors upon the recommendation of our founder following his review of directors' compensation paid by comparable companies.

The following table provides the director compensation for our directors for 2022:

| Name                               | Fees<br>Earned or<br>Paid in<br>Cash | Stock<br>Awards<br>(a) (b) | Total      |
|------------------------------------|--------------------------------------|----------------------------|------------|
| Kelly A. Ayotte                    | \$ 150,000                           | \$ 170,820                 | \$ 320,820 |
| Joseph P. Baratta (c)              | \$ —                                 | \$ —                       | \$ —       |
| James W. Breyer                    | \$ 150,000                           | \$ 233,209                 | \$ 383,209 |
| Reginald J. Brown                  | \$ 150,000                           | \$ 297,995                 | \$ 447,995 |
| Sir John Hood                      | \$ 150,000                           | \$ 174,960                 | \$ 324,960 |
| Rochelle B. Lazarus                | \$ 150,000                           | \$ 217,511                 | \$ 367,511 |
| Jay O. Light (d)                   | \$ 200,000                           | \$ 306,013                 | \$ 506,013 |
| The Right Honorable Brian Mulroney | \$ 150,000                           | \$ 223,459                 | \$ 373,459 |
| William G. Parrett                 | \$ 180,000                           | \$ 353,385                 | \$ 533,385 |
| Ruth Porat                         | \$ 150,000                           | \$ 213,459                 | \$ 363,459 |

- (a) The references to "stock" in this table refer to our deferred restricted common stock units. Amounts for 2022 represent the grant date fair value of stock awards granted in the year, computed in accordance with GAAP, pertaining to equity-based compensation. The assumptions used in determining the grant date fair value are set forth in Note 16. "Earnings Per Share and Stockholders' Equity" in the "Notes to Consolidated Financial Statements" in "Part II. Item 8. Financial Statements and Supplementary Data." These deferred restricted common stock units vest, and the underlying shares of common stock will be delivered, on the first anniversary of the date of the grant, subject to the outside director's continued service on our board of directors.
- (b) Each of our non-employee directors was granted deferred restricted common stock units upon appointment as a director. In 2022, in connection with the anniversary of his or her initial grant, each of the following directors was granted deferred restricted common stock units: Ms. Ayotte — 2,000 units; Mr. Breyer — 2,364 units; Mr. Brown — 2,230 units; Mr. Hood — 2,000 units; Ms. Lazarus — 2,181 units; Mr. Light — 2,290 units; Mr. Mulroney — 2,273 units; Mr. Parrett — 2,414 units; and Ms. Porat — 2,166 units.

## [Table of Contents](#)

The following table provides information regarding outstanding unvested equity awards made to our directors as of December 31, 2022:

| Name                               | Stock Awards (1)  |   |
|------------------------------------|---|---|
|                                    | Number of Shares or Units of Stock That Have Not Vested | Market Value of Shares or Units of Stock That Have Not Vested (2) |
| Kelly A. Ayotte                    | 2,000   | \$ 148,380  |
| James W. Breyer                    | 2,364   | \$ 175,385  |
| Reginald J. Brown                  | 2,230   | \$ 165,444  |
| Sir John Hood                      | 2,000   | \$ 148,380  |
| Rochelle B. Lazarus                | 2,181   | \$ 161,808  |
| The Right Honorable Brian Mulroney | 2,273   | \$ 168,634  |
| William G. Parrett                 | 2,414   | \$ 179,095  |
| Ruth Porat                         | 2,166   | \$ 160,696  |

- (1) The references to “stock” or “shares” in this table refer to our deferred restricted common stock units.
- (2) The dollar amounts shown in this column were calculated by multiplying the number of unvested deferred restricted common stock units held by the director by the closing market price of \$74.19 per share of our common stock on December 30, 2022, the last trading day of 2022.

- (c) Mr. Baratta is an employee and no additional remuneration is paid to him for his service as a director. Mr. Baratta’s employee compensation is discussed in “—Item 13. Certain Relationships and Related Transactions, and Director Independence.”
- (d) An additional \$50,000 annual cash retainer was paid to Mr. Light in connection with his service on the executive committee of The Blackstone Group International Partners LLP. Mr. Light served as a director of Blackstone until his passing on October 15, 2022. Mr. Light’s unvested equity awards vested immediately upon his passing, pursuant to the terms thereof. In recognition of his years of service to Blackstone, the board of directors determined that it was appropriate to pay Mr. Light’s estate his cash retainer for the remainder of the year of his passing.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table sets forth information regarding the beneficial ownership of our common stock and Blackstone Holdings Partnership Units as of February 17, 2023 by:

- each person known to us to beneficially own 5% of any class of the outstanding voting securities of Blackstone Inc.,
- each member of our board of directors,
- each of our named executive officers, and
- all our current directors and executive officers as a group.

The amounts and percentage of common stock and Blackstone Holdings Partnership Units beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days of February 17, 2023. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed a beneficial owner of securities as to which he has no economic interest. Except as indicated by footnote, the persons named in the table below have sole voting and investment power with respect to all securities shown as beneficially owned by them, subject to community property laws where applicable. Unless otherwise included, for purposes of this table, the principal business address for each such person is c/o Blackstone Inc., 345 Park Avenue, New York, New York 10154.

## Table of Contents

| Name of Beneficial Owner   | Common Units,<br>Beneficially Owned |               | Blackstone Holdings<br>Partnership Units<br>Beneficially Owned (a) |               |
|--|-------------------------------------|---------------|--|---------------|
|  | Number                              | % of<br>Class | Number   | % of<br>Class |
| <b>5% Stockholders</b>   |                                     |               |  |               |
| The Vanguard Group, Inc. (b)   | 46,994,275                          | 6.7%          | —  | —             |
| BlackRock, Inc. (c)  | 38,893,839                          | 5.5%          | —  | —             |
| <b>Directors and Executive Officers (d)(e)</b>                           |                                     |               |  |               |
| Stephen A. Schwarzman (f)(g)   | —                                   | —             | 231,924,793  | 51.4%         |
| Jonathan D. Gray (g)   | 798,823                             | *             | 40,727,020   | 9.0%          |
| Hamilton E. James (g)(h)   | —                                   | *             | 15,805,951   | 3.5%          |
| Michael S. Chae (g)  | 194,528                             | *             | 6,295,468  | 1.4%          |
| John G. Finley (g)   | 91,297                              | *             | 396,983  | *             |
| Kelly A. Ayotte  | 11,989                              | *             | —  | —             |
| Joseph P. Baratta  | 376,426                             | *             | 5,397,944  | 1.2%          |
| James W. Breyer  | 34,522                              | *             | —  | —             |
| Reginald J. Brown  | 8,635                               | *             | —  | —             |
| Sir John Hood  | 13,498                              | *             | —  | —             |
| Rochelle B. Lazarus (g)  | 53,162                              | *             | —  | —             |
| The Right Honorable Brian Mulroney                                       | 175,158                             | *             | —  | —             |
| William G. Parrett (g)   | 91,572                              | *             | —  | —             |
| Ruth Porat   | 36,764                              | *             | —  | —             |
| All current executive officers and directors as a group (13 persons) (i) | 1,886,374                           | *             | 284,742,208  | 62.9%         |

\* Less than one percent

- (a) Subject to certain requirements and restrictions, the partnership units of Blackstone Holdings are exchangeable for shares of our common stock on a one-for-one basis. A Blackstone Holdings limited partner must exchange one partnership unit in each of the five Blackstone Holdings Partnerships to effect an exchange for a share of our common stock. See “— Item 13. Certain Relationships and Related Transactions, and Director Independence — Exchange Agreement.” Beneficial ownership of Blackstone Holdings Partnership Units reflected in this table has not been also reflected as beneficial ownership of our shares of common stock for which such units may be exchanged.
- (b) Reflects shares of common stock beneficially owned by The Vanguard Group, Inc. and its subsidiaries based on the amended Schedule 13G filed by The Vanguard Group, Inc. on February 9, 2023. The address of The Vanguard Group, Inc. is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.
- (c) Reflects shares of common stock beneficially owned by BlackRock, Inc. and its subsidiaries based on the Schedule 13G filed by BlackRock, Inc. on February 1, 2023. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (d) The shares of common stock and Blackstone Holdings Partnership Units beneficially owned by the directors and executive officers reflected above do not include the following number of securities that will be delivered to the respective individual more than 60 days after February 24, 2023: Mr. Gray—566,881 deferred restricted Blackstone Holdings Partnership Units and 1,679,370 deferred restricted common stock; Mr. Chae—365,088 deferred restricted Blackstone Holdings Partnership Units and 434,431 deferred restricted common stock; Mr. Finley—37,793 deferred restricted Blackstone Holdings Partnership Units and 306,231 deferred restricted common stock; Mr. Baratta—1,459,301 deferred restricted Blackstone Holdings Partnership Units and 830,742 deferred restricted common stock; Ms. Ayotte—2,000 deferred restricted common stock; Mr. Mulroney—2,273 deferred restricted common stock; Mr. Parrett—2,414 deferred restricted common stock; Ms. Lazarus—2,181 deferred restricted common stock; Mr. Breyer—2,364 deferred restricted common stock; Mr. Hood—2,000 deferred restricted common stock; Ms. Porat—2,166 deferred restricted common stock; and Mr. Brown—2,230 deferred restricted common stock.

## [Table of Contents](#)

- (e) The Blackstone Holdings Partnership Units shown in the table above include the following number of vested units being held back under our minimum retained ownership requirements: Mr. Schwarzman—16,039,350 Blackstone Holdings Partnership Units; Mr. Gray—11,513,401 Blackstone Holdings Partnership Units and 51,200 deferred restricted common units; Mr. Chae—3,348,170 Blackstone Holdings Partnership Units and 13,450 deferred restricted common units; and Mr. Finley—190,243 Blackstone Holdings Partnership Units and 7,690 deferred restricted common units; and Mr. Baratta—3,681,072 Blackstone Holdings Partnership Units and 291,426 deferred restricted common units.
- (f) On those few matters that may be submitted for a vote of the sole holder of the Series I preferred stock, Blackstone Partners L.L.C., an entity owned by senior managing directors of Blackstone and controlled by Mr. Schwarzman, is entitled to an aggregate number of votes on any matter that may be submitted for a vote of our common stock that is equal to the aggregate number of vested and unvested Blackstone Holdings Partnership Units held by the limited partners of Blackstone Holdings on the relevant record date and entitles it to participate in the vote on the same basis as our common stock. Our senior managing directors have agreed in the limited liability company agreement of Blackstone Partners L.L.C. that our founder, Mr. Schwarzman, will have the power to determine how the Series I preferred stock held by Blackstone Partners L.L.C. will be voted. Following the withdrawal, death or disability of Mr. Schwarzman (and any successor founder), this power will revert to the members of Blackstone Partners L.L.C. holding a majority in interest in that entity. The limited liability company agreement of Blackstone Partners L.L.C. provides that at such time as Mr. Schwarzman should cease to be a founding member, Jonathan D. Gray will thereupon succeed Mr. Schwarzman as the sole founding member of Blackstone Partners L.L.C. If Blackstone Partners L.L.C. directs us to do so, we will issue shares of Series I preferred stock to each of the limited partners of Blackstone Holdings, whereupon each holder of Series I preferred stock will be entitled to a number of votes that is equal to the number of vested and unvested Blackstone Holdings Partnership Units held by such Series I preferred stockholder on the relevant record date.
- (g) The Blackstone Holdings Partnership Units shown in the table above for such named executive officers and directors include: (a) the following units held for the benefit of family members with respect to which the named executive officer or director, as applicable, disclaims beneficial ownership: Mr. Schwarzman—3,165,880 units held in various trusts for which Mr. Schwarzman is the investment trustee, Mr. Gray—15,606,802 units held in a trust for which Mr. Gray is the investment trustee, and Mr. Chae—1,150,070 units held in a trust for which Mr. Chae is the investment trustee, and Mr. Finley—80,964 units held in a trust for which Mr. Finley is the investment trustee, and Mr. Baratta—142,237 units held in a trust for which Mr. Baratta is the investment trustee; (b) the following units held in grantor retained annuity trusts for which the named executive officer or director, as applicable, is the investment trustee: Mr. Schwarzman—747,008 units, Mr. Gray—3,444,918 units; (c) the following units held by a corporation for which the named executive officer is a controlling shareholder: Mr. Schwarzman—1,438,529 units, and Mr. Baratta—4,491,950 units; and (d) 5,000,000 units that have been pledged by Mr. Schwarzman as security to a third party to secure payment for a loan made by such third party. Mr. Schwarzman also directly, or through a corporation for which he is the controlling shareholder, beneficially owns an additional 364,278 partnership units in each of Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. In addition, with respect to Mr. Schwarzman, the above table excludes partnership units of Blackstone Holdings held by his children or in trusts for the benefit of his family as to which he has no voting or investment control. The Blackstone common stock shown in the table above for each named executive officer and director include: (a) the following shares held for the benefit of family members with respect to which the named executive officer or director, as applicable, disclaims beneficial ownership: Mr. Finley—32,523 shares held in a family limited liability company and 4,000 shares held in a trust for the benefit of his spouse of which he is a trustee, and Ms. Lazarus—2,950 shares held in a trust for the benefit of family members over which she shares investment control; (b) Mr. Finley—11,000 shares held in a trust for the benefit of Mr. Finley and his family of which he is a trustee; and (c) ) 60,284 and 10,000 shares that have been pledged by Messrs. Finley and Parrett, respectively, to a third party to secure payment for a loan.

[Table of Contents](#)

- (h) Effective January 31, 2022, Mr. James retired as a director and as Executive Vice Chairman of Blackstone.
- (i) Amounts reported for all current executive officers and directors as a group do not include any securities owned by Mr. James, who retired effective January 31, 2022.

**Securities Authorized for Issuance under Equity Compensation Plans**

The table set forth below provides information concerning the awards that may be issued under the 2007 Equity Incentive Plan as of December 31, 2022:

|  | Number of<br>Securities to be Issued<br>Upon Exercise of<br>Outstanding Options,<br>Warrants and Rights (a) | Weighted-Average<br>Exercise Price of<br>Outstanding Options,<br>Warrants and Rights | Number of<br>Securities Remaining<br>Available for Future<br>Issuance Under Equity<br>Compensation Plans<br>(excluding securities<br>reflected in column (a)) (b) |
|--|---|--|---|
| Equity Compensation Plans Approved by Security Holders     | 58,417,583  | —  | 159,030,583   |
| Equity Compensation Plans Not Approved by Security Holders | —   | —  | —   |
|  | <u>58,417,583</u>   | <u>—</u>   | <u>159,030,583</u>  |

- (a) Reflects the outstanding number of our deferred restricted common stock units and deferred restricted Blackstone Holdings Partnership Units granted under the 2007 Equity Incentive Plan as of December 31, 2022.
- (b) The aggregate number of our common stock and Blackstone Holdings Partnership Units covered by the 2007 Equity Incentive Plan is increased on the first day of each fiscal year during its term by a number of shares of common stock equal to the positive difference, if any, of (a) 15% of the aggregate number of shares of our common stock and Blackstone Holdings Partnership Units outstanding on the last day of the immediately preceding fiscal year (excluding Blackstone Holdings Partnership Units held by Blackstone Inc. or its wholly owned subsidiaries) minus (b) the aggregate number of shares of our common stock and Blackstone Holdings Partnership Units covered by the 2007 Equity Incentive Plan as of such date (unless the administrator of the 2007 Equity Incentive Plan should decide to increase the number of shares of our common stock and Blackstone Holdings Partnership Units covered by the plan by a lesser amount). As of January 1, 2023, pursuant to this formula, 172,161,191 shares of common stock, which is equal to 0.15 times the number of shares of our common stock and Blackstone Holdings Partnership Units outstanding on December 31, 2022, were available for issuance under the 2007 Equity Incentive Plan. We have filed a registration statement and intend to file additional registration statements on Form S-8 under the Securities Act to register shares of common stock covered by the 2007 Equity Incentive Plan (including pursuant to automatic annual increases). Any such Form S-8 registration statement will automatically become effective upon filing. Accordingly, shares of common stock registered under such registration statement will be available for sale in the open market.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

**Transactions with Related Persons**

***Tax Receivable Agreements***

We used a portion of the proceeds from the IPO and the sale of non-voting common units to Beijing Wonderful Investments to purchase interests in the predecessor businesses from the predecessor owners. In addition, holders of Blackstone Holdings Partnership Units (other than Blackstone Inc.'s wholly owned subsidiaries), subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings partnerships, may up to four times each year (subject to the terms of the exchange agreement) exchange their Blackstone Holdings Partnership Units for shares of our common stock on a one-for-one basis. A Blackstone Holdings limited partner must exchange one partnership unit in each of the Blackstone Holdings partnerships to effect an exchange for a share of common stock. Blackstone Holdings I L.P. and Blackstone Holdings II L.P. have made an election under Section 754 of the Internal Revenue Code effective for each taxable year in which an exchange of partnership units for a share of common stock occurs, which may result in an adjustment to the tax basis of the assets of such Blackstone Holdings Partnerships at the time of an exchange of partnership units. Other Blackstone Holdings Partnerships and certain subsidiary partnerships are expected to make such elections for the 2022 and subsequent taxable years with the filing of their federal income tax returns for such tax years. The purchase and subsequent exchanges of Blackstone Holdings Partnership Units are expected to result in increases in the tax basis of the tangible and intangible assets of Blackstone Holdings that otherwise would not have been available. These increases in tax basis may increase (for tax purposes) depreciation and amortization and therefore reduce the amount of tax that we would otherwise be required to pay in the future. We have entered into a tax receivable agreement with holders of Blackstone Holdings Partnership Units that provides for the payment by us to such holders of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that we actually realize (or are deemed to realize in the case of an early termination payment by the corporate taxpayers or a change in control, as discussed below) as a result of these increases in tax basis and of certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. This payment obligation is an obligation of us (and certain of our subsidiaries that are treated as corporations for U.S. federal income tax purposes which we refer to as "the corporate taxpayers") and not of Blackstone Holdings. The corporate taxpayers expect to benefit from the remaining 15% of cash savings, if any, in income tax that they realize. For purposes of the tax receivable agreement, cash savings in income tax will be computed by comparing the actual income tax liability of the corporate taxpayers to the amount of such taxes that the corporate taxpayer would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Blackstone Holdings as a result of the exchanges and had the corporate taxpayers not entered into the tax receivable agreement. The term of the tax receivable agreement commenced upon consummation of our IPO and will continue until all such tax benefits have been utilized or expired, unless the corporate taxpayers exercise their right to terminate the tax receivable agreement for an amount based on the agreed payments remaining to be made under the agreement.

Assuming no future material changes in the relevant tax law and that the corporate taxpayers earn sufficient taxable income to realize the full tax benefit of the increased amortization of the assets, the expected future payments under the tax receivable agreement (which are taxable to the recipients) in respect of the purchase and exchanges will aggregate \$1.6 billion over the next 15 years. The after-tax net present value of these estimated payments totals \$477.0 million assuming a 15% discount rate and using an estimate of timing of the benefit to be received. Future payments under the tax receivable agreement in respect of subsequent exchanges would be in addition to these amounts. The payments under the tax receivable agreement are not conditioned upon continued ownership of Blackstone equity interests by the holders of Blackstone Holdings Partnership Units mentioned above.

Subsequent to December 31, 2022, payments totaling \$67.5 million were made to certain holders of Blackstone Holdings Partnership Units mentioned above in accordance with the tax receivable agreement and related to tax benefits the Partnership received for the 2020 taxable year. Those payments included payments of \$3.7 million to Mr. Schwarzman and investment vehicles controlled by relatives of Mr. Schwarzman; \$7.3 million to Mr. James and a trust for which Mr. James is the investment trustee; \$0.4 million to Mr. Chae and a trust for which Mr. Chae is the investment trustee; \$0.1 million to Mr. Finley; and \$1.0 million to Mr. Baratta and a trust for which Mr. Baratta is the investment trustee.

---

## [Table of Contents](#)

In addition, the tax receivable agreement provides that upon certain mergers, asset sales, other forms of business combinations or other changes of control, the corporate taxpayers' (or their successors') obligations with respect to exchanged or acquired units (whether exchanged or acquired before or after such transaction) would be based on certain assumptions, including that the corporate taxpayers would have sufficient taxable income to fully utilize the benefits arising from the increased tax deductions and tax basis and other similar benefits. Upon a subsequent actual exchange, any additional increase in tax deductions, tax basis and other similar benefits in excess of the amounts assumed at the change in control will also result in payments under the tax receivable agreement.

Decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that are received by an exchanging or selling holder of Blackstone Holdings Partnership Units under the tax receivable agreement. For example, the earlier disposition of assets following an exchange or acquisition transaction will generally accelerate payments under a tax receivable agreement and increase the present value of such payments, and the disposition of assets before an exchange or acquisition transaction will increase the tax liability of a holder of Blackstone Holdings Partnership Units without giving rise to any rights of a holder of Blackstone Holdings Partnership Units to receive payments under any tax receivable agreements.

Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase, the corporate taxpayers will not be reimbursed for any payments previously made under a tax receivable agreement. As a result, in certain circumstances, payments could be made under a tax receivable agreement in excess of the corporate taxpayers' cash tax savings.

### ***Registration Rights Agreement***

In connection with the restructuring and IPO, we entered into a registration rights agreement with our pre-IPO owners, which was subsequently amended in connection with the Conversion, pursuant to which we granted them, their affiliates and certain of their transferees the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act shares of common stock delivered in exchange for Blackstone Holdings Partnership Units or shares of common stock (and other securities convertible into or exchangeable or exercisable for our shares of common stock) otherwise held by them. In addition, newly-admitted Blackstone senior managing directors and certain others who acquire Blackstone Holdings Partnership Units have subsequently become parties to the registration rights agreement. In addition, our founder, Stephen A. Schwarzman, has the right to request that we register the sale of shares of common stock held by holders of Blackstone Holdings Partnership Units an unlimited number of times and may require us to make available shelf registration statements permitting sales of shares of common stock into the market from time to time over an extended period. In addition, Mr. Schwarzman has the ability to exercise certain piggyback registration rights in respect of shares of common stock held by holders of Blackstone Holdings Partnership Units in connection with registered offerings requested by other registration rights holders or initiated by us.

### ***Tsinghua University Education Foundation***

As part of an initiative announced in 2013, Mr. Schwarzman, through the Stephen A. Schwarzman Education Foundation, personally committed \$100 million to create and endow a post-graduate scholarship program at Tsinghua University in Beijing, entitled "Schwarzman Scholars," and fund the construction of a residential and academic building. He has led a fundraising campaign to raise \$600 million to support the "Schwarzman Endowment Fund." The Tsinghua University Education Foundation ("TUEF") will hold the Schwarzman Endowment Fund and has agreed to delegate management of the fund to Blackstone. We have agreed that TUEF, and certain entities affiliated with TUEF, will not be required to pay Blackstone a management fee for managing the Schwarzman Endowment Fund and, to the extent Blackstone allocates and invests assets of the Schwarzman Endowment Fund in our funds, which may take the form of funded or unfunded general partner commitments to our investment funds, we anticipate that such investments will be subject to reduced or waived management fees and/or carried interest.



---

## [Table of Contents](#)

### **Joseph P. Baratta**

Mr. Baratta received a base salary of \$350,000 and an annual cash bonus payment of \$7,360,296. The cash payment was based upon the performance of our private equity business, including the contribution of all current and past funds within the business dating back to before the IPO. The ultimate cash payment to Mr. Baratta was, however, determined in the discretion of Mr. Schwarzman and Mr. Gray. In April 2022, Mr. Baratta was awarded a discretionary award of 24,021 deferred restricted common stock units with a grant date fair value of \$3,077,811. This award reflected 2021 performance and was intended to further promote retention and to incentivize future performance. See “– Item 11. Executive Compensation – Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022—Terms of Discretionary Equity Awards” for discussion of the vesting terms applicable to Mr. Baratta’s equity awards.

Mr. Baratta also participated in the performance fees of our funds, consisting of carried interest in our carry funds and incentive fees in our funds that pay incentive fees. The compensation paid to Mr. Baratta in respect of carried interest in our carry funds primarily relates to Mr. Baratta’s participation in the private equity funds (which were formed both before and after the IPO). The amount of distributions, whether cash or in-kind, in respect of carried interest or incentive fee allocations to Mr. Baratta for 2022 was \$18,568,202. Any in-kind distributions in respect of carried interest are reported based on the market value of the securities distributed as of the date of distribution. See “– Item 11. Executive Compensation – Compensation Elements for Named Executive Officers” in this report for additional discussion of the elements of our compensation program.

### **Blackstone Holdings Partnership Agreements**

As a result of the reorganization and the IPO, Blackstone Inc. (at that time, The Blackstone Group L.P.) became a holding partnership and, through wholly owned subsidiaries, held equity interests in the five holdings partnerships (i.e., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and Blackstone Holdings V L.P.). On January 1, 2009, in order to simplify our structure and ease the related administrative burden and costs, we effected an internal restructuring to reduce the number of holding partnerships from five to four by causing Blackstone Holdings III L.P. to transfer all of its assets and liabilities to Blackstone Holdings IV L.P. In connection therewith, Blackstone Holdings IV L.P. was renamed Blackstone Holdings III L.P. and Blackstone Holdings V L.P. was renamed Blackstone Holdings IV L.P. On October 1, 2015, Blackstone formed a new holding partnership, Blackstone Holdings AI L.P., which holds certain operating entities and operates in a manner similar to the other Blackstone Holdings Partnerships. “Blackstone Holdings” refers to (a) Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and Blackstone Holdings V L.P. prior to the January 2009 reorganization, (b) Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. from January 1, 2009 through October 1, 2015 and (c) Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and Blackstone Holdings AI L.P. subsequent to the October 2015 creation of Blackstone Holdings AI L.P.

Wholly owned subsidiaries of Blackstone Inc. which are the general partners of those partnerships have the right to determine when distributions will be made to the partners of Blackstone Holdings and the amount of any such distributions. If a distribution is authorized, such distribution will be made to the partners of Blackstone Holdings pro-rata in accordance with the percentages of their respective partnership interests as described under “Part II. Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Dividend Policy.”

Each of the Blackstone Holdings Partnerships has an identical number of partnership units outstanding, and we use the terms “Blackstone Holdings Partnership Unit” or “partnership unit in/of Blackstone Holdings” to refer, collectively, to a partnership unit in each of the Blackstone Holdings Partnerships. The holders of partnership units in Blackstone Holdings, including Blackstone Inc.’s wholly owned subsidiaries, will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Blackstone profits and net

---

## [Table of Contents](#)

losses of Blackstone Holdings will generally be allocated to its partners (including Blackstone Inc.'s wholly owned subsidiaries) pro-rata in accordance with the percentages of their respective partnership interests as described under "Part II. Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Dividend Policy." The partnership agreements of the Blackstone Holdings Partnerships provide for cash distributions, which we refer to as "tax distributions," to the partners of such partnerships if the wholly owned subsidiaries of Blackstone Inc. which are the general partners of the Blackstone Holdings Partnerships determine that the taxable income of the relevant partnership will give rise to taxable income for its partners. Generally, these tax distributions are computed based on our estimate of the net taxable income of the relevant partnership allocable to a partner multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the non-deductibility of certain expenses and the character of our income). Tax distributions are made only to the extent all distributions from such partnerships for the relevant year are insufficient to cover such tax liabilities.

Subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings Partnerships, Blackstone Holdings Partnership Units may be exchanged for shares of common stock as described under "— Exchange Agreement" below. In addition, the Blackstone Holdings partnership agreements authorize the wholly owned subsidiaries of Blackstone Inc., which are the general partners of those partnerships, to issue an unlimited number of additional partnership securities of the Blackstone Holdings Partnerships with such designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to the Blackstone Holdings Partnership Units, and which may be exchangeable for shares of our common stock.

See "— Item 11. Executive Compensation – Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2022 – Terms of Discretionary Equity Awards" for a discussion of minimum retained ownership requirements and transfer restrictions applicable to the Blackstone Holdings Partnership Units. The generally applicable minimum retained ownership requirements and transfer restrictions are outlined in the sections referenced in the preceding sentence. There may be some different arrangements for some individuals in some instances. In addition, we may waive these requirements and restrictions from time to time.

In addition, substantially all of our expenses, including substantially all expenses solely incurred by or attributable to Blackstone Inc. but not including obligations incurred under the tax receivable agreement by Blackstone Inc.'s wholly owned subsidiaries, income tax expenses of Blackstone Inc.'s wholly owned subsidiaries and payments on indebtedness incurred by Blackstone Inc.'s wholly owned subsidiaries, are borne by Blackstone Holdings.

### **Exchange Agreement**

In connection with the reorganization and IPO, we entered into an exchange agreement with the holders of partnership units in Blackstone Holdings (other than Blackstone Inc.'s wholly owned subsidiaries). In addition, certain Blackstone senior managing directors and others who have acquired Blackstone Holdings Partnership Units also have become parties to the exchange agreement. Under the exchange agreement, as amended, subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings Partnerships, each such holder of Blackstone Holdings Partnership Units (and certain transferees thereof) may up to four times each year (subject to the terms of the exchange agreement) exchange these partnership units for shares of our common stock on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. Under the exchange agreement, to effect an exchange a holder of partnership units in Blackstone Holdings must simultaneously exchange one partnership unit in each of the Blackstone Holdings Partnerships. As a holder exchanges its Blackstone Holdings Partnership Units, Blackstone Inc.'s indirect interest in the Blackstone Holdings Partnerships will be correspondingly increased.

---

## [Table of Contents](#)

### **Payments to Kirkland & Ellis LLP**

Reginald J. Brown, a member of our board of directors, is a partner at the law firm of Kirkland & Ellis LLP (“Kirkland”). We have engaged Kirkland from time to time in the ordinary course of business to provide legal services to us and our subsidiaries. Our relationship with Kirkland pre-dates Mr. Brown’s appointment to our board of directors. During 2022, we paid Kirkland approximately \$53.4 million in legal fees (the “Fees”), and Mr. Brown’s interest in the Fees is estimated to be less than 1% of the Fees. Mr. Brown does not receive any direct compensation, specific origination bonus or other disproportionate allocation from legal fees we pay to Kirkland.

### **Firm Use of Private Aircraft**

Certain entities controlled by Mr. Schwarzman wholly own aircraft that we use for business purposes in the course of our operations, and in 2022, we made payments of \$0.7 million for the use of such aircraft, which included \$0.4 million paid directly to the managers of the aircraft. An entity controlled by Mr. Gray wholly owns aircraft that we use for business purposes in the course of our operations, and in 2022, we made payments of \$1.8 million for the use of such aircraft, which included \$1.6 million paid directly to the manager of the aircraft. An entity jointly controlled by Mr. Baratta and two other individuals owns aircraft that we use for business purposes in the course of our operations, and in 2022, we made payments of \$1.03 million for the use of such aircraft, which included \$0.99 million paid directly to the manager of the aircraft. Each of Messrs. Schwarzman, Gray, and Baratta paid for his respective ownership interest in his aircraft himself and bore his respective share of all operating, personnel and maintenance costs associated with the operation of such aircraft. The hourly payments we made for use of such aircraft were based on current market rates.

### **Investment In or Alongside Our Funds**

Our directors and executive officers may invest their own capital in or alongside our funds and other vehicles we manage, in some instances, without being subject to management fees, carried interest or incentive fees. For our carry funds, these investments may be made through the applicable fund general partner and fund a portion of the general partner capital commitments to our funds. These investment opportunities are available to all of our senior managing directors and to those of our employees whom we have determined to have a status that reasonably permits us to offer them these types of investments and in compliance with applicable laws. During the year ended December 31, 2022, our directors and executive officers (and, in some cases, certain investment trusts or other family vehicles or charitable organizations controlled by them or their immediate family members) had the following gross contributions relating to their personal investments (and the investments of any such trusts) in Blackstone funds and other Blackstone-managed vehicles: Mr. Schwarzman, Mr. Gray, Mr. James, Mr. Chae, Mr. Breyer, Mr. Baratta, Ms. Porat, Mr. Finley, Mr. Brown, Mr. Parrett, Mr. Mulroney, Mr. Light, and Ms. Ayotte made gross contributions of \$347.2 million, \$35.6 million, \$32.5 million, \$5.7 million, \$5.3 million, \$3.1 million, \$2.4 million, \$0.6 million, \$0.4 million, \$0.3 million, \$0.2 million, \$0.03 million, and \$0.001 million, respectively.

### **Statement of Policy Regarding Transactions with Related Persons**

Our board of directors has adopted a written statement of policy regarding transactions with related persons, which we refer to as our “related person policy.” Our related person policy requires that a “related person” (as defined as in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to the Chief Legal Officer any “related person transaction” (defined as any transaction that is reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds \$120,000 and in which any related

---

[Table of Contents](#)

person had or will have a direct or indirect material interest) and all material facts with respect thereto. The Chief Legal Officer will then promptly communicate that information to the board of directors. No related person transaction will be consummated without the approval or ratification of the board of directors or any committee of the board of directors consisting exclusively of independent and disinterested directors. It is our policy that directors interested in a related person transaction will recuse themselves from any vote of a related person transaction in which they have an interest.

**Non-Competition and Non-Solicitation Agreements**

We have entered into a non-competition and non-solicitation agreement with each of our professionals, including each of our executive officers. See “– Item 11. Executive Compensation—Non-Competition and Non-Solicitation Agreements” for a description of the material terms of such agreements.

**Director Independence**

See “– Item 10. Directors, Executive Officers and Corporate Governance – Controlled Company Exception and Director Independence” for information on director independence.

[Table of Contents](#)

**Item 14. Principal Accountant Fees and Services**

The following table summarizes the aggregate fees for professional services provided by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates (collectively, the “Deloitte Entities”):

|                    | Year Ended December 31, 2022 |   |   |                   |
|--------------------|------------------------------|---|---|-------------------|
|                    | Blackstone Inc.              | Blackstone Entities, Principally Fund Related (c) | Blackstone Funds, Transaction Related (d) | Total             |
|                    | (Dollars in Thousands)       |   |   |                   |
| Audit Fees         | \$ 10,123 (a)                | \$ 51,916   | \$ —                                      | \$ 62,039         |
| Audit-Related Fees | —                            | 370   | 22,395                                    | 22,765            |
| Tax Fees           | 775 (b)                      | 84,828  | 22,845                                    | 108,448           |
| All Other Fees     | —                            | —   | —   | —                 |
|                    | <u>\$ 10,898</u>             | <u>\$ 137,114</u>                                 | <u>\$ 45,240</u>                          | <u>\$ 193,252</u> |

|                    | Year Ended December 31, 2021 |   |   |                   |
|--------------------|------------------------------|---|---|-------------------|
|                    | Blackstone Inc.              | Blackstone Entities, Principally Fund Related (c) | Blackstone Funds, Transaction Related (d) | Total             |
|                    | (Dollars in Thousands)       |   |   |                   |
| Audit Fees         | \$ 9,957 (a)                 | \$ 46,924   | \$ —                                      | \$ 56,881         |
| Audit-Related Fees | 70                           | 1,227   | 29,887                                    | 31,184            |
| Tax Fees           | 736 (b)                      | 80,411  | 11,145                                    | 92,292            |
| All Other Fees     | —                            | 33  | —   | 33                |
|                    | <u>\$ 10,763</u>             | <u>\$ 128,595</u>                                 | <u>\$ 41,032</u>                          | <u>\$ 180,390</u> |

- (a) Audit Fees consisted of fees for (1) the audits of our consolidated financial statements in our Annual Report on Form 10-K and services attendant to, or required by, statute or regulation, (2) reviews of the interim condensed consolidated financial statements included in our quarterly reports on Form 10-Q, and (3) consents and other services related to SEC and other regulatory filings.
- (b) Tax Fees consisted of fees for services rendered for tax compliance and tax planning and advisory services.
- (c) The Deloitte Entities also provide audit, audit-related and tax services (primarily tax compliance and related services) to certain Blackstone Funds and other corporate entities.
- (d) Audit-Related and Tax Fees included merger and acquisition due diligence services provided in connection with potential acquisitions of portfolio companies for investment purposes primarily to certain private equity and real estate funds managed by Blackstone in its capacity as the general partner. In addition, the Deloitte Entities provide audit, audit-related, tax and other services to the portfolio companies, which are approved directly by the portfolio company’s management and are not included in the amounts presented here.

Our audit committee charter, which is available on our website at <http://ir.blackstone.com> under “Corporate Governance,” requires the audit committee to pre-approve all audit and non-audit services to be provided by our independent registered public accounting firm in accordance with the charter of the audit committee. All services reported in the Audit, Audit-Related, Tax and All Other Fees categories above were approved by the audit committee.

Part IV.

**Item 15. Exhibits and Financial Statement Schedules**

(a) The following documents are filed as part of this annual report.

1. *Financial Statements:*

See Item 8 above.

2. *Financial Statement Schedules:*

Schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are not applicable, and therefore have been omitted.

3. *Exhibits:*

| <u>Exhibit Number</u> | <u>Exhibit Description</u>  |
|-----------------------|---|
| 3.1                   | <a href="#">Amended and Restated Certificate of Incorporation of Blackstone Inc. (incorporated herein by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed with the SEC on August 6, 2021).</a>  |
| 3.2                   | <a href="#">Amended and Restated Bylaws of Blackstone Inc. (incorporated herein by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed with the SEC on August 6, 2021).</a>  |
| 4.1                   | <a href="#">Description of Capital Stock (incorporated herein by reference to Exhibit 4.1 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on February 26, 2021).</a>   |
| 4.2                   | <a href="#">Indenture dated as of August 20, 2009 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 20, 2009).</a>                     |
| 4.3                   | <a href="#">Third Supplemental Indenture dated as of August 17, 2012 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on August 17, 2012).</a>  |
| 4.4                   | <a href="#">Form of 4.750% Senior Note due 2023 (included in Exhibit 4.3 hereto).</a>   |
| 4.5                   | <a href="#">Fourth Supplemental Indenture dated as of August 17, 2012 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K filed with the SEC on August 17, 2012).</a> |
| 4.6                   | <a href="#">Form of 6.250% Senior Note due 2042 (included in Exhibit 4.5 hereto).</a>   |

## Table of Contents

- 4.7 [Fifth Supplemental Indenture dated as of April 7, 2014 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on April 7, 2014\).](#)
- 4.8 [Form of 5.000% Senior Note due 2044 \(included in Exhibit 4.7 hereto\).](#)
- 4.9 [Sixth Supplemental Indenture dated as of April 27, 2015 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on April 27, 2015\).](#)
- 4.10 [Form of 4.450% Senior Note due 2045 \(included in Exhibit 4.9 hereto\).](#)
- 4.11 [Seventh Supplemental Indenture dated as of May 19, 2015 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent \(incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on May 19, 2015\).](#)
- 4.12 [Form of 2.000% Senior Note due 2025 \(included in Exhibit 4.11 hereto\).](#)
- 4.13 [Guarantor Joinder Agreement dated as of October 1, 2015 among Blackstone Holdings Finance Co. L.L.C., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., Blackstone Holdings AI L.P. and Citibank, N.A., as administrative agent \(incorporated herein by reference to Exhibit 4.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 4.14 [Eighth Supplemental Indenture dated as of October 1, 2015 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., Blackstone Holdings AI L.P. and The Bank of New York Mellon, as Trustee \(incorporated herein by reference to Exhibit 4.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 4.15 [Ninth Supplemental Indenture dated as of October 5, 2016 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent \(incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on October 5, 2016\).](#)
- 4.16 [Form of 1.000% Senior Note due 2026 \(included in Exhibit 4.15 hereto\).](#)
- 4.17 [Tenth Supplemental Indenture dated as of October 2, 2017 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on October 2, 2017\).](#)
- 4.18 [Form of 3.150% Senior Note due 2027 \(included in Exhibit 4.17 hereto\).](#)

## Table of Contents

- 4.19 [Eleventh Supplemental Indenture dated as of October 2, 2017 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.4 to the Registrant’s Current Report on Form 8-K filed with the SEC October 2, 2017\).](#)
- 4.20 [Form of 4.000% Senior Note due 2047 \(included in Exhibit 4.19 hereto\).](#)
- 4.21 [Twelfth Supplemental Indenture dated as of April 10, 2019 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group L.P., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P., The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent \(incorporated herein by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on April 11, 2019\).](#)
- 4.22 [Form of 1.500% Senior Notes due 2029 \(included in Exhibit 4.21 hereto\).](#)
- 4.23 [Thirteenth Supplemental Indenture dated as of September 10, 2019 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on September 10, 2019\).](#)
- 4.24 [Form of 2.500% Senior Note due 2030 \(included in Exhibit 4.23 hereto\).](#)
- 4.25 [Fourteenth Supplemental Indenture dated as of September 10, 2019 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.4 to the Registrant’s Current Report on Form 8-K filed with the SEC on September 10, 2019\).](#)
- 4.26 [Form of 3.500% Senior Note due 2049 \(included in Exhibit 4.25 hereto\).](#)
- 4.27 [Fifteenth Supplemental Indenture dated as of September 29, 2020 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on September 29, 2020\).](#)
- 4.28 [Form of 1.600% Senior Note due 2031 \(included in Exhibit 4.27 hereto\).](#)
- 4.29 [Sixteenth Supplemental Indenture dated as of September 29, 2020 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.4 to the Registrant’s Current Report on Form 8-K filed with the SEC on September 29, 2020\).](#)
- 4.30 [Form of 2.800% Senior Note due 2050 \(included in Exhibit 4.29 hereto\).](#)
- 4.31 [Seventeenth Supplemental Indenture dated as of August 5, 2021 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on August 5, 2021\).](#)



## Table of Contents

- 4.32 [Form of 1.625% Senior Note due 2028 \(included in Exhibit 4.31 hereto\).](#)
- 4.33 [Eighteenth Supplemental Indenture dated as of August 5, 2021 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.4 to the Registrant’s Current Report on Form 8-K filed with the SEC on August 5, 2021\).](#)
- 4.34 [Form of 2.000% Senior Note due 2032 \(included in Exhibit 4.33 hereto\).](#)
- 4.35 [Nineteenth Supplemental Indenture dated as of August 5, 2021 among Blackstone Holdings Finance Co. L.L.C., The Blackstone Group Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.6 to the Registrant’s Current Report on Form 8-K filed with the SEC on August 5, 2021\).](#)
- 4.36 [Form of 2.850% Senior Note due 2051 \(included in Exhibit 4.35 hereto\).](#)
- 4.37 [Twentieth Supplemental Indenture dated as of January 10, 2022 among Blackstone Holdings Finance Co. L.L.C., Blackstone Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on January 10, 2022\).](#)
- 4.38 [Form of 2.550% Senior Note due 2032 \(included in Exhibit 4.37 hereto\).](#)
- 4.39 [Twenty-First Supplemental Indenture dated as of January 10, 2022 among Blackstone Holdings Finance Co. L.L.C., Blackstone Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.4 to the Registrant’s Current report on Form 8-K filed with the SEC on January 10, 2022\).](#)
- 4.40 [Form of 3.200% Senior Note due 2052 \(included in Exhibit 4.39 hereto\).](#)
- 4.41 [Twenty-Second Supplemental Indenture dated as of June 1, 2022 among Blackstone Holdings Finance Co. L.L.C., Blackstone Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on June 1, 2022\).](#)
- 4.42 [Form of 3.500% Senior Note due 2034 \(included in Exhibit 4.41 hereto\).](#)
- 4.43 [Twenty-Third Supplemental Indenture dated as of November 3, 2022 among Blackstone Holdings Finance Co. L.L.C., Blackstone Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on November 3, 2022\).](#)
- 4.44 [Form of 5.900% Senior Note due 2027 \(included in Exhibit 4.43 hereto\).](#)

## Table of Contents

- 4.45 [Twenty-Fourth Supplemental Indenture dated as of November 3, 2022 among Blackstone Holdings Finance Co. L.L.C., Blackstone Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee \(incorporated herein by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K filed with the SEC on November 3, 2022\).](#)
- 4.46 [Form of 6.200% Senior Note due 2033 \(included in Exhibit 4.45 hereto\).](#)
- 10.1 [Fourth Amended and Restated Limited Partnership Agreement of Blackstone Holdings I L.P., dated as of May 7, 2021, by and among Blackstone Holdings I/II GP L.L.C. and the limited partners of Blackstone Holdings I L.P. party thereto \(incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed with the SEC on May 7, 2021\).](#)
- 10.2 [Fourth Amended and Restated Limited Partnership Agreement of Blackstone Holdings II L.P., dated as of May 7, 2021, by and among Blackstone Holdings I/II GP L.L.C. and the limited partners of Blackstone Holdings II L.P. party thereto \(incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed with the SEC on May 7, 2021\).](#)
- 10.3 [Fifth Amended and Restated Limited Partnership Agreement of Blackstone Holdings III L.P., dated as of May 7, 2021, by and among Blackstone Holdings III GP L.P. and the limited partners of Blackstone Holdings III L.P. party thereto \(incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed with the SEC on May 7, 2021\).](#)
- 10.4 [Fifth Amended and Restated Limited Partnership Agreement of Blackstone Holdings IV L.P., dated as of May 7, 2021, by and among Blackstone Holdings IV GP L.P. and the limited partners of Blackstone Holdings IV L.P. party thereto \(incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed with the SEC on May 7, 2021\).](#)
- 10.5 [Fourth Amended and Restated Limited Partnership Agreement of Blackstone Holdings AI L.P., dated as of May 7, 2021, by and among Blackstone Holdings I/II GP L.L.C. and the limited partners of Blackstone Holdings AI L.P. party thereto \(incorporated herein by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed with the SEC on May 7, 2021\).](#)
- 10.6 [Amended and Restated Tax Receivable Agreement, dated as of May 7, 2021, by and among Blackstone Holdings I/II GP L.L.C., Blackstone Holdings I L.P., Blackstone Holdings II L.P. and the limited partners of Blackstone Holdings I L.P. and Blackstone Holdings II L.P. party thereto \(incorporated herein by reference to Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed with the SEC on May 7, 2021\).](#)
- 10.7+ [Sixth Amended and Restated Exchange Agreement, dated as of February 7, 2022, among Blackstone Inc., Blackstone Holdings AI L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and the Blackstone Holdings Limited Partners from time to time party thereto \(incorporated herein by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 25, 2022\).](#)

## Table of Contents

- 10.8 [Amended and Restated Registration Rights Agreement, dated as of May 7, 2021 \(incorporated herein by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed with the SEC on May 7, 2021\).](#)
- 10.9+ [Blackstone Inc. Amended and Restated 2007 Equity Incentive Plan \(incorporated herein by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 25, 2022\).](#)
- 10.10+ [The Blackstone Group Inc. Ninth Amended and Restated Bonus Deferral Plan \(incorporated herein by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 filed with the SEC on May 7, 2021\).](#)
- 10.11+ [Amended and Restated Founding Member Agreement of Stephen A. Schwarzman, dated as of March 1, 2018, by and among Blackstone Holdings I L.P. and Stephen A. Schwarzman \(incorporated herein by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 1, 2018\).](#)
- 10.12+ [Letter Agreement, dated as of July 1, 2019, amending Amended and Restated Founding Member Agreement of Stephen A. Schwarzman, dated as of March 1, 2018, by and among Blackstone Holdings I L.P. and Stephen A. Schwarzman \(incorporated herein by reference to Exhibit 99.9 to the Registrant's Current Report on Form 8-K filed with the SEC on July 5, 2019\).](#)
- 10.13+ [Form of Senior Managing Director Agreement by and among Blackstone Holdings I L.P. and each of the Senior Managing Directors from time to time party thereto \(incorporated herein by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1/A filed with the SEC on June 14, 2007\). \(Applicable to all executive officers other than Mr. Schwarzman\).](#)
- 10.14+ [Form of Deferred Restricted Common Unit Award Agreement \(Directors\) \(incorporated herein by reference to Exhibit 10.36 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 filed with the SEC on August 8, 2008\).](#)
- 10.15+ [Form of Deferred Restricted Blackstone Holdings Unit Award Agreement for Executive Officers \(incorporated herein by reference to Exhibit 10.37 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 filed with the SEC on November 7, 2008\).](#)
- 10.16+ [Second Amended and Restated Limited Liability Company Agreement of BMA V L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of BMA V L.L.C. \(incorporated herein by reference to Exhibit 10.12 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.17+ [Second Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Management Associates International L.P., dated as of May 31, 2007, by and among BRE International \(Cayman\) Ltd. and certain limited partners \(incorporated herein by reference to Exhibit 10.13 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.18+ [Amendment No. 1 dated as of January 1, 2008 to the Second Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Management Associates International L.P., dated as of May 31, 2007, by and among BRE International \(Cayman\) Ltd. and certain limited partners \(incorporated herein by reference to Exhibit 10.19.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed with the SEC on May 15, 2008\).](#)

## Table of Contents

- 10.19+ [Second Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Management Associates International II L.P., dated as of May 31, 2007, by and among BRE International \(Cayman\) II Ltd. and certain limited partners \(incorporated herein by reference to Exhibit 10.14 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.20+ [Amendment No. 1 dated as of January 1, 2008 to the Second Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Management Associates International II L.P., dated as of May 31, 2007, by and among BRE International \(Cayman\) II Ltd. and certain limited partners \(incorporated herein by reference to Exhibit 10.20.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed with the SEC on May 15, 2008\).](#)
- 10.21+ [Second Amended and Restated Limited Liability Company Agreement of Blackstone Management Associates IV L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of Blackstone Management Associates IV L.L.C. \(incorporated herein by reference to Exhibit 10.15 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.22+ [Second Amended and Restated Limited Liability Company Agreement of Blackstone Mezzanine Management Associates L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of Blackstone Mezzanine Management Associates L.L.C. \(incorporated herein by reference to Exhibit 10.16 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.23+ [Second Amended and Restated Limited Liability Company Agreement of Blackstone Mezzanine Management Associates II L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of Blackstone Mezzanine Management Associates II L.L.C. \(incorporated herein by reference to Exhibit 10.17 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.24+ [Second Amended and Restated Limited Liability Company Agreement of BRE IV L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of BRE IV L.L.C. \(incorporated herein by reference to Exhibit 10.18 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.25+ [Second Amended and Restated Limited Liability Company Agreement of BRE V L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of BRE V L.L.C. \(incorporated herein by reference to Exhibit 10.19 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.26+ [Second Amended and Restated Limited Liability Company Agreement of BRE VI L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of BRE VI L.L.C. \(incorporated herein by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.27+ [Amendment No. 1 dated as of January 1, 2008 to the Second Amended and Restated Limited Liability Company Agreement of BRE VI L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of BRE VI L.L.C. \(incorporated herein by reference to Exhibit 10.26.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed with the SEC on May 15, 2008\).](#)

## Table of Contents

- 10.28 [Second Amended and Restated Limited Liability Company Agreement of Blackstone Communications Management Associates I L.L.C., dated as of May 31, 2007, by and among Blackstone Holdings III L.P. and certain members of Blackstone Communications Management Associates I L.L.C. \(incorporated herein by reference to Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 filed with the SEC on August 13, 2007\).](#)
- 10.29+ [Amended and Restated Limited Liability Company Agreement of BCLA L.L.C., dated as of April 15, 2008, by and among Blackstone Holdings III L.P. and certain members of BCLA L.L.C. \(incorporated herein by reference to Exhibit 10.28 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed with the SEC on May 15, 2008\).](#)
- 10.30+ [Third Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Management Associates Europe III L.P., dated as of June 30, 2008 \(incorporated herein by reference to Exhibit 10.28 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 filed with the SEC on August 8, 2008\).](#)
- 10.31+ [Second Amended and Restated Limited Liability Company Agreement of Blackstone Real Estate Special Situations Associates L.L.C., dated as of June 30, 2008 \(incorporated herein by reference to Exhibit 10.29 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 filed with the SEC on August 8, 2008\).](#)
- 10.32+ [BMA VI L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of July 31, 2008 \(incorporated herein by reference to Exhibit 10.30 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 filed with the SEC on November 7, 2008\).](#)
- 10.33+ [Fourth Amended and Restated Limited Liability Company Agreement of GSO Associates LLC, dated as of March 3, 2008 \(incorporated herein by reference to Exhibit 10.33 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on March 2, 2009\).](#)
- 10.34+ [Amended and Restated Limited Liability Company Agreement of GSO Overseas Associates LLC, dated as of March 3, 2008 \(incorporated herein by reference to Exhibit 10.34 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on March 2, 2009\).](#)
- 10.35+ [Third Amended and Restated Limited Liability Company Agreement of GSO Capital Opportunities Associates LLC, dated as of March 3, 2008 \(incorporated herein by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on March 2, 2009\).](#)
- 10.36+ [Third Amended and Restated Limited Liability Company Agreement of GSO Capital Opportunities Overseas Associates LLC, dated as of March 3, 2008 \(incorporated herein by reference to Exhibit 10.37 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on March 2, 2009\).](#)
- 10.37+ [Amended and Restated Limited Liability Company Agreement of GSO Liquidity Overseas Associates LLC, dated as of March 3, 2008 \(incorporated herein by reference to Exhibit 10.39 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on March 2, 2009\).](#)
- 10.38+ [Blackstone / GSO Capital Solutions Associates LLC Second Amended and Restated Limited Liability Company Agreement, dated as of May 22, 2009 \(incorporated herein by reference to Exhibit 10.40 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed with the SEC on August 7, 2009\).](#)

## Table of Contents

- 10.39+ [Blackstone / GSO Capital Solutions Overseas Associates LLC Second Amended and Restated Limited Liability Company Agreement, dated as of July 10, 2009 \(incorporated herein by reference to Exhibit 10.41 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed with the SEC on August 7, 2009\).](#)
- 10.40+ [Blackstone Real Estate Special Situations Associates II L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of June 30, 2009 \(incorporated herein by reference to Exhibit 10.42 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed with the SEC on August 7, 2009\).](#)
- 10.41+ [Blackstone Real Estate Special Situations Management Associates Europe L.P. Amended and Restated Agreement of Limited Partnership, dated as of June 30, 2009 \(incorporated herein by reference to Exhibit 10.43 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed with the SEC on August 7, 2009\).](#)
- 10.42+ [BRECA L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of May 1, 2009 \(incorporated herein by reference to Exhibit 10.44 to the Registrant's Quarterly Report on 10-Q for the quarter ended June 30, 2009 filed with the SEC on August 7, 2009\).](#)
- 10.43+ [GSO Targeted Opportunity Associates LLC Amended and Restated Limited Liability Company Agreement, dated as of December 9, 2009 \(incorporated herein by reference to Exhibit 10.48 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed with the SEC on May 10, 2010\).](#)
- 10.44+ [GSO Targeted Opportunity Overseas Associates LLC Amended and Restated Limited Liability Company Agreement, dated as of December 9, 2009 \(incorporated herein by reference to Exhibit 10.49 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed with the SEC on May 10, 2010\).](#)
- 10.45+ [BCVA L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of July 8, 2010 \(incorporated herein by reference to Exhibit 10.50 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 filed with the SEC on August 6, 2010\).](#)
- 10.46+ [Amended and Restated Agreement of Exempted Limited Partnership of MB Asia REA L.P., dated November 23, 2010 \(incorporated herein by reference to Exhibit 10.51 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on February 25, 2011\).](#)
- 10.47+ [Amended and Restated Limited Liability Company Agreement of GSO SJ Partners Associates LLC, dated December 7, 2010, by and among GSO Holdings I L.L.C. and certain members of GSO SJ Partners Associates LLC thereto \(incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 filed with the SEC on May 6, 2011\).](#)
- 10.48+ [Amended and Restated Exempted Limited Partnership Agreement of GSO Capital Opportunities Associates II LP, dated as of December 31, 2015 \(incorporated herein by reference to Exhibit 10.53 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.49+ [Blackstone EMA L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of August 1, 2011 \(incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 filed with the SEC on November 9, 2011\).](#)

## Table of Contents

- 10.50+ [Blackstone Real Estate Associates VII L.P. Second Amended and Restated Agreement of Limited Partnership, dated as of September 1, 2011 \(incorporated herein by reference to Exhibit 10.53.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC on February 28, 2012\).](#)
- 10.51+ [GSO Energy Partners-A Associates LLC Second Amended and Restated Limited Liability Company Agreement, dated as of February 28, 2012 \(incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 filed with the SEC on May 7, 2012\).](#)
- 10.52+ [BTOA L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of February 15, 2012 \(incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 filed with the SEC on May 7, 2012\).](#)
- 10.53+ [Form of Deferred Holdings Unit Agreement for Senior Managing Directors \(incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 filed with the SEC on August 7, 2012\).](#)
- 10.54+ [Amended and Restated Limited Liability Company Agreement of Blackstone Commercial Real Estate Debt Associates L.L.C., dated as of November 12, 2010 \(incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 filed with the SEC on August 7, 2012\).](#)
- 10.55+ [Limited Liability Company Agreement of Blackstone Innovations L.L.C., dated November 2, 2012 \(incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 filed with the SEC on November 2, 2012\).](#)
- 10.56+ [Amended and Restated Agreement of Exempted Limited Partnership of Blackstone Innovations \(Cayman\) III L.P., dated November 2, 2012 \(incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 filed with the SEC on November 2, 2012\).](#)
- 10.57+ [GSO Foreland Resources Co-Invest Associates LLC Amended and Restated Limited Liability Company Agreement, dated as of August 10, 2012 \(incorporated herein by reference to Exhibit 10.60 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on March 1, 2013\).](#)
- 10.58+ [GSO Palmetto Opportunistic Associates LLC Amended and Restated Limited Liability Company Agreement, dated as of July 31, 2012 \(incorporated herein by reference to Exhibit 10.61 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on March 1, 2013\).](#)
- 10.59+ [Second Amended and Restated Agreement of Exempted Limited Partnership of Blackstone Real Estate Associates Asia L.P., dated February 26, 2014 \(incorporated herein by reference to Exhibit 10.63 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on February 28, 2014\).](#)
- 10.60+ [Amended and Restated Agreement of Exempted Limited Partnership of Blackstone Real Estate Associates Europe IV L.P., dated February 26, 2014 \(incorporated herein by reference to Exhibit 10.64 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on February 28, 2014\).](#)

## Table of Contents

- 10.61\* [Form of Amended & Restated Aircraft Dry Lease Agreement \(N113CS\) between 113CS LLC and Blackstone Administrative Services Partnership L.P.](#)
- 10.62+ [Form of Special Equity Award – Deferred Holdings Unit Agreement under The Blackstone Group L.P. 2007 Equity Incentive Plan \(incorporated herein by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the SEC on August 6, 2015\).](#)
- 10.63+ [Amended and Restated Agreement of Limited Partnership of BREP Edens Associates L.P., dated as of December 18, 2013 \(incorporated herein by reference to Exhibit 10.76 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.64+ [Amended and Restated Agreement of Exempt Limited Partnership of Blackstone AG Associates L.P., dated as of February 16, 2016 and deemed effective as of May 30, 2014 \(incorporated herein by reference to Exhibit 10.77 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.65+ [Amended and Restated Agreement of Limited Partnership of BREP OMP Associates L.P., dated as of June 27, 2014 \(incorporated herein by reference to Exhibit 10.78 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.66+ [Amended and Restated Agreement of Exempted Limited Partnership of Blackstone OBS Associates L.P., dated as of February 16, 2016 and deemed effective July 25, 2014 \(incorporated herein by reference to Exhibit 10.79 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.67+ [Amended and Restated Limited Liability Company Agreement of Blackstone EMA II L.L.C., dated as of October 21, 2014 \(incorporated herein by reference to Exhibit 10.80 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.68+ [Second Amended and Restated Agreement of Limited Partnership of Blackstone Liberty Place Associates L.P., dated as of February 9, 2015 \(incorporated herein by reference to Exhibit 10.81 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.69+ [Second Amended and Restated Agreement of Exempted Limited Partnership of BPP Core Asia Associates L.P., dated February 16, 2016 and deemed effective March 18, 2015 \(incorporated herein by reference to Exhibit 10.82 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.70+ [Second Amended and Restated Agreement of Exempted Limited Partnership of BPP Core Asia Associates-NQ L.P., dated as of February 16, 2016 and deemed effective March 18, 2015 \(incorporated herein by reference to Exhibit 10.83 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.71+ [Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Associates VIII L.P., dated as of March 27, 2015 \(incorporated herein by reference to Exhibit 10.84 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)



## Table of Contents

- 10.72+ [Amended and Restated Limited Liability Company Agreement of BMA VII L.L.C., dated as of May 13, 2015 \(incorporated herein by reference to Exhibit 10.85 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.73+ [Amended and Restated Agreement of Exempt Limited Partnership of Blackstone Property Associates International L.P., dated as of February 16, 2016 and deemed effective as of July 15, 2015 \(incorporated herein by reference to Exhibit 10.86 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.74+ [Amended and Restated Agreement of Exempt Limited Partnership of Blackstone Property Associates International-NQ L.P., dated as of February 16, 2016 and deemed effective July 28, 2015 \(incorporated herein by reference to Exhibit 10.87 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 26, 2016\).](#)
- 10.75+ [BTOA II L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of December 19, 2014 \(incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 filed with the SEC on August 4, 2016\).](#)
- 10.76+ [Special Equity Award — Deferred Holdings Unit Agreement under The Blackstone Group L.P. 2007 Equity Incentive Plan \(Chief Financial Officer\) \(incorporated herein by reference to Exhibit 10.82 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 24, 2017\).](#)
- 10.77+ [Form of Deferred Holdings Unit Agreement under The Blackstone Group L.P. 2007 Equity Incentive Plan \(2013 and 2014 awards\) \(incorporated herein by reference to Exhibit 10.83 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 24, 2017\).](#)
- 10.78+ [Amended and Restated Agreement of Exempted Limited Partnership of Blackstone Real Estate Associates Europe V L.P., dated May 8, 2017 and deemed effective March 1, 2016 \(incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 filed with the SEC on May 9, 2017\).](#)
- 10.79+ [Amended and Restated Limited Liability Company Agreement of Blackstone CEMA L.L.C., dated February 9, 2016 \(incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed with the SEC on August 8, 2017\).](#)
- 10.80+ [Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Debt Strategies Associates II L.P., dated February 15, 2018 and deemed effective as of April 17, 2013 \(incorporated herein by reference to Exhibit 10.86 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 1, 2018\).](#)
- 10.81+ [Amended and Restated Agreement of Limited Partnership of Blackstone Real Estate Debt Strategies Associates III L.P., dated February 15, 2018 and deemed effective as of July 25, 2016 \(incorporated herein by reference to Exhibit 10.87 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 1, 2018\).](#)
- 10.82 [Form of Aircraft Dry Lease Agreement between GH4 Partners LLC and Blackstone Administrative Services Partnership L.P. \(incorporated herein by reference to Exhibit 10.82 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.83 [Form of Aircraft Dry Lease Agreement \(N345XB\) between Hilltop Asset Holdings LLC and Blackstone Administrative Services Partnership L.P. \(incorporated herein by reference to Exhibit 10.83 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)

## Table of Contents

- 10.84 [Form of Aircraft Dry Lease Agreement \(N776BT\) between Hilltop Asset Holdings LLC and Blackstone Administrative Services Partnership L.P. \(incorporated herein by reference to Exhibit 10.84 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.85 [Amended and Restated Credit Agreement dated as of March 23, 2010, as amended and restated as of May 29, 2014, as further amended and restated as of August 31, 2016, as further amended and restated as of September 21, 2018, as further amended and restated as of November 24, 2020, and as further amended and restated as of June 3, 2022, among Blackstone Holdings Finance Co. L.L.C., as borrower, Blackstone Holdings AI L.P., Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P., as guarantors, Citibank, N.A., as administrative agent and the lenders party thereto \(incorporated herein by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed with the SEC on June 8, 2022\).](#)
- 10.86+ [Amended and Restated Limited Partnership Agreement of BTOA III L.P., dated as of February 27, 2019 and deemed effective as of May 24, 2018 \(incorporated herein by reference to Exhibit 10.92 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 1, 2019\).](#)
- 10.87+ [Amended and Restated Deferred Holdings Unit Agreement under The Blackstone Group L.P. 2007 Equity Incentive Plan between The Blackstone Group L.P. and the Participant named therein \(incorporated herein by reference to Exhibit 10.93 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 1, 2019\).](#)
- 10.88+ [Form of Deferred Holdings Unit Agreement under The Blackstone Group L.P. 2007 Equity Incentive Plan \(incorporated herein by reference to Exhibit 10.94 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 1, 2019\).](#)
- 10.89+ [Amended and Restated Limited Partnership Agreement of Blackstone Management Associates Asia L.P., dated as of August 6, 2019, and deemed effective as of November 9, 2017 \(incorporated herein by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.90+ [Second Amended and Restated Limited Partnership Agreement of BREIT Special Limited Partner L.P., dated as of February 12, 2020 and deemed effective as of January 1, 2018 \(incorporated herein by reference to Exhibit 10.90 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.91+ [Amended and Restated Exempted Limited Partnership Agreement of Blackstone Real Estate Associates Asia II L.P., dated August 6, 2019 and deemed effective September 21, 2017 \(incorporated herein by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.92+ [Amended and Restated Limited Partnership Agreement of Blackstone Total Alternatives Solution Associates L.P., dated as of August 6, 2019 and deemed effective as of August 24, 2014 \(incorporated herein by reference to Exhibit 10.4 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)

## Table of Contents

- 10.93+ [Amended and Restated Limited Partnership Agreement of Blackstone Total Alternatives Solution Associates 2015 I L.P., dated as of August 6, 2019 and deemed effective as of February 24, 2015 \(incorporated herein by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.94+ [Amended and Restated Limited Partnership Agreement of Blackstone Total Alternatives Solution Associates 2016 L.P., dated as of August 6, 2019 and deemed effective as of December 9, 2016 \(incorporated herein by reference to Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.95+ [Amended and Restated Limited Partnership Agreement of Blackstone Total Alternatives Solution Associates IV L.P., dated as of August 6, 2019 and deemed effective as of December 22, 2017 \(incorporated herein by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.96+ [Amended and Restated Limited Partnership Agreement of Blackstone Total Alternatives Solution Associates V L.P., dated as of August 6, 2019 and deemed effective as of October 31, 2018 \(incorporated herein by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.97+ [Third Amended and Restated Limited Liability Company Agreement of BTOSIA L.L.C., dated as of August 6, 2019 and deemed effective as of May 12, 2016 \(incorporated herein by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.98+ [Amended and Restated Exempted Limited Partnership Agreement of Blackstone UK Mortgage Opportunities Management Associates \(Cayman\) L.P., dated August 6, 2019 and deemed effective December 4, 2015 \(incorporated herein by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 8, 2019\).](#)
- 10.99+ [Amended and Restated Limited Partnership Agreement of Blackstone EMA III GP L.P., dated as of November 6, 2019 and deemed effective as of August 17, 2018 \(incorporated herein by reference to Exhibit 10.12 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 filed with the SEC on November 8, 2019\).](#)
- 10.100+ [Amended and Restated Limited Partnership Agreement of BMA VIII GP L.P., dated as of November 6, 2019 and deemed effective as of March 29, 2019 \(incorporated herein by reference to Exhibit 10.13 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 filed with the SEC on November 8, 2019\).](#)
- 10.101+ [Form of Deferred Holdings Unit Agreement under The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan \(2019\) \(incorporated herein by reference to Exhibit 10.101 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.102+ [Form of Deferred Holdings Unit Agreement under The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan \(Termination Vesting 2019\) \(incorporated herein by reference to Exhibit 10.102 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.103+ [Form of Deferred Unit Agreement under The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan \(2020\) \(incorporated herein by reference to Exhibit 10.103 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)

## Table of Contents

- 10.104+ [Form of Deferred Unit Agreement under The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan \(Termination Vesting 2020\) \(incorporated herein by reference to Exhibit 10.104 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.105+ [Amended and Restated Limited Partnership Agreement of BREA Europe VI \(Cayman\) L.P., dated as of February 26, 2020 and deemed effective as of May 8, 2019 \(incorporated herein by reference to Exhibit 10.105 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.106+ [Amended and Restated Limited Partnership Agreement of BREA IX \(Delaware\) L.P., dated as of February 26, 2020 and deemed effective as of December 21, 2018 \(incorporated herein by reference to Exhibit 10.106 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 28, 2020\).](#)
- 10.107+ [Amended and Restated Agreement of Limited Partnership, of Strategic Partners Fund Solutions Associates – NC Real Asset Opportunities, L.P., dated as of September 30, 2014 \(incorporated herein by reference to Exhibit 10.6 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020\).](#)
- 10.108+ [Amended and Restated Limited Partnership Agreement of Strategic Partners Fund Solutions Associates Real Estate VI L.P., dated as of April 8, 2015 \(incorporated herein by reference to Exhibit 10.7 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020\).](#)
- 10.109+ [Amended and Restated Limited Partnership Agreement of Strategic Partners Fund Solutions Associates Real Estate VII L.P., dated November 4, 2020, and effective as of December 13, 2018 \(incorporated herein by reference to Exhibit 10.8 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020\).](#)
- 10.110+ [Amended and Restated Limited Partnership Agreement of Strategic Partners Fund Solutions Associates Infrastructure III L.P., dated November 4, 2020, and effective as of December 24, 2019 \(incorporated herein by reference to Exhibit 10.9 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020\).](#)
- 10.111+ [Amended and Restated Agreement of Limited Partnership of Strategic Partners Fund Solutions Associates RA II L.P., dated November 4, 2020, and effective as of April 3, 2017 \(incorporated herein by reference to Exhibit 10.10 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020\).](#)
- 10.112+ [Amended and Restated Limited Partnership Agreement of Strategic Partners Fund Solutions Associates VI L.P., dated as of December 19, 2013 \(incorporated herein by reference to Exhibit 10.11 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020\).](#)
- 10.113+ [Amended and Restated Limited Partnership Agreement of Strategic Partners Fund Solutions Associates VII L.P., dated as of February 12, 2016 \(incorporated herein by reference to Exhibit 10.12 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020\).](#)

## Table of Contents

|          |   |
|----------|---|
| 10.114+  | <a href="#"><u>Amended and Restated Limited Partnership Agreement of Strategic Partners Fund Solutions Associates VIII L.P., dated November 4, 2020, and effective as of December 21, 2018 (incorporated herein by reference to Exhibit 10.13 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020).</u></a> |
| 10.115+  | <a href="#"><u>Amended and Restated Limited Partnership Agreement of Strategic Partners Fund Solutions Associates DE L.P., dated November 4, 2020, and effective as of February 26, 2018 (incorporated herein by reference to Exhibit 10.14 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020).</u></a>   |
| 10.116+  | <a href="#"><u>Amended and Restated Limited Partnership Agreement of Blackstone CEMA II GP L.P., dated as of November 4, 2020 (incorporated herein by reference to Exhibit 10.15 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020).</u></a>  |
| 10.117+  | <a href="#"><u>Amended and Restated Limited Partnership Agreement of BREDS IV L.P., dated as of November 4, 2020, and effective as of April 3, 2020 (incorporated herein by reference to Exhibit 10.16 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020).</u></a>  |
| 10.118+  | <a href="#"><u>Amended and Restated Limited Partnership Agreement of BXLS V GP L.P., dated as of November 4, 2020, and effective as of December 31, 2019 (incorporated herein by reference to Exhibit 10.17 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC on November 6, 2020).</u></a>                                   |
| 10.119   | <a href="#"><u>Withdrawal Agreement between Blackstone Holdings I L.P. and Hamilton E. James dated May 3, 2022 (incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 filed with the SEC on May 5, 2022).</u></a>   |
| 10.120   | <a href="#"><u>Form of Aircraft Dry Lease Agreement between Hilltop Asset Holdings LLC and Blackstone Administrative Services Partnership L.P. (incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 filed with the SEC on August 5, 2022).</u></a>   |
| 21.1*    | <a href="#"><u>Subsidiaries of the Registrant.</u></a>  |
| 23.1*    | <a href="#"><u>Consent of Deloitte &amp; Touche LLP.</u></a>  |
| 31.1*    | <a href="#"><u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).</u></a>   |
| 31.2*    | <a href="#"><u>Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).</u></a>   |
| 32.1*    | <a href="#"><u>Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</u></a>  |
| 32.2*    | <a href="#"><u>Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</u></a>  |
| 99.1*    | <a href="#"><u>Section 13(r) Disclosure.</u></a>  |
| 101.INS* | Inline XBRL Instance Document.  |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document.   |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document.   |

---

## [Table of Contents](#)

|          |   |
|----------|---|
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document.                              |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document.                                   |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document.                            |
| 104      | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

\* Filed herewith.

+ Management contract or compensatory plan or arrangement in which directors or executive officers are eligible to participate.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

### **Item 16. Form 10-K Summary**

None.

**Signatures**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 24, 2023

**Blackstone Inc.**

\_\_\_\_\_  
/s/ Michael S. Chae  
Name: Michael S. Chae  
Title: Chief Financial Officer  
(Principal Financial Officer and Authorized Signatory)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on this 24th day of February, 2023.

\_\_\_\_\_  
/s/ Stephen A. Schwarzman  
Stephen A. Schwarzman, Chief Executive Officer  
and Chairman of the Board of Directors  
(Principal Executive Officer)

\_\_\_\_\_  
/s/ Reginald J. Brown  
Reginald J. Brown, Director

\_\_\_\_\_  
/s/ Jonathan D. Gray  
Jonathan D. Gray, President, Chief Operating Officer and Director

\_\_\_\_\_  
/s/ Sir John Antony Hood  
Sir John Antony Hood, Director

\_\_\_\_\_  
/s/ Michael S. Chae  
Michael S. Chae, Chief Financial Officer  
(Principal Financial Officer)

\_\_\_\_\_  
/s/ Rochelle B. Lazarus  
Rochelle B. Lazarus, Director

\_\_\_\_\_  
/s/ David Payne  
David Payne, Chief Accounting Officer  
(Principal Accounting Officer)

\_\_\_\_\_  
/s/ Brian Mulroney  
Brian Mulroney, Director

\_\_\_\_\_  
/s/ Joseph P. Baratta  
Joseph P. Baratta, Director

\_\_\_\_\_  
/s/ William G. Parrett  
William G. Parrett, Director

\_\_\_\_\_  
/s/ Kelly A. Ayotte  
Kelly A. Ayotte, Director

\_\_\_\_\_  
/s/ Ruth Porat  
Ruth Porat, Director

\_\_\_\_\_  
/s/ James W. Breyer  
James W. Breyer, Director

**AMENDED AND RESTATED AIRCRAFT DRY LEASE AGREEMENT**

THIS AMENDED AND RESTATED AIRCRAFT DRY LEASE AGREEMENT (this “**Agreement**”) is made and entered into this \_\_\_\_\_ between 113CS LLC, a Delaware limited liability company, (“**Lessor**”) and Blackstone Administrative Services Partnership L.P., a Delaware limited partnership (“**Lessee**”) (collectively the “**Parties**”).

**WITNESSETH:**

**WHEREAS**, Lessor owns a 2014 Gulfstream Aerospace Corp. model GVI (G650), as described more fully in Section 1.1 below (the “**Aircraft**”); and

**WHEREAS**, Lessor desires to dry lease the Aircraft to Lessee from time to time on a non-exclusive periodic basis; and Lessee desires to dry lease the Aircraft from Lessor from time to time; and

**NOW, THEREFORE**, in consideration of the promises and the mutual covenants and undertakings herein contained, the Parties hereto do hereby agree as follows:

**ARTICLE 1: LEASE AND TERM**

1.1 Lease. Lessor hereby agrees to dry lease to Lessee, from time to time, and Lessee hereby agrees to dry lease from Lessor, from time to time, one (1) 2014 Gulfstream Aerospace Corp. model GVI (G650) aircraft currently bearing U.S. registration mark N113CS, and manufacturer’s serial number 6090 (the “**Airframe**”), equipped with two (2) installed Rolls Royce Deutschland Ld. & Co KG aircraft engines, model BR700-725A1-12, bearing manufacturer’s serial numbers 25293 and 25292 (the “**Engines**”) and one (1) Honeywell model RE220 (GVI) auxiliary power unit bearing manufacturer’s serial number P-192 (the “**APU**”), together with, all loose equipment, systems, all appliances, parts, instruments, appurtenances, avionics, accessories and equipment (including, without limitation, communication and radar equipment) now or hereafter installed in or attached to the aircraft, and all substitutions, replacements, and renewals and all other property that shall hereafter become physically incorporated or installed in or attached to the Aircraft (the “**Aircraft**”) to Lessee hereunder. Changes to the U.S. registration mark of the Aircraft shall have no effect on this Agreement.

1.2. Term and Rental Periods. The Term of this Agreement (“**Term**”) shall commence on the date set forth above, for a period of \_\_\_\_\_. Thereafter, this Agreement shall renew on a month-to-month basis. Either Party may terminate this Agreement at any time upon five (5) days written notice to the other Party. Lessee may dry lease the Aircraft pursuant to this Agreement for specific periods of time during the Term (“**Rental Periods**”). No Rental Period shall be for more than Thirty (30) days.

**ARTICLE 2: RENTAL AND EXPENSES**

2.1. Rental Payment. Lessee agrees to pay to Lessor an hourly rental fee at the rental rate set forth in Schedule 1, per flight hour (pro-rated for fractions) of operation during each Rental Period. The hourly rental fee may be adjusted by mutual agreement during the Term based on fair market pricing. Such hourly rental fees include delays, detours, cancellations caused by weather, routing, maintenance or other similar occurrences during each Rental Period, except that Lessor, at its sole discretion, may reduce the rental fees in the event of such occurrences. In addition, Lessee shall pay for a minimum of two hours of Rental Payment on any day during the Rental Period.



2.2. Positioning, Repositioning Charges. Lessee shall be responsible for accepting the Aircraft from Lessor, and returning the Aircraft to Lessor at (“Home Base”), or other airport agreed between the Parties. If Lessee commences or ends its Rental Period at a point other than Home Base, Lessee shall, in Lessor’s sole discretion, be assessed an additional charge equivalent to Lessor’s costs in positioning the Aircraft from Home Base to the delivery point, or repositioning the Aircraft back to Home Base from the point of return.

2.3. Lessee Reimbursement for Fuel and Incidental Charges. Lessee shall be responsible for fuel and incidental charges for any flight during the Rental Period. Such incidental charges include but are not limited to, hangaring and tie down charges away from the Aircraft’s base of operation, landing fees, federal excise taxes, airport taxes or similar charges, customs, immigration or similar charges related to international flight; and any additional insurance premiums required for specific flights during the Rental Period. In the event any such charges are made to Lessor by service providers, Lessee shall promptly reimburse Lessor for such costs.

2.4. Lessor Reimbursement for Certain Charges. Lessor has incorporated the cost for maintenance and repairs into the Rental Payment. In the event any charges for maintenance are paid directly by Lessee, Lessor shall promptly reimburse Lessee for such cost, or deduct as an offset against Rental Payments such costs.

2.5. Invoicing and Payment. Lessor will send Lessee invoices for such payments as are due under this Article for each Rental Period, using the form attached as Appendix A or other form at Lessor’s discretion. Lessee shall make payment by check or money order payable to “113CS LLC” payable upon receipt, or shall wire transfer funds to the address specified on the invoice.

2.6. Calculation of Hours of Operation. For purposes of Rental Payments, hours of operation for each Rental Period shall be calculated (a) from the time the Aircraft takes off to the time it lands, and (b) hours of operation shall include flights to return the Aircraft to Lessor at the end of Rental Period.

2.7. Taxes. All payments, including specifically Rental Payments made by Lessee hereunder, shall be made free and clear of, and without deduction for, any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, restrictions or conditions now or hereafter imposed by any governmental or taxing authority. Taxes which the Lessee may incur while operating the Aircraft include, but are not limited to: fuel excise taxes, airport taxes, sales and use taxes, over flight fees or taxes, and customs duties, or other foreign taxes relating to international travel.

2.8. Procedure to Request Rental of Aircraft. Lessee shall make requests for rental of the Aircraft to Lessor either orally or in writing. Requests should be made as far in advance as possible before the intended commencement of the Rental Period.

2.9. Availability. Lessor is making the Aircraft available to Lessee for dry lease on an “as available” basis only, and makes no guarantee or warranty with regard to Aircraft availability. Lessor will, in good faith, attempt to make the Aircraft available when it is not otherwise being used by Lessor, another lessee, or is unavailable for maintenance or other reasons.

2.10. Non-availability or Delay Due to Unanticipated Causes. Lessor shall promptly notify Lessee if the Aircraft cannot be delivered for a Rental Period due to an unanticipated delay, such as weather or mechanical related delays. Lessor shall not be responsible for any loss, injury, damage, delay, or cancellation, or any consequential or incidental damages or costs incurred by Lessee caused by such delay or cancellation.

### ARTICLE 3: OPERATION OF AIRCRAFT BY LESSEE

3.1. Operational Control. During each Rental Period, Lessee is and shall be the sole operator of the Aircraft and has operational control of the Aircraft. During each Rental Period, Lessee is responsible for operating the Aircraft in accordance and compliance with all laws, ordinances and regulations relating to the possession, use, operation, or maintenance of the Aircraft, including, but not limited to, the Federal Aviation Regulations (“**FAR**”), Title 14 Code of Federal Regulations.

3.2. Selection of Flight Crew. Lessee shall select and hire its own flight crew provided that the pilots shall be professionally trained and qualified, shall be familiar with and licensed to operate the Aircraft, and shall have current medical certificates, and recurrent training.

3.3. Care and Use. Lessee shall use and operate the Aircraft in a careful and proper manner. Lessee shall operate the Aircraft in accordance with the flight manual and all manufacturer’s suggested operating procedures. Lessee shall not operate, use, or maintain the Aircraft in violation of any airworthiness certificate, license, or registration relating to the Aircraft, or contrary to any law or regulation.

3.4. Limits of Operations. Lessee expressly warrants and agrees that it shall not operate the Aircraft outside the geographic limits or in a way that would violate or compromise the terms and obligations of the Insurance Policies. Lessee shall use the Aircraft only for and on account of its business, and will not use the Aircraft for the purpose of providing transportation of passengers or cargo in air commerce for compensation or hire (except in accordance with the provisions of FAR § 91.501), or for any illegal purpose.

3.5. Documentation. Lessee shall complete required flight logs, maintenance logs, or other recording entries required by the FARs during any Rental Period.

3.6. Maintenance and Repair. Lessor, at its own cost and expense, will promptly repair or replace all parts, appliances, components, instruments, accessories, and furnishings that are installed in or attached to the Aircraft (herein called “**Parts**”) that may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair, or permanently rendered unfit for use for any reason whatsoever during a Rental Period. Further, Lessor shall reimburse Lessee for any mechanics liens or other costs incurred by Lessee associated with non-routine repairs or maintenance made during a Rental Period, provided that: (1) such repairs shall be made by an FAA approved repair facility; and (2) Lessor shall approve in advance such repairs or maintenance. Lessee covenants to repair any damage beyond ordinary wear and tear caused by Lessee’s use of the Aircraft.

3.7. Right to Inspect. Lessor and its authorized representatives shall, at all reasonable times, have the right to enter the premises where the Aircraft may be located for the purpose of inspecting and examining the Aircraft, its condition, use and operation, and the books and records of Lessee relating thereto to ensure Lessee’s compliance with its obligations under this Lease. Notwithstanding the foregoing rights, Lessor has no duty to inspect and shall not incur any liability or obligation by reason of not making any such inspection.

### ARTICLE 4: INSURANCE AND LIABILITY

4.1. Primary Liability and Property Damage Insurance. Lessor shall maintain in effect, at its own expense, third party Aircraft liability insurance, passenger legal liability insurance, and property damage liability insurance during the Term in such amounts as are customary for similarly situated aircraft. Each liability policy shall be primary without right of contribution from any other insurance that is carried by Lessee, and expressly provide that all the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured.

4.2. Insurance Against Physical Damage. Lessor shall maintain in effect, at its own expense, all-risk ground and flight Aircraft hull insurance covering the Aircraft (together with policies required under section 4.1, “**Insurance Policies**”). Any such insurance shall be during the Term for an amount customary for a similar aircraft.

4.3. Lessee As Named Insured. All Insurance Policies carried by Lessor in accordance with this Article shall name Lessee as a named insured.

4.4. Deductible. Any Insurance Policy carried by Lessor in accordance with this Article may be subject to a deductible amount which is customary under policies insuring similar aircraft similarly situated. Lessor warrants and agrees that in the event of an insurable claim, Lessor will bear the costs up to the deductible amount.

4.5. Additional Insurance for Lessee. Lessee may, at its discretion, obtain additional insurance covering its operation of the Aircraft.

4.6. Certificate of Insurance. Upon request, Lessor shall deliver to Lessee a certificate of insurance evidencing the insurance required to be maintained by Lessor under this Article.

4.7. Mutual Waiver of Liability Claims. Except as specifically set forth in this Agreement, Lessor and Lessee (the “**Parties**”) each hereby agree that each shall hold harmless the other Party, and the other Party’s respective officers, directors, agents, employees, servants, attorneys, insurers, coinsurers, reinsurers, indemnitors, parents, subsidiaries, affiliates, predecessors, successors, and assigns from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses, including reasonable legal fees and expenses, of whatsoever kind and nature including, without limitation, personal injury or death (“**Liabilities**”), that could be asserted by that Party against the other Party directly or indirectly (including but not limited to claims raised against that Party by any third-party, employee, agent, or other person or entity not a party to the Agreement) arising out of the lease, sublease, possession, rental, use, condition, operation, transportation, return, storage or disposition of the Aircraft or any part thereof (including, without limitation, Liabilities in any way relating to or arising out of latent or other defects, whether or not discoverable by a Party or any other person, injury to persons or property, or strict liability in tort), provided, however, that neither Party shall be required to hold harmless the other Party for Liabilities resulting from the gross negligence or willful misconduct of the other Party.

## ARTICLE 5: WARRANTIES AND DISCLAIMERS

5.1. Lessor’s Warranty. Lessor warrants that (1) the Aircraft is properly registered in accordance with U.S. law; and (2) Lessor is a citizen of the United States of America as set forth in Section 40102(16) of the Transportation Laws and the regulations thereunder.

5.2. Lessor’s Disclaimer of Warranties. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, LESSOR NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE AND HEREBY EXPRESSLY DISCLAIMS, AND LESSEE EXPRESSLY WAIVES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, WORKMANSHIP, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE AIRCRAFT, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY PART THEREOF.

5.3. Lessee's Representation Regarding Selection. Lessee represents and warrants that: (1) it has selected the Aircraft based on its own judgment and disclaims any reliance upon statements or representations not part of this Agreement; and (2) that the Aircraft is of a size, design and capacity selected by Lessee and is suitable for Lessee's intended use.

5.4. Lessee Warranty Regarding Operation. Lessee represents and warrants that it shall only operate the Aircraft under the terms, conditions, and restrictions, as set forth in this Agreement.

## ARTICLE 6: MISCELLANEOUS

6.1. Title. Title to the Aircraft shall remain vested in Lessor during the Lease Term and the Aircraft shall be registered at the FAA in the name of Lessor. Lessee shall have no right, title or interest in or to the Aircraft except as expressly provided herein and shall take no action that would impair the continued registration of the Aircraft at the FAA in the name of Lessor. Lessee shall not file or record this Agreement with the FAA. Lessee shall do or cause to be done any and all acts and things which may be required to perfect and preserve the interest and title of Lessor to the Aircraft within any jurisdiction in which Lessee may operate the Aircraft, and Lessee shall also do or cause to be done any and all acts and things which may be required under the terms of any other agreement, treaty, convention, pact or by any practice, customs or understanding involving any country or state in which Lessee may operate, as may be necessary or helpful, or as Lessor may reasonably request, to perfect and preserve the rights of Lessor within the jurisdiction of any such country or state.

6.2. Liens. Except as provided herein, Lessee will not directly or indirectly create, incur, assume or suffer to exist any liens on or with respect to (1) the Aircraft or any part thereof; (2) Lessor's title thereto; or (3) any interest of Lessor therein. Lessee will promptly, at its own expense, take such action as may be necessary to discharge any such lien. Lessee may incur the following liens: (i) the respective rights of Lessor and Lessee as herein provided; (ii) liens created by Lessor; (iii) liens for taxes either not yet due or being contested by Lessee in good faith; and (iv) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens arising in the ordinary course of business of Lessee, or Parties acting on behalf of Lessee insofar as such actions relate to the Aircraft and are not inconsistent with this Agreement, not delinquent, and for the payment of which adequate reserves have been provided.

### 6.3. Defaults.

(a) Each of the following events shall constitute an "Event of Default" hereunder (whatever the reason for such event of default and whether it shall be voluntary or involuntary, or come about or be effected by operation of law, or be pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body): (1) if Lessee shall fail to pay when due any sum under this Agreement and such failure shall continue for a period of three business days after oral, facsimile, or written notice has been given by Lessor to Lessee; (2) if Lessee shall fail to perform any covenant or agreement contained herein, and such failure shall continue for a period of fifteen (15) days after notice thereof shall have been given in writing; (3) if any representation or warranty made by Lessee in this Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith is or shall become incorrect in any material respect; (4) if Lessee shall operate the Aircraft in violation of any applicable law, regulation, rule or order of any governmental authority having jurisdiction thereof or shall operate the Aircraft when the insurance required hereunder shall not be in effect; (5) if any proceedings shall be commenced under any bankruptcy, insolvency, reorganization, readjustment of debt, receivership or liquidation law or statute of any jurisdiction; or (6) if any such proceedings shall be instituted against either Party and shall not be withdrawn or terminated within thirty (30) days after their commencement.

(b) Upon the occurrence of any Event of Default Lessor may, at its option, exercise any or all remedies available at law or in equity, including, without limitation, any or all of the following remedies, as Lessor in its sole discretion shall elect: (1) by notice in writing to terminate this Agreement immediately, whereupon all rights of the Lessee to the use or possession of the Aircraft or any part thereof shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided; and thereupon Lessee, if so requested by Lessor, shall at its expense promptly return the Aircraft and Aircraft Documentation as required by this Agreement or Lessor, at its option, may enter upon the premises where the Aircraft or Aircraft Documentation are located and take immediate possession of and remove the same by summary proceedings or otherwise. Lessee specifically authorizes Lessor's entry upon any premises where the Aircraft or Aircraft Documentation may be located for the purpose of, and waives any cause of action it may have arising from, a peaceful retaking of the Aircraft or Aircraft Documentation; or (2) perform or cause to be performed any obligation, covenant or agreement of Lessee hereunder. Lessee agrees to pay all costs and expenses incurred by Lessor for such performance and acknowledges that such performance by Lessor shall not be deemed to cure said Event of Default.

(c) Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto. No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. Lessor shall not be deemed to have waived any default, Event of Default or right hereunder unless the same is acknowledged in writing by duly authorized representative of Lessor. No waiver by Lessor of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of Lessor in exercising any rights granted it hereunder upon any occurrence of any such right upon the continuation or recurrence of any such contingencies or similar contingencies, and any single or partial exercise of any particular right by Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

6.4 Successors and Assigns. This Agreement shall be binding upon Lessor, Lessee, and their respective successors and assigns, except that Lessee may not assign or transfer any of its rights hereunder except with the prior written consent of Lessor. Subject to the foregoing, this Lease shall inure to the benefit of Lessor and Lessee and their respective successors and assigns.

6.5. Notices. All notices and other communications under this Agreement shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt or refusal to accept receipt) by delivery in person, by facsimile or electronic mail (with a simultaneous confirmation copy sent by first class mail properly addressed and postage prepaid), or by a reputable overnight courier service, addressed as follows:

113CS LLC - BLACKSTONE  
AMENDED & RESTATED DRY LEASE  
PAGE 6 OF 11

If to Lessor: 113CS LLC

Attn:  
Telephone:  
Email:

If to Lessee: Blackstone Administrative Services Partnership L.P.  
c/o 345 Park Avenue  
New York, NY 10154  
Attn:  
Telephone:  
Email:

or at such other address as either Party may designate in writing. Any notice hereunder shall be effective upon delivery.

6.6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this agreement and supersede all prior and contemporaneous understandings of the Parties.

6.7. Severability. If any provision of this Agreement is found to be prohibited or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each Party hereto hereby waives any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

6.8. Amendments and Modifications. The terms of this Agreement shall not be waived, varied, contradicted, explained, amended or changed in any other manner except by an instrument in writing, executed by both Parties.

6.9. Choice of Law. This Agreement and any claim, controversy or dispute arising under or related to the Agreement, the relationship of the parties, and/or interpretation of the rights and duties of the parties including all matters of construction, validity, and performance shall in all respects be governed by, and construed in accordance with, the laws of the State of New York (disregarding any Conflict of Laws rule which might result in the application of the laws of any other jurisdiction).

6.10. Force Majeure. No Party shall be liable for any failure to perform its obligations in connection with any action described in this Agreement, if such failure results from any act of God, riot, war, civil unrest, flood, earthquake, or other cause beyond such Party's reasonable control (including any mechanical, electronic, or communications failure, but excluding failure caused by a Party's financial condition or negligence).

6.11. Execution. This Lease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

#### ARTICLE 7: TRUTH IN LEASING

7.1. Representation Regarding Maintenance. THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED FOR THE LAST TWELVE MONTHS UNDER FEDERAL AVIATION REGULATION § 91.409(f)(1). IT WILL BE MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION § 91.409(f)(1) FOR OPERATIONS BY LESSEE UNDER THIS LEASE.

7.2. Representation Regarding Operational Control. LESSEE, WHOSE NAME AND ADDRESS APPEAR HEREIN, IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THE LEASE. LESSEE HEREBY CERTIFIES THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH THE FEDERAL AVIATION REGULATIONS APPLICABLE TO THE AIRCRAFT.

---

7.3. Information from FAA. LESSEE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING ON OPERATIONS CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE, OR AIR CARRIER DISTRICT OFFICE.

7.4. FAA Notification: in accordance with FAR § 91.23. The Parties shall take the following actions upon execution of this Agreement: (a) a copy of this Agreement shall be placed aboard the Aircraft;(b) a copy of this agreement will be mailed to the FAA Aircraft Registration Branch, Attn: Technical Section, P.O. Box 25724, Oklahoma City, OK 73125 within 24 hours of execution; and (c) the FAA will be notified at least 48 hours prior to the first flight of any aircraft under this Agreement.

*(Signature page follows)*

113CS LLC - BLACKSTONE  
AMENDED & RESTATED DRY LEASE  
PAGE 8 OF 11

---

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their names and on their behalf by their duly authorized officers, effective as of the date first written above.

**113CS LLC**

As Lessor

By: \_\_\_\_\_  
Name:  
Title:

**Blackstone Administrative Services Partnership L.P.**

As Lessee

By: Blackstone Holdings I - SUB GP L.L.C., its general partner

By: \_\_\_\_\_  
Name:  
Title:



**Schedule 1: Rent**

**1. Rental Payment:** \$ \_\_\_\_\_ per flight hour

- a. (per section 2.1).
- b. The parties agree that any flights after \_\_\_\_\_ shall be charged in accordance with this amended and restated aircraft dry lease.

**APPENDIX A: INVOICE (113CS LLC)**

To \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Payable: Payable upon receipt

Ref Contract: Amended and Restated Aircraft Dry Lease Agreement between 113CS LLC and Blackstone Administrative Services Partnership L.P. ("Lease") dated \_\_\_\_\_.

Rental Period: \_\_\_\_\_ to \_\_\_\_\_

**Description**

**Amount**

- | <b>Description</b>  | <b>Amount</b> |
|---|---------------|
| 1. Rental Payment<br>Rental Fee (\$_____ per flight hour of operation x ____ hours) | \$_____       |
| 2. Other Costs: (see paragraph 2.3 of Lease)  | \$_____       |

Description                      Cost

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TOTAL THIS INVOICE**

\$\_\_\_\_\_

**List of Subsidiaries**

The following entities, and the jurisdiction in which they are organized, are included in the consolidated results of Blackstone Inc. as of December 31, 2022.

| <b>Name</b>  | <b>Jurisdiction of<br/>Incorporation or<br/>Organization</b> |
|--|--|
| 590 Lex Ave Club Inc.                              | New York   |
| 601 Shared Services L.L.C.                         | Delaware   |
| Argon Holdco LLC                                   | Delaware   |
| BCEP 2 Holdings Manager (CYM) L.L.C.               | Cayman Islands   |
| BCEP 2 Holdings Manager L.L.C.                     | Delaware   |
| BCEP GP L.L.C.                                     | Delaware   |
| BCEP II GP L.L.C.                                  | Delaware   |
| BCEP II Side-by-Side GP L.L.C.                     | Delaware   |
| BCEP LR Associates (Cayman) II Ltd.                | Cayman Islands   |
| BCEP LR Associates (Cayman) Ltd.                   | Cayman Islands   |
| BCEP LR Associates (Cayman) NQ Ltd.                | Cayman Islands   |
| BCEP NQ GP L.L.C.                                  | Delaware   |
| BCEP Side-by-Side GP L.L.C.                        | Delaware   |
| BCEP Side-by-Side GP NQ L.L.C.                     | Delaware   |
| BCEP/BIP Holdings Manager L.L.C.                   | Cayman Islands   |
| BCLA L.L.C.  | Delaware   |
| BCLO Advisors L.L.C.                               | Delaware   |
| BCOM Side-by-Side GP L.L.C.                        | Delaware   |
| BCP 8 Holdings Manager (CYM) L.L.C.                | Cayman Islands   |
| BCP 8 Holdings Manager L.L.C.                      | Delaware   |
| BCP 8 Holdings Mozart Manager L.L.C.               | Delaware   |
| BCP 8/BCP Asia 2 Holdings Manager (CYM) L.L.C.     | Cayman Islands   |
| BCP 8/BCP Asia Holdings Manager (CYM) L.L.C.       | Cayman Islands   |
| BCP 8/BEP 3 Holdings Manager (CYM) L.L.C.          | Cayman Islands   |
| BCP 8/BEP 3 Holdings Manager L.L.C.                | Delaware   |
| BCP 8/BEP 3/BCP Asia Holdings Manager (CYM) L.L.C. | Cayman Islands   |
| BCP Asia Athena ESC (Cayman) Ltd.                  | Cayman Islands   |
| BCP Asia II Side-by-Side GP L.L.C.                 | Delaware   |
| BCP Asia Side-by-Side GP L.L.C.                    | Delaware   |
| BCP Asia Side-by-Side GP NQ L.L.C.                 | Delaware   |
| BCP CC Holdings GP L.L.C.                          | Delaware   |
| BCP IV GP L.L.C.                                   | Delaware   |
| BCP IV Side-by-Side GP L.L.C.                      | Delaware   |
| BCP IX GP L.L.C.                                   | Delaware   |
| BCP IX Side-by-Side GP L.L.C.                      | Delaware   |
| BCP SGP IV GP L.L.C.                               | Delaware   |
| BCP V GP L.L.C.                                    | Delaware   |
| BCP V Side-by-Side GP L.L.C.                       | Delaware   |
| BCP V USS Side-by-Side GP L.L.C.                   | Delaware   |
| BCP VI GP L.L.C.                                   | Delaware   |
| BCP VI GP NQ L.L.C.                                | Delaware   |
| BCP VI SBS ESC Holdco L.P.                         | Delaware   |

| <u>Name</u>                                       | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|---|--|
| BCP VI Side-by-Side GP L.L.C.                     | Delaware   |
| BCP VI/BEP Holdings Manager L.L.C.                | Delaware   |
| BCP VI/BEP II/BEP Holdings Manager L.L.C.         | Delaware   |
| BCP VII ESC Mime (Cayman) Ltd.                    | Cayman Islands   |
| BCP VII GP L.L.C.                                 | Delaware   |
| BCP VII Holdings Manager - NQ L.L.C.              | Delaware   |
| BCP VII Holdings Manager (Cayman) L.L.C.          | Delaware   |
| BCP VII Holdings Manager L.L.C.                   | Delaware   |
| BCP VII NQ GP L.L.C.                              | Delaware   |
| BCP VII Side-by-Side GP L.L.C.                    | Delaware   |
| BCP VII Side-by-Side GP NQ L.L.C.                 | Delaware   |
| BCP VII/BCP Asia Holdings Manager (Cayman) L.L.C. | Delaware   |
| BCP VII/BEP II Holdings Manager - NQ L.L.C.       | Delaware   |
| BCP VII/BEP II Holdings Manager L.L.C.            | Delaware   |
| BCP VIII GP L.L.C.                                | Delaware   |
| BCP VIII Side-by-Side GP L.L.C.                   | Delaware   |
| BCP VI-NQ Side-by-Side GP L.L.C.                  | Delaware   |
| BCP V-NQ (Cayman II) GP L.L.C.                    | Delaware   |
| BCP V-NQ GP L.L.C.                                | Delaware   |
| BCRED Associates GP (LUX) S.à r.l.                | Luxembourg   |
| BCVA L.L.C.                                       | Delaware   |
| BCVP Side-by-Side GP L.L.C.                       | Delaware   |
| BEFIP III - ESC Helios Holdco L.P.                | Delaware   |
| BEP 3 Holdings Manager L.L.C.                     | Delaware   |
| BEP GP L.L.C.                                     | Delaware   |
| BEP II ESC Mime (Cayman) Ltd.                     | Cayman Islands   |
| BEP II GP L.L.C.                                  | Delaware   |
| BEP II Side-by-Side GP L.L.C.                     | Delaware   |
| BEP II Side-by-Side GP NQ L.L.C.                  | Delaware   |
| BEP III Side-by-Side GP L.L.C.                    | Delaware   |
| BEP NQ Side-by-Side GP L.L.C.                     | Delaware   |
| BEP Side-by-Side GP L.L.C.                        | Delaware   |
| BEPIF (Aggregator) SCSp                           | Luxembourg   |
| BETP IV Side-by-Side GP L.L.C.                    | Delaware   |
| BFIP (Cayman) Salt VI Ltd.                        | Cayman Islands   |
| BFIP (Cayman) Salt VI-ESC Ltd.                    | Cayman Islands   |
| BG(HK)L Holdings L.L.C.                           | Delaware   |
| BIA (Cayman) GP L.L.C.                            | Delaware   |
| BIA (Cayman) GP L.P.                              | Cayman Islands   |
| BIA (Cayman) GP NQ L.L.C.                         | Delaware   |
| BIA (Cayman) GP NQ L.P.                           | Cayman Islands   |
| BIA GP L.L.C.                                     | Delaware   |
| BIA GP L.P.                                       | Delaware   |
| BIA GP NQ L.L.C.                                  | Delaware   |
| BIA GP NQ L.P.                                    | Delaware   |
| Bingo Holdings Limited                            | Cayman Islands   |
| BIP Europe (CYM) L.P.                             | Cayman Islands   |
| BIP Ulysses GP Holdings Manager L.L.C.            | Cayman Islands   |
| BIP Ulysses Guarantor GP Holdings Manager L.L.C.  | Cayman Islands   |

| <u>Name</u>  | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|--|--|
| BISA Co-Invest Associates L.L.C.   | Delaware   |
| BISG - A GP - NQ L.L.C.  | Delaware   |
| Bison RC Option Associates LLC   | Delaware   |
| Blackstone (China) Equity Investment Management Company Limited            | China  |
| Blackstone (FM) Real Estate LLP  | United Kingdom   |
| Blackstone (FM) Real Estate Supervisory GP LLP                             | United Kingdom   |
| Blackstone (Shanghai) Equity Investment Management Company Limited         | China  |
| Blackstone / GSO Global Dynamic Credit Feeder Fund (Cayman) LP             | Cayman Islands   |
| Blackstone / GSO Global Dynamic Credit Funding Designated Activity Company | Ireland  |
| Blackstone / GSO Global Dynamic Credit Master Fund                         | Ireland  |
| Blackstone / GSO Global Dynamic Credit USD Feeder Fund (Ireland)           | Ireland  |
| Blackstone ABF Agent LLC   | Delaware   |
| Blackstone ABF Whole Loan Associates LLC                                   | Delaware   |
| Blackstone Administrative Services Canada ULC                              | Canada   |
| Blackstone Administrative Services Partnership L.P.                        | Delaware   |
| Blackstone Advisors India Private Limited                                  | India  |
| Blackstone Advisors Korea Limited  | South Korea  |
| Blackstone Advisory Services L.L.C.  | Delaware   |
| Blackstone AG Associates L.P.  | Cayman Islands   |
| Blackstone AG L.L.C.   | Delaware   |
| Blackstone AG Ltd.   | Cayman Islands   |
| Blackstone Alternative Asset Management Associates (LUX) S.à r.l.          | Luxembourg   |
| Blackstone Alternative Asset Management Associates LLC                     | Delaware   |
| Blackstone Alternative Asset Management L.P.                               | Delaware   |
| Blackstone Alternative Credit Advisors LP                                  | Delaware   |
| Blackstone Alternative Investment Advisors LLC                             | Delaware   |
| Blackstone Alternative Solutions L.L.C.                                    | Delaware   |
| Blackstone Annex Onshore Fund L.P.   | Delaware   |
| Blackstone Asia Family Investment Partnership - ESC (Cayman) - NQ L.P.     | Cayman Islands   |
| Blackstone Asia Family Investment Partnership - ESC (Cayman) L.P.          | Cayman Islands   |
| Blackstone Asia Family Investment Partnership II - ESC (CYM) L.P.          | Cayman Islands   |
| Blackstone Asset Based Finance Advisors LP                                 | Delaware   |
| Blackstone BCLP Associates (Cayman) Ltd.                                   | Cayman Islands   |
| Blackstone BDC Holdings LLC  | Delaware   |
| Blackstone BGREEN III Co-Investment Associates LLC                         | Delaware   |
| Blackstone Capital Israel Ltd  | Israel   |
| Blackstone Capital Partners Holdings Director L.L.C.                       | Delaware   |
| Blackstone Catalyst Holdco L.L.C.  | Delaware   |
| Blackstone CEMA II GP (CYM) L.P.   | Cayman Islands   |
| Blackstone CEMA II GP L.P.   | Delaware   |
| Blackstone CEMA II L.L.C.  | Delaware   |
| Blackstone CEMA L.L.C.   | Delaware   |
| Blackstone CEMA NQ L.L.C.  | Delaware   |
| Blackstone Clarus DE L.L.C.  | Delaware   |
| Blackstone Clarus GP L.L.C.  | Delaware   |
| Blackstone Clarus GP L.P.  | Delaware   |
| Blackstone Clarus I L.L.C.   | Delaware   |
| Blackstone Clarus II L.L.C.  | Delaware   |
| Blackstone Clarus III L.L.C.   | Delaware   |

| <u>Name</u>  | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone Clean Technology Advisors L.L.C.                            | Delaware   |
| Blackstone Clean Technology Associates L.L.C.                          | Delaware   |
| Blackstone CLO Management LLC  | Delaware   |
| Blackstone CMBS Opportunity Associates L.L.C.                          | Delaware   |
| Blackstone COE India Private Limited                                   | India  |
| Blackstone Commercial Real Estate Debt Associates - NQ L.L.C.          | Delaware   |
| Blackstone Commercial Real Estate Debt Associates L.L.C.               | Delaware   |
| Blackstone Communications Advisors I L.L.C.                            | Delaware   |
| Blackstone Communications GP L.L.C.                                    | Delaware   |
| Blackstone Communications Management Associates (Cayman) L.P.          | Cayman Islands   |
| Blackstone Communications Management Associates I L.L.C.               | Delaware   |
| Blackstone Core Equity Advisors L.L.C.                                 | Delaware   |
| Blackstone Core Equity Management Associates (Cayman) L.P.             | Cayman Islands   |
| Blackstone Core Equity Management Associates (Cayman) NQ L.P.          | Cayman Islands   |
| Blackstone Core Equity Management Associates (CYM) II L.P.             | Cayman Islands   |
| Blackstone Core Equity Management Associates II (Lux) S.à r.l.         | Luxembourg   |
| Blackstone Core Equity Management Associates II L.P.                   | Delaware   |
| Blackstone Core Equity Management Associates L.L.C.                    | Delaware   |
| Blackstone Core Equity Management Associates NQ L.L.C.                 | Delaware   |
| Blackstone Credit AN Associates LLC                                    | Delaware   |
| Blackstone Credit BDC Advisors LLC                                     | Delaware   |
| Blackstone Credit Liquidity Associates (Cayman) L.P.                   | Cayman Islands   |
| Blackstone Credit Liquidity Associates L.L.C.                          | Delaware   |
| Blackstone Credit Liquidity GP L.P.                                    | Delaware   |
| Blackstone Credit Liquidity Partners GP L.L.C.                         | Delaware   |
| Blackstone Credit Series Fund-C Associates LLC                         | Delaware   |
| Blackstone Credit Systematic Strategies LLC                            | Delaware   |
| Blackstone Dawn Holdings ESC (Cayman) Ltd                              | Cayman Islands   |
| Blackstone DD Advisors L.L.C.  | Delaware   |
| Blackstone DD Associates L.L.C.  | Delaware   |
| Blackstone Dislocation Associates L.L.C.                               | Delaware   |
| Blackstone Dislocation Europe Associates (LUX) S.à r.l.                | Luxembourg   |
| Blackstone Dislocation Fund L.P.                                       | Delaware   |
| Blackstone Distressed Securities Advisors L.P.                         | Delaware   |
| Blackstone Distressed Securities Associates L.P.                       | Delaware   |
| Blackstone DL Mezzanine Associates L.P.                                | Delaware   |
| Blackstone DL Mezzanine Management Associates L.L.C.                   | Delaware   |
| Blackstone EMA II L.L.C.   | Delaware   |
| Blackstone EMA II NQ L.L.C.  | Delaware   |
| Blackstone EMA III GP (CYM) L.P.                                       | Cayman Islands   |
| Blackstone EMA III GP L.L.C.   | Delaware   |
| Blackstone EMA III GP L.P.   | Delaware   |
| Blackstone EMA III L.L.C.  | Delaware   |
| Blackstone EMA III Ltd.  | Cayman Islands   |
| Blackstone EMA IV Ltd.   | Cayman Islands   |
| Blackstone EMA L.L.C.  | Delaware   |
| Blackstone EMA NQ L.L.C.   | Delaware   |
| Blackstone Energy Family Investment Partnership (Cayman) ESC L.P.      | Cayman Islands   |
| Blackstone Energy Family Investment Partnership (Cayman) II - ESC L.P. | Cayman Islands   |

| <u>Name</u>  | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone Energy Family Investment Partnership (Cayman) L.P.                  | Cayman Islands   |
| Blackstone Energy Family Investment Partnership (CYM) III - ESC L.P.           | Cayman Islands   |
| Blackstone Energy Family Investment Partnership (CYM) IV - ESC L.P.            | Cayman Islands   |
| Blackstone Energy Family Investment Partnership ESC L.P.                       | Delaware   |
| Blackstone Energy Family Investment Partnership II - ESC L.P.                  | Delaware   |
| Blackstone Energy Family Investment Partnership II - ESC NQ L.P.               | Delaware   |
| Blackstone Energy Family Investment Partnership III - ESC L.P.                 | Delaware   |
| Blackstone Energy Family Investment Partnership L.P.                           | Delaware   |
| Blackstone Energy Family Investment Partnership NQ ESC L.P.                    | Delaware   |
| Blackstone Energy LR Associates (Cayman) II Ltd.                               | Cayman Islands   |
| Blackstone Energy LR Associates (Cayman) Ltd.                                  | Cayman Islands   |
| Blackstone Energy Management Associates (Cayman) II L.P.                       | Cayman Islands   |
| Blackstone Energy Management Associates (Cayman) L.P.                          | Cayman Islands   |
| Blackstone Energy Management Associates (CYM) III L.P.                         | Cayman Islands   |
| Blackstone Energy Management Associates (CYM) IV L.P.                          | Cayman Islands   |
| Blackstone Energy Management Associates II L.L.C.                              | Delaware   |
| Blackstone Energy Management Associates II NQ L.L.C.                           | Delaware   |
| Blackstone Energy Management Associates III (Lux) S.à r.l.                     | Luxembourg   |
| Blackstone Energy Management Associates III L.P.                               | Delaware   |
| Blackstone Energy Management Associates L.L.C.                                 | Delaware   |
| Blackstone Energy Management Associates NQ L.L.C.                              | Delaware   |
| Blackstone Energy Transition Family Investment Partnership IV - ESC L.P.       | Delaware   |
| Blackstone Energy Transition Management Associates IV (LUX) S.à r.l.           | Luxembourg   |
| Blackstone Energy Transition Management Associates IV L.P.                     | Delaware   |
| Blackstone ETMA IV GP L.L.C.   | Delaware   |
| Blackstone ETMA IV GP L.P.   | Delaware   |
| Blackstone ETMA IV L.L.C.  | Delaware   |
| Blackstone Europe Fund Management S.à r.l.                                     | Luxembourg   |
| Blackstone European Private Credit Fund Associates (Lux) S.à r.l.              | Luxembourg   |
| Blackstone European Private Credit Fund Associates L.P.                        | Cayman Islands   |
| Blackstone European Property Income Fund Associates (France) S.à r.l.          | Luxembourg   |
| Blackstone European Property Income Fund Associates (German Minority) S.à r.l. | Luxembourg   |
| Blackstone European Property Income Fund Associates (Lux) S.à r.l.             | Luxembourg   |
| Blackstone European Property Income Fund Associates LP                         | Cayman Islands   |
| Blackstone European Property Income Fund Associates Ltd.                       | Cayman Islands   |
| Blackstone European Senior Debt Associates III (Cayman) Ltd.                   | Cayman Islands   |
| Blackstone European Senior Debt Associates III (Delaware) LLC                  | Delaware   |
| Blackstone European Senior Debt Associates III GP S.à r.l.                     | Luxembourg   |
| Blackstone European Senior Debt Associates III LP                              | Cayman Islands   |
| Blackstone Family BAAM Dislocation GP L.L.C.                                   | Delaware   |
| Blackstone Family BAAM Dislocation Investment Partnership L.P.                 | Delaware   |
| Blackstone Family Cleantech Investment Partnership L.P.                        | Delaware   |
| Blackstone Family Communications Partnership (Cayman) L.P.                     | Cayman Islands   |
| Blackstone Family Communications Partnership I L.P.                            | Delaware   |
| Blackstone Family Core Equity Partnership - ESC L.P.                           | Delaware   |
| Blackstone Family Core Equity Partnership - ESC NQ L.P.                        | Delaware   |
| Blackstone Family Core Equity Partnership (Cayman) - ESC L.P.                  | Cayman Islands   |
| Blackstone Family Core Equity Partnership (Cayman) - ESC NQ L.P.               | Cayman Islands   |
| Blackstone Family Core Equity Partnership (CYM) II - ESC L.P.                  | Cayman Islands   |

| Name   | Jurisdiction of<br>Incorporation or<br>Organization |
|--|---|
| Blackstone Family Core Equity Partnership II - ESC L.P.                                      | Delaware  |
| Blackstone Family Investment Partnership (Cayman) IV-A L.P.                                  | Cayman Islands                                      |
| Blackstone Family Investment Partnership (Cayman) V L.P.                                     | Cayman Islands                                      |
| Blackstone Family Investment Partnership (Cayman) VI - ESC L.P.                              | Cayman Islands                                      |
| Blackstone Family Investment Partnership (Cayman) VI L.P.                                    | Cayman Islands                                      |
| Blackstone Family Investment Partnership (Cayman) VII - ESC L.P.                             | Cayman Islands                                      |
| Blackstone Family Investment Partnership (Cayman) VII - ESC NQ L.P.                          | Cayman Islands                                      |
| Blackstone Family Investment Partnership (CYM) IX - ESC L.P.                                 | Cayman Islands                                      |
| Blackstone Family Investment Partnership (CYM) VIII - ESC L.P.                               | Cayman Islands                                      |
| Blackstone Family Investment Partnership (Delaware) V-NQ L.P.                                | Delaware  |
| Blackstone Family Investment Partnership Growth - ESC L.P.                                   | Delaware  |
| Blackstone Family Investment Partnership Growth II - ESC L.P.                                | Delaware  |
| Blackstone Family Investment Partnership IV - A L.P.   | Delaware  |
| Blackstone Family Investment Partnership IX - ESC L.P.                                       | Delaware  |
| Blackstone Family Investment Partnership V L.P.  | Delaware  |
| Blackstone Family Investment Partnership V Prime L.P.  | Delaware  |
| Blackstone Family Investment Partnership V USS L.P.  | Delaware  |
| Blackstone Family Investment Partnership VI - ESC L.P.                                       | Delaware  |
| Blackstone Family Investment Partnership VI L.P.   | Delaware  |
| Blackstone Family Investment Partnership VII - ESC L.P.                                      | Delaware  |
| Blackstone Family Investment Partnership VII - ESC NQ L.P.                                   | Delaware  |
| Blackstone Family Investment Partnership VIII - ESC L.P.                                     | Delaware  |
| Blackstone Family Investment Partnership VI-NQ ESC L.P.                                      | Delaware  |
| Blackstone Family Investment Partnership VI-NQ L.P.  | Delaware  |
| Blackstone Family Real Estate Debt Strategies II - ESC L.P.                                  | Delaware  |
| Blackstone Family Real Estate Debt Strategies II Side-By-Side GP L.L.C.                      | Delaware  |
| Blackstone Family Real Estate Debt Strategies III - ESC L.P.                                 | Delaware  |
| Blackstone Family Real Estate Debt Strategies III Side-by-Side GP L.L.C.                     | Delaware  |
| Blackstone Family Real Estate Partnership III L.P.   | Delaware  |
| Blackstone Family Strategic Capital Holdings Investment Partnership II ESC L.P.              | Delaware  |
| Blackstone Family Tactical Opportunities FCC Investment Partnership - NQ - ESC L.P.          | Delaware  |
| Blackstone Family Tactical Opportunities FCC Investment Partnership - NQ L.P.                | Delaware  |
| Blackstone Family Tactical Opportunities Investment Partnership - NQ - ESC L.P.              | Delaware  |
| Blackstone Family Tactical Opportunities Investment Partnership - NQ L.P.                    | Delaware  |
| Blackstone Family Tactical Opportunities Investment Partnership (Cayman) - NQ - ESC L.P.     | Cayman Islands                                      |
| Blackstone Family Tactical Opportunities Investment Partnership (Cayman) - NQ L.P.           | Cayman Islands                                      |
| Blackstone Family Tactical Opportunities Investment Partnership (Cayman) ESC L.P.            | Cayman Islands                                      |
| Blackstone Family Tactical Opportunities Investment Partnership ESC L.P.                     | Delaware  |
| Blackstone Family Tactical Opportunities Investment Partnership III - NQ - ESC L.P.          | Delaware  |
| Blackstone Family Tactical Opportunities Investment Partnership III (Cayman) - NQ - ESC L.P. | Cayman Islands                                      |
| Blackstone Family Tactical Opportunities Investment Partnership III (Cayman) ESC L.P.        | Cayman Islands                                      |
| Blackstone Family Tactical Opportunities Investment Partnership III (Cayman) NQ L.P.         | Cayman Islands                                      |
| Blackstone Family Tactical Opportunities Investment Partnership III ESC L.P.                 | Delaware  |
| Blackstone Family Tactical Opportunities Investment Partnership IV ESC (CYM) AIV-F L.P.      | Cayman Islands                                      |
| Blackstone Family Tactical Opportunities Investment Partnership IV ESC AIV L.P.              | Delaware  |
| Blackstone Family Tactical Opportunities Investment Partnership IV ESC L.P.                  | Delaware  |
| Blackstone FI Mezzanine (Cayman) Ltd.  | Cayman Islands                                      |
| Blackstone FI Mezzanine Associates (Cayman) L.P.   | Cayman Islands                                      |
| Blackstone Funding Limited   | Cayman Islands                                      |



| <u>Name</u>  | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone GPV Tactical Partners (Mauritius) - N Ltd.            | Mauritius  |
| Blackstone Green Private Credit Associates III (Cayman) Ltd.     | Cayman Islands   |
| Blackstone Green Private Credit Associates III (Delaware) LLC    | Delaware   |
| Blackstone Green Private Credit Associates III (LUX) GP S.à r.l. | Luxembourg   |
| Blackstone Green Private Credit Associates III LP                | Cayman Islands   |
| Blackstone Green Private Credit Associates III-E LLC             | Delaware   |
| Blackstone Group Holdings L.L.C.                                 | Delaware   |
| Blackstone Group Holdings L.P.                                   | Delaware   |
| Blackstone Group International Holdings L.L.C.                   | Delaware   |
| Blackstone Growth Advisors L.L.C.                                | Delaware   |
| Blackstone Growth Associates (Lux) S.à r.l.                      | Luxembourg   |
| Blackstone Growth Associates II (LUX) S.à r.l.                   | Luxembourg   |
| Blackstone Growth Associates II L.P.                             | Delaware   |
| Blackstone Growth Associates L.P.                                | Delaware   |
| Blackstone Growth Management Associates (CYM) L.P.               | Cayman Islands   |
| Blackstone Growth Management Associates II (CYM) L.P.            | Cayman Islands   |
| Blackstone Harrington Associates L.L.C.                          | Delaware   |
| Blackstone Harrington Employee Associates L.L.C.                 | Delaware   |
| Blackstone Harrington Holdings Ltd.                              | Cayman Islands   |
| Blackstone Holdings AI L.P.                                      | Delaware   |
| Blackstone Holdings Finance Co. L.L.C.                           | Delaware   |
| Blackstone Holdings I - Sub (BAAM) GP L.L.C.                     | Delaware   |
| Blackstone Holdings I - Sub GP L.L.C.                            | Delaware   |
| Blackstone Holdings I L.P.                                       | Delaware   |
| Blackstone Holdings I/II GP L.L.C.                               | Delaware   |
| Blackstone Holdings II L.P.                                      | Delaware   |
| Blackstone Holdings III GP L.P.                                  | Delaware   |
| Blackstone Holdings III GP Limited Partner L.L.C.                | Delaware   |
| Blackstone Holdings III GP Management L.L.C.                     | Delaware   |
| Blackstone Holdings III GP Sub L.L.C.                            | Delaware   |
| Blackstone Holdings III L.P.                                     | Canada   |
| Blackstone Holdings IV GP L.P.                                   | Canada   |
| Blackstone Holdings IV GP Limited Partner L.L.C.                 | Delaware   |
| Blackstone Holdings IV GP Management (Delaware) L.P.             | Delaware   |
| Blackstone Holdings IV GP Management L.L.C.                      | Delaware   |
| Blackstone Holdings IV GP Sub L.P.                               | Canada   |
| Blackstone Holdings IV L.P.                                      | Canada   |
| Blackstone Horizon Associates L.L.C.                             | Delaware   |
| Blackstone Horizon Europe Associates (LUX) S.à r.l.              | Luxembourg   |
| Blackstone Horizon Fund L.P.                                     | Delaware   |
| Blackstone Impact GP L.P.  | Delaware   |
| Blackstone Impact L.L.C.   | Delaware   |
| Blackstone Infrastructure Advisors L.L.C.                        | Delaware   |
| Blackstone Infrastructure Associates (Cayman) L.P.               | Cayman Islands   |
| Blackstone Infrastructure Associates (Cayman) NQ L.P.            | Cayman Islands   |
| Blackstone Infrastructure Associates (LUX) Hogan S.à r.l.        | Luxembourg   |
| Blackstone Infrastructure Associates (LUX) Miro S.à r.l.         | Luxembourg   |
| Blackstone Infrastructure Associates (Lux) S.à r.l.              | Luxembourg   |
| Blackstone Infrastructure Associates Europe (CYM) L.P.           | Cayman Islands   |

| <u>Name</u>   | <u>Jurisdiction of Incorporation or Organization</u> |
|---|--|
| Blackstone Infrastructure Associates Europe (DEL) L.L.C.                        | Delaware   |
| Blackstone Infrastructure Associates Europe (LUX) S.à r.l.                      | Luxembourg   |
| Blackstone Infrastructure Associates L.P.                                       | Delaware   |
| Blackstone Infrastructure Associates Ltd.                                       | Cayman Islands                                       |
| Blackstone Infrastructure Associates Non-ECI L.P.                               | Delaware   |
| Blackstone Infrastructure Associates NQ L.P.                                    | Delaware   |
| Blackstone Infrastructure Associates NQ Ltd.                                    | Cayman Islands                                       |
| Blackstone Infrastructure Hogan Co-Invest (CYM) L.P.                            | Cayman Islands                                       |
| Blackstone Infrastructure Partners Holdings Director L.L.C.                     | Delaware   |
| Blackstone Innovations (Cayman) III L.P.  | Cayman Islands                                       |
| Blackstone Innovations III L.L.C.   | Delaware   |
| Blackstone Innovations L.L.C.   | Delaware   |
| Blackstone Insurance Solutions Europe LLP                                       | United Kingdom                                       |
| Blackstone Intermediary Holdco L.L.C.   | Delaware   |
| Blackstone Ireland Fund Management Limited                                      | Ireland  |
| Blackstone Ireland Limited  | Ireland  |
| Blackstone ISG Investment Partners - A LR Associates (Cayman) - NQ Ltd.         | Cayman Islands                                       |
| Blackstone ISG Investment Partners - A Management Associates (Cayman) - NQ L.P. | Cayman Islands                                       |
| Blackstone ISG Investment Partners - A Management Associates (Lux) S.à r.l.     | Luxembourg   |
| Blackstone ISG-I Advisors L.L.C.  | Delaware   |
| Blackstone ISG-II Advisors L.L.C.   | Delaware   |
| Blackstone Liberty Place Associates L.P.  | Delaware   |
| Blackstone Liberty Place L.L.C.   | Delaware   |
| Blackstone Life Sciences Advisors L.L.C.  | Delaware   |
| Blackstone Life Sciences Associates IV-V, L.L.C.                                | Delaware   |
| Blackstone Life Sciences Associates V (CYM) L.L.C.                              | Cayman Islands                                       |
| Blackstone Life Sciences Associates V (Lux) S.à r.l.                            | Luxembourg   |
| Blackstone Life Sciences Associates V L.P.                                      | Delaware   |
| Blackstone Life Sciences V (CYM) AIV GP L.P.                                    | Cayman Islands                                       |
| Blackstone Life Sciences Yield Associates L.P.                                  | Cayman Islands                                       |
| Blackstone Liquid Credit Advisors I LLC   | Delaware   |
| Blackstone Liquid Credit Advisors II LLC  | Delaware   |
| Blackstone Liquid Credit Strategies LLC   | Delaware   |
| Blackstone LR Associates (Cayman) IV Ltd.                                       | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) IX Ltd.                                       | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) V Ltd.  | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) VI Ltd.                                       | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) VI NQ Ltd.                                    | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) VII Ltd.                                      | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) VII NQ Ltd.                                   | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) VIII Ltd.                                     | Cayman Islands                                       |
| Blackstone LR Associates (Cayman) V-NQ Ltd.                                     | Cayman Islands                                       |
| Blackstone Management Associates (Cayman II) V-NQ L.P.                          | Cayman Islands                                       |
| Blackstone Management Associates (Cayman) IV L.P.                               | Cayman Islands                                       |
| Blackstone Management Associates (Cayman) V L.P.                                | Cayman Islands                                       |
| Blackstone Management Associates (Cayman) VI L.P.                               | Cayman Islands                                       |
| Blackstone Management Associates (Cayman) VI NQ L.P.                            | Cayman Islands                                       |
| Blackstone Management Associates (Cayman) VII L.P.                              | Cayman Islands                                       |
| Blackstone Management Associates (Cayman) VII NQ L.P.                           | Cayman Islands                                       |

| <u>Name</u>   | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|---|--|
| Blackstone Management Associates (CYM) IX L.P.            | Cayman Islands   |
| Blackstone Management Associates (CYM) VIII L.P.          | Cayman Islands   |
| Blackstone Management Associates (Delaware) V-NQ L.P.     | Delaware   |
| Blackstone Management Associates Asia (Lux) S.à r.l.      | Luxembourg   |
| Blackstone Management Associates Asia II (Lux) S.à r.l.   | Luxembourg   |
| Blackstone Management Associates Asia II L.P.             | Cayman Islands   |
| Blackstone Management Associates Asia L.P.                | Cayman Islands   |
| Blackstone Management Associates Asia NQ L.P.             | Cayman Islands   |
| Blackstone Management Associates IV L.L.C.                | Delaware   |
| Blackstone Management Associates IX (LUX) S.à r.l.        | Luxembourg   |
| Blackstone Management Associates IX L.P.                  | Delaware   |
| Blackstone Management Associates V L.L.C.                 | Delaware   |
| Blackstone Management Associates V USS L.L.C.             | Delaware   |
| Blackstone Management Associates VI L.L.C.                | Delaware   |
| Blackstone Management Associates VII L.L.C.               | Delaware   |
| Blackstone Management Associates VII NQ L.L.C.            | Delaware   |
| Blackstone Management Associates VIII (Lux) S.à r.l.      | Luxembourg   |
| Blackstone Management Associates VIII L.P.                | Delaware   |
| Blackstone Management Associates VI-NQ L.L.C.             | Delaware   |
| Blackstone Management Partners (India) L.L.C.             | Delaware   |
| Blackstone Management Partners III L.L.C.                 | Delaware   |
| Blackstone Management Partners IV L.L.C.                  | Delaware   |
| Blackstone Management Partners L.L.C.                     | Delaware   |
| Blackstone Mezzanine Advisors L.P.                        | Delaware   |
| Blackstone Mezzanine Associates II L.P.                   | Delaware   |
| Blackstone Mezzanine Associates II USS L.P.               | Delaware   |
| Blackstone Mezzanine Associates L.P.                      | Delaware   |
| Blackstone Mezzanine GP L.L.C.                            | Delaware   |
| Blackstone Mezzanine Holdings II L.P.                     | Delaware   |
| Blackstone Mezzanine Holdings II USS L.P.                 | Delaware   |
| Blackstone Mezzanine Management Associates II Apt. L.L.C. | Delaware   |
| Blackstone Mezzanine Management Associates II L.L.C.      | Delaware   |
| Blackstone Mezzanine Management Associates II USS L.L.C.  | Delaware   |
| Blackstone Mezzanine Management Associates L.L.C.         | Delaware   |
| Blackstone Mileway Logistics Associates (LUX) S.à r.l.    | Luxembourg   |
| Blackstone Mileway Logistics Associates L.P.              | Cayman Islands   |
| Blackstone Multi-Asset (Cayman) - NQ GP L.P.              | Cayman Islands   |
| Blackstone Multi-Asset Advisors L.L.C.                    | Delaware   |
| Blackstone Multi-Asset GP II - NQ L.P.                    | Delaware   |
| Blackstone Multi-Asset GP L.P.                            | Delaware   |
| Blackstone Multi-Asset Private Associates L.L.C.          | Delaware   |
| Blackstone OBS Associates L.P.                            | Cayman Islands   |
| Blackstone OBS L.L.C.                                     | Delaware   |
| Blackstone OBS Ltd.                                       | Cayman Islands   |
| Blackstone OPF Associates L.L.C.                          | Delaware   |
| Blackstone OPF Associates L.P.                            | Delaware   |
| Blackstone Participation Partnership (Cayman) IV L.P.     | Cayman Islands   |
| Blackstone Participation Partnership (Cayman) V L.P.      | Cayman Islands   |
| Blackstone Participation Partnership (Delaware) V-NQ L.P. | Delaware   |

| <u>Name</u>  | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone Participation Partnership IV L.P.                 | Delaware   |
| Blackstone Participation Partnership V L.P.                  | Delaware   |
| Blackstone Participation Partnership V Prime L.P.            | Delaware   |
| Blackstone Participation Partnership V USS L.P.              | Delaware   |
| Blackstone PAT Holdings IV, L.L.C.                           | Delaware   |
| Blackstone PB I L.L.C.                                       | Delaware   |
| Blackstone PB II L.L.C.                                      | Delaware   |
| Blackstone PBPEF V L.P.                                      | Cayman Islands   |
| Blackstone PBPIF III L.P.                                    | Cayman Islands   |
| Blackstone PBREF III L.P.                                    | Cayman Islands   |
| Blackstone Pearl Cayman GP Ltd.                              | Cayman Islands   |
| Blackstone Pearl Cayman L.P.                                 | Cayman Islands   |
| Blackstone Pearl Luxembourg S.à r.l.                         | Luxembourg   |
| Blackstone PFF I L.P.  | Cayman Islands   |
| Blackstone PIF IV L.P.                                       | Cayman Islands   |
| Blackstone PM (Germany) GmbH                                 | Germany  |
| Blackstone Power & Natural Resources Holdco G.P. LLC         | Delaware   |
| Blackstone PPEF VI L.P.                                      | Cayman Islands   |
| Blackstone Private Equity Strategies Associates L.P.         | Delaware   |
| Blackstone Private Equity Strategies Fund L.P.               | Delaware   |
| Blackstone Private Equity Strategies Fund SICAV              | Luxembourg   |
| Blackstone Private Investments Advisors L.L.C.               | Delaware   |
| Blackstone Properties Partners China GP LLC                  | Delaware   |
| Blackstone Property Advisors L.P.                            | Delaware   |
| Blackstone Property Associates (Lux) S.à r.l.                | Luxembourg   |
| Blackstone Property Associates Asia (Lux) S.à r.l.           | Luxembourg   |
| Blackstone Property Associates Asia HoldCo L.L.C.            | Delaware   |
| Blackstone Property Associates Asia L.P.                     | Cayman Islands   |
| Blackstone Property Associates Asia Ltd                      | Cayman Islands   |
| Blackstone Property Associates Europe (Delaware) L.L.C.      | Delaware   |
| Blackstone Property Associates Europe (Lux) S.à r.l.         | Luxembourg   |
| Blackstone Property Associates Europe L.P.                   | Cayman Islands   |
| Blackstone Property Associates Europe Ltd.                   | Cayman Islands   |
| Blackstone Property Associates International L.P.            | Cayman Islands   |
| Blackstone Property Associates International-NQ L.P.         | Cayman Islands   |
| Blackstone Property Associates L.L.C.                        | Delaware   |
| Blackstone Property Associates L.P.                          | Delaware   |
| Blackstone Property Holdings Director L.L.C.                 | Delaware   |
| Blackstone Property International L.L.C.                     | Delaware   |
| Blackstone Property International Ltd.                       | Cayman Islands   |
| Blackstone Property International-NQ L.L.C.                  | Delaware   |
| Blackstone Property Management L.L.C.                        | Delaware   |
| Blackstone Property Management Limited                       | United Kingdom   |
| Blackstone Property Partners Asia Account - C AIV JPY L.P.   | Cayman Islands   |
| Blackstone Property Partners Europe Account - C AIV GBP L.P. | Delaware   |
| Blackstone PTI Associates L.P.                               | Delaware   |
| Blackstone Real Estate (Cayman) IV Ltd.                      | Cayman Islands   |
| Blackstone Real Estate (Cayman) V Ltd.                       | Cayman Islands   |
| Blackstone Real Estate (Cayman) VI Ltd.                      | Cayman Islands   |

| <u>Name</u>  | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone Real Estate (Cayman) VII Ltd.                             | Cayman Islands   |
| Blackstone Real Estate (Cayman) VIII Ltd.                            | Cayman Islands   |
| Blackstone Real Estate (Cayman) VIII-NQ Ltd.                         | Cayman Islands   |
| Blackstone Real Estate (Cayman) VII-NQ Ltd.                          | Cayman Islands   |
| Blackstone Real Estate (Cayman) VI-Q Ltd.                            | Cayman Islands   |
| Blackstone Real Estate (Chiswick) Holdings, L.P.                     | Cayman Islands   |
| Blackstone Real Estate Advisors Europe L.P.                          | Delaware   |
| Blackstone Real Estate Advisors III L.P.                             | Delaware   |
| Blackstone Real Estate Advisors International L.L.C.                 | Delaware   |
| Blackstone Real Estate Advisors IV L.L.C.                            | Delaware   |
| Blackstone Real Estate Advisors L.P.                                 | Delaware   |
| Blackstone Real Estate Advisors V L.P.                               | Delaware   |
| Blackstone Real Estate Associates (Cayman) Feeder VII.F L.L.C.       | Delaware   |
| Blackstone Real Estate Associates (Offshore) IX L.P.                 | Cayman Islands   |
| Blackstone Real Estate Associates (Offshore) V L.P.                  | Canada   |
| Blackstone Real Estate Associates (Offshore) VI L.P.                 | Canada   |
| Blackstone Real Estate Associates (Offshore) VII L.P.                | Canada   |
| Blackstone Real Estate Associates (Offshore) VIII L.P.               | Cayman Islands   |
| Blackstone Real Estate Associates (Offshore) VIII-NQ L.P.            | Cayman Islands   |
| Blackstone Real Estate Associates (Offshore) VII-NQ L.P.             | Canada   |
| Blackstone Real Estate Associates (Offshore) VI-Q L.P.               | Canada   |
| Blackstone Real Estate Associates (Offshore) X L.P.                  | Cayman Islands   |
| Blackstone Real Estate Associates Asia II (Lux) S.à r.l.             | Luxembourg   |
| Blackstone Real Estate Associates Asia II L.P.                       | Cayman Islands   |
| Blackstone Real Estate Associates Asia III (LUX) S.à r.l.            | Luxembourg   |
| Blackstone Real Estate Associates Asia III L.P.                      | Cayman Islands   |
| Blackstone Real Estate Associates Asia L.P.                          | Cayman Islands   |
| Blackstone Real Estate Associates Asia-NQ L.P.                       | Cayman Islands   |
| Blackstone Real Estate Associates Europe (Delaware) III L.L.C.       | Delaware   |
| Blackstone Real Estate Associates Europe (Delaware) III-NQ L.L.C.    | Delaware   |
| Blackstone Real Estate Associates Europe (Delaware) IV L.L.C.        | Delaware   |
| Blackstone Real Estate Associates Europe (Delaware) IV-NQ L.L.C.     | Delaware   |
| Blackstone Real Estate Associates Europe (Delaware) V L.L.C.         | Delaware   |
| Blackstone Real Estate Associates Europe (Delaware) VI L.L.C.        | Delaware   |
| Blackstone Real Estate Associates Europe (Delaware) VII L.L.C.       | Delaware   |
| Blackstone Real Estate Associates Europe (Delaware) V-NQ L.L.C.      | Delaware   |
| Blackstone Real Estate Associates Europe III L.P.                    | Delaware   |
| Blackstone Real Estate Associates Europe III-NQ L.P.                 | Delaware   |
| Blackstone Real Estate Associates Europe IV L.P.                     | Cayman Islands   |
| Blackstone Real Estate Associates Europe IV-NQ L.P.                  | Cayman Islands   |
| Blackstone Real Estate Associates Europe V L.P.                      | Cayman Islands   |
| Blackstone Real Estate Associates Europe VI (Lux) S.à r.l.           | Luxembourg   |
| Blackstone Real Estate Associates Europe VI L.P.                     | Cayman Islands   |
| Blackstone Real Estate Associates Europe VII (LUX) S.à r.l.          | Luxembourg   |
| Blackstone Real Estate Associates Europe VII L.P.                    | Cayman Islands   |
| Blackstone Real Estate Associates Europe V-NQ L.P.                   | Cayman Islands   |
| Blackstone Real Estate Associates International (Delaware) II L.L.C. | Delaware   |
| Blackstone Real Estate Associates International (Delaware) L.L.C.    | Delaware   |
| Blackstone Real Estate Associates International II L.P.              | Delaware   |

| <u>Name</u>   | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|---|--|
| Blackstone Real Estate Associates International L.P.                | Delaware   |
| Blackstone Real Estate Associates IV L.P.                           | Delaware   |
| Blackstone Real Estate Associates IX (Lux) S.à r.l.                 | Luxembourg   |
| Blackstone Real Estate Associates IX L.P.                           | Delaware   |
| Blackstone Real Estate Associates V L.P.                            | Delaware   |
| Blackstone Real Estate Associates VI - NQ L.P.                      | Delaware   |
| Blackstone Real Estate Associates VI (GGP) L.L.C.                   | Delaware   |
| Blackstone Real Estate Associates VI L.L.C.                         | Delaware   |
| Blackstone Real Estate Associates VI L.P.                           | Delaware   |
| Blackstone Real Estate Associates VII L.P.                          | Delaware   |
| Blackstone Real Estate Associates VIII L.P.                         | Delaware   |
| Blackstone Real Estate Associates VIII-NQ L.P.                      | Delaware   |
| Blackstone Real Estate Associates VII-NQ L.P.                       | Delaware   |
| Blackstone Real Estate Associates X (LUX) S.à r.l.                  | Luxembourg   |
| Blackstone Real Estate Associates X L.P.                            | Delaware   |
| Blackstone Real Estate Australia Pty Limited                        | Australia  |
| Blackstone Real Estate Capital GP Asia LLP                          | United Kingdom   |
| Blackstone Real Estate Capital GP VII L.L.P.                        | United Kingdom   |
| Blackstone Real Estate Capital GP VIII LLP                          | United Kingdom   |
| Blackstone Real Estate Capital UK Asia II NQ Limited                | United Kingdom   |
| Blackstone Real Estate Capital UK Asia III Limited                  | United Kingdom   |
| Blackstone Real Estate Capital UK Asia Limited                      | United Kingdom   |
| Blackstone Real Estate Capital UK VII Limited                       | United Kingdom   |
| Blackstone Real Estate Capital UK VIII Limited                      | United Kingdom   |
| Blackstone Real Estate CMBS Associates - G L.L.C.                   | Delaware   |
| Blackstone Real Estate CMBS Associates Non-IG L.L.C.                | Delaware   |
| Blackstone Real Estate Debt Strategies Associates High-Grade L.P.   | Delaware   |
| Blackstone Real Estate Debt Strategies Associates II L.P.           | Delaware   |
| Blackstone Real Estate Debt Strategies Associates III L.P.          | Delaware   |
| Blackstone Real Estate Debt Strategies Associates IV (AIV) L.P.     | Delaware   |
| Blackstone Real Estate Debt Strategies Associates IV (Cayman) Ltd.  | Cayman Islands   |
| Blackstone Real Estate Debt Strategies Associates IV (Lux) S.à r.l. | Luxembourg   |
| Blackstone Real Estate Debt Strategies Associates IV L.P.           | Delaware   |
| Blackstone Real Estate Debt Strategies Associates V (AIV) L.P.      | Delaware   |
| Blackstone Real Estate Debt Strategies Associates V (Cayman) Ltd.   | Cayman Islands   |
| Blackstone Real Estate Debt Strategies Associates V (LUX) S.à r.l.  | Luxembourg   |
| Blackstone Real Estate Debt Strategies Associates V L.P.            | Delaware   |
| Blackstone Real Estate Europe (Cayman) III Ltd.                     | Cayman Islands   |
| Blackstone Real Estate Europe (Cayman) III-NQ Ltd.                  | Cayman Islands   |
| Blackstone Real Estate Europe (Cayman) IV Ltd.                      | Cayman Islands   |
| Blackstone Real Estate Europe (Cayman) IV-NQ Ltd.                   | Cayman Islands   |
| Blackstone Real Estate Europe (Cayman) V Ltd.                       | Cayman Islands   |
| Blackstone Real Estate Europe (Cayman) VI Ltd.                      | Cayman Islands   |
| Blackstone Real Estate Europe (Cayman) V-NQ Ltd.                    | Cayman Islands   |
| Blackstone Real Estate Holdings (Alberta) IV L.P.                   | Canada   |
| Blackstone Real Estate Holdings (Offshore) IX-ESC L.P.              | Cayman Islands   |
| Blackstone Real Estate Holdings (Offshore) V L.P.                   | Canada   |
| Blackstone Real Estate Holdings (Offshore) VI L.P.                  | Canada   |
| Blackstone Real Estate Holdings (Offshore) VI-ESC L.P.              | Canada   |

| <u>Name</u>  | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone Real Estate Holdings (Offshore) VII L.P.                | Canada   |
| Blackstone Real Estate Holdings (Offshore) VII-ESC L.P.            | Canada   |
| Blackstone Real Estate Holdings (Offshore) VIII-ESC L.P.           | Cayman Islands   |
| Blackstone Real Estate Holdings (Offshore) VIII-NQ-ESC L.P.        | Cayman Islands   |
| Blackstone Real Estate Holdings (Offshore) VII-NQ L.P.             | Canada   |
| Blackstone Real Estate Holdings (Offshore) VII-NQ-ESC L.P.         | Canada   |
| Blackstone Real Estate Holdings (Offshore) VI-Q ESC L.P.           | Canada   |
| Blackstone Real Estate Holdings (Offshore) VI-Q L.P.               | Canada   |
| Blackstone Real Estate Holdings (Offshore) X-ESC L.P.              | Cayman Islands   |
| Blackstone Real Estate Holdings Asia - ESC L.P.                    | Cayman Islands   |
| Blackstone Real Estate Holdings Asia II - ESC L.P.                 | Cayman Islands   |
| Blackstone Real Estate Holdings Asia III - ESC L.P.                | Cayman Islands   |
| Blackstone Real Estate Holdings Asia-NQ-ESC L.P.                   | Cayman Islands   |
| Blackstone Real Estate Holdings Director L.L.C.                    | Delaware   |
| Blackstone Real Estate Holdings Europe III L.P.                    | Canada   |
| Blackstone Real Estate Holdings Europe III-ESC L.P.                | Canada   |
| Blackstone Real Estate Holdings Europe III-NQ ESC L.P.             | Canada   |
| Blackstone Real Estate Holdings Europe III-NQ L.P.                 | Canada   |
| Blackstone Real Estate Holdings Europe IV ESC L.P.                 | Cayman Islands   |
| Blackstone Real Estate Holdings Europe IV-NQ ESC L.P.              | Cayman Islands   |
| Blackstone Real Estate Holdings Europe V ESC L.P.                  | Cayman Islands   |
| Blackstone Real Estate Holdings Europe VI ESC L.P.                 | Cayman Islands   |
| Blackstone Real Estate Holdings Europe V-NQ ESC L.P.               | Cayman Islands   |
| Blackstone Real Estate Holdings International II - Q L.P.          | Canada   |
| Blackstone Real Estate Holdings International II L.P.              | Canada   |
| Blackstone Real Estate Holdings IV L.P.                            | Delaware   |
| Blackstone Real Estate Holdings IX-ESC L.P.                        | Delaware   |
| Blackstone Real Estate Holdings V L.P.                             | Delaware   |
| Blackstone Real Estate Holdings VI - ESC L.P.                      | Delaware   |
| Blackstone Real Estate Holdings VI - NQ ESC L.P.                   | Delaware   |
| Blackstone Real Estate Holdings VI - NQ L.P.                       | Delaware   |
| Blackstone Real Estate Holdings VI L.P.                            | Delaware   |
| Blackstone Real Estate Holdings VII - ESC L.P.                     | Delaware   |
| Blackstone Real Estate Holdings VII L.P.                           | Delaware   |
| Blackstone Real Estate Holdings VIII-ESC L.P.                      | Delaware   |
| Blackstone Real Estate Holdings VIII-NQ-ESC L.P.                   | Delaware   |
| Blackstone Real Estate Holdings VII-NQ L.P.                        | Delaware   |
| Blackstone Real Estate Holdings VII-NQ-ESC L.P.                    | Delaware   |
| Blackstone Real Estate Holdings X-ESC L.P.                         | Delaware   |
| Blackstone Real Estate Income Advisors L.L.C.                      | Delaware   |
| Blackstone Real Estate International (Cayman) II Ltd               | Cayman Islands   |
| Blackstone Real Estate International (Cayman) Ltd.                 | Cayman Islands   |
| Blackstone Real Estate Management Associates Europe III L.P.       | Canada   |
| Blackstone Real Estate Management Associates Europe III-NQ L.P.    | Canada   |
| Blackstone Real Estate Management Associates International II L.P. | Canada   |
| Blackstone Real Estate Management Associates International L.P.    | Canada   |
| Blackstone Real Estate Partners Capital GP Asia II NQ LLP          | United Kingdom   |
| Blackstone Real Estate Partners Capital GP Asia III LLP            | United Kingdom   |
| Blackstone Real Estate Partners Holdings Limited                   | United Kingdom   |

| <u>Name</u>   | <u>Jurisdiction of<br/>Incorporation or<br/>Organization</u> |
|---|--|
| Blackstone Real Estate Partners Supervisory GP Asia II NQ LLP                 | United Kingdom   |
| Blackstone Real Estate Partners VII L.L.C.                                    | Delaware   |
| Blackstone Real Estate Partners VI-VD L.L.C.                                  | Delaware   |
| Blackstone Real Estate Services L.L.C.  | Delaware   |
| Blackstone Real Estate Special Situations (Alberta) II GP L.P.                | Delaware   |
| Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.            | Delaware   |
| Blackstone Real Estate Special Situations Advisors L.L.C.                     | Delaware   |
| Blackstone Real Estate Special Situations Associates Europe - NQ L.L.C.       | Delaware   |
| Blackstone Real Estate Special Situations Associates Europe (Delaware) L.L.C. | Delaware   |
| Blackstone Real Estate Special Situations Associates Europe L.P.              | Delaware   |
| Blackstone Real Estate Special Situations Associates II L.L.C.                | Delaware   |
| Blackstone Real Estate Special Situations Associates II-NQ L.L.C.             | Delaware   |
| Blackstone Real Estate Special Situations Associates L.L.C.                   | Delaware   |
| Blackstone Real Estate Special Situations Europe (Cayman) Ltd.                | Cayman Islands   |
| Blackstone Real Estate Special Situations Europe GP L.L.C.                    | Delaware   |
| Blackstone Real Estate Special Situations Europe GP L.P.                      | Delaware   |
| Blackstone Real Estate Special Situations Holdings Europe L.P.                | Canada   |
| Blackstone Real Estate Special Situations Holdings Europe-ESC L.P.            | Canada   |
| Blackstone Real Estate Special Situations Holdings L.P.                       | Cayman Islands   |
| Blackstone Real Estate Special Situations Management Associates Europe L.P.   | Canada   |
| Blackstone Real Estate Special Situations Side-by-Side GP L.L.C.              | Delaware   |
| Blackstone Real Estate Special Situations-NQ Side-by-Side GP L.L.C.           | Delaware   |
| Blackstone Real Estate Supervisory UK Asia II NQ Limited                      | United Kingdom   |
| Blackstone Real Estate Supervisory UK Asia Limited                            | United Kingdom   |
| Blackstone Real Estate Supervisory UK Limited                                 | United Kingdom   |
| Blackstone Real Estate Supervisory UK VII Limited                             | United Kingdom   |
| Blackstone Real Estate Supervisory UK VIII Limited                            | United Kingdom   |
| Blackstone Real Estate UK Limited   | United Kingdom   |
| Blackstone Residential GP L.L.C.  | Delaware   |
| Blackstone Residential L.L.C.   | Delaware   |
| Blackstone Residential Opportunities Associates L.L.C.                        | Delaware   |
| Blackstone Securities Partners L.P.   | Delaware   |
| Blackstone Senfina Advisors L.L.C.  | Delaware   |
| Blackstone Senfina Associates L.L.C.  | Delaware   |
| Blackstone SGP Associates (Cayman) IV Ltd.                                    | Cayman Islands   |
| Blackstone SGP Family Investment Partnership (Cayman) IV-A L.P.               | Cayman Islands   |
| Blackstone SGP Management Associates (Cayman) IV L.P.                         | Cayman Islands   |
| Blackstone SGP Participation Partnership (Cayman) IV L.P.                     | Cayman Islands   |
| Blackstone Shipston Associates GP S.à r.l.                                    | Luxembourg   |
| Blackstone Singapore Pte. Ltd.  | Singapore  |
| Blackstone Strategic Alliance Advisors L.L.C.                                 | Delaware   |
| Blackstone Strategic Alliance Associates II L.L.C.                            | Delaware   |
| Blackstone Strategic Alliance Associates III L.L.C.                           | Delaware   |
| Blackstone Strategic Alliance Associates IV L.L.C.                            | Delaware   |
| Blackstone Strategic Alliance Associates L.L.C.                               | Delaware   |
| Blackstone Strategic Alliance Fund IV (Lux GP) S.à r.l.                       | Luxembourg   |
| Blackstone Strategic Alliance Fund L.P.                                       | Delaware   |
| Blackstone Strategic Capital Advisors L.L.C.                                  | Delaware   |
| Blackstone Strategic Capital Associates (Cayman) II Ltd.                      | Cayman Islands   |



| <u>Name</u>  | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone Strategic Capital Associates B L.L.C.   | Delaware   |
| Blackstone Strategic Capital Associates II (Lux) S.à r.l.                                | Luxembourg   |
| Blackstone Strategic Capital Associates II B L.P.  | Delaware   |
| Blackstone Strategic Capital Associates II L.P.  | Delaware   |
| Blackstone Strategic Capital Associates L.L.C.   | Delaware   |
| Blackstone Strategic Capital Holdings Director L.L.C.                                    | Delaware   |
| Blackstone Strategic Opportunity Associates L.L.C.                                       | Delaware   |
| Blackstone Switzerland GmbH  | Switzerland  |
| Blackstone Tactical Opportunities AD Associates (Cayman) - NQ Ltd.                       | Cayman Islands   |
| Blackstone Tactical Opportunities AD Associates (Cayman) Ltd.                            | Cayman Islands   |
| Blackstone Tactical Opportunities Advisors L.L.C.  | Delaware   |
| Blackstone Tactical Opportunities Associates - NQ L.L.C.                                 | Delaware   |
| Blackstone Tactical Opportunities Associates (Lux) GP S.à r.l.                           | Luxembourg   |
| Blackstone Tactical Opportunities Associates II L.L.C.                                   | Delaware   |
| Blackstone Tactical Opportunities Associates III - NQ L.P.                               | Delaware   |
| Blackstone Tactical Opportunities Associates III L.P.                                    | Delaware   |
| Blackstone Tactical Opportunities Associates IV (Lux) GP S.à r.l.                        | Luxembourg   |
| Blackstone Tactical Opportunities Associates IV L.P.                                     | Delaware   |
| Blackstone Tactical Opportunities Associates L.L.C.                                      | Delaware   |
| Blackstone Tactical Opportunities LR Associates (Cayman) - NQ Ltd.                       | Cayman Islands   |
| Blackstone Tactical Opportunities LR Associates (Cayman) Ltd.                            | Cayman Islands   |
| Blackstone Tactical Opportunities LR Associates-B (Cayman) Ltd.                          | Cayman Islands   |
| Blackstone Tactical Opportunities Management Associates (Cayman) - NQ L.P.               | Cayman Islands   |
| Blackstone Tactical Opportunities Management Associates (Cayman) L.P.                    | Cayman Islands   |
| Blackstone Tactical Opportunities Management Associates III (Cayman) - NQ L.P.           | Cayman Islands   |
| Blackstone Tactical Opportunities Management Associates III (Cayman) L.P.                | Cayman Islands   |
| Blackstone Tactical Opportunities Management Associates IV (CYM) - NQ L.P.               | Cayman Islands   |
| Blackstone Tactical Opportunities RL Associates L.P.                                     | Cayman Islands   |
| Blackstone Tactical Opportunities Stable Income Associates - NQ L.L.C.                   | Delaware   |
| Blackstone Tactical Opportunities Stable Income Associates L.L.C.                        | Delaware   |
| Blackstone Tactical Opportunities Stable Income Associates Offshore - NQ L.L.C.          | Delaware   |
| Blackstone Tactical Opportunities Stable Income LR Associates (Cayman) - NQ Ltd.         | Cayman Islands   |
| Blackstone Tactical Opportunities Stable Income LR Associates (Cayman) Ltd.              | Cayman Islands   |
| Blackstone Tactical Opportunities Stable Income Management Associates (Cayman) - NQ L.P. | Cayman Islands   |
| Blackstone Tactical Opportunities Stable Income Management Associates (Cayman) L.P.      | Cayman Islands   |
| Blackstone Tenex L.P.  | Delaware   |
| Blackstone TM L.L.C.   | Delaware   |
| Blackstone TORO REIT Manager, L.L.C.   | Delaware   |
| Blackstone Total Alternatives Solution Associates 2015 I L.P.                            | Delaware   |
| Blackstone Total Alternatives Solution Associates 2016 L.P.                              | Delaware   |
| Blackstone Total Alternatives Solution Associates IV L.P.                                | Delaware   |
| Blackstone Total Alternatives Solution Associates L.P.                                   | Delaware   |
| Blackstone Total Alternatives Solution Associates V L.P.                                 | Delaware   |
| Blackstone Total Alternatives Solution Associates VI L.P.                                | Delaware   |
| Blackstone Total Alternatives Solution Associates VII L.P.                               | Delaware   |
| Blackstone Total Alternatives Solution Associates VIII L.P.                              | Delaware   |
| Blackstone Total Alternatives Solution Associates-NQ 2015 I L.P.                         | Delaware   |
| Blackstone Total Alternatives Solution Associates-NQ 2016 L.P.                           | Delaware   |
| Blackstone Total Alternatives Solution Associates-NQ IV L.P.                             | Delaware   |

| <u>Name</u>  | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|--|--|
| Blackstone Total Alternatives Solution Associates-NQ L.P.                | Delaware   |
| Blackstone Total Alternatives Solution Associates-NQ V L.P.              | Delaware   |
| Blackstone Treasury Asia Pte. Limited                                    | Singapore  |
| Blackstone Treasury Holdings I Funding L.L.C.                            | Delaware   |
| Blackstone Treasury Holdings I L.L.C.                                    | Delaware   |
| Blackstone Treasury Holdings II L.L.C.                                   | Delaware   |
| Blackstone Treasury Holdings III L.L.C.                                  | Delaware   |
| Blackstone Treasury International Holdings L.L.C.                        | Delaware   |
| Blackstone Treasury Solutions Advisors L.L.C.                            | Delaware   |
| Blackstone UK Mortgage Opportunities LR Associates (Cayman) Ltd.         | Cayman Islands   |
| Blackstone UK Mortgage Opportunities Management Associates (Cayman) L.P. | Cayman Islands   |
| Blackstone UK Real Estate Supervisory Asia LLP                           | United Kingdom   |
| Blackstone UK Real Estate Supervisory VII LLP                            | United Kingdom   |
| Blackstone UK Real Estate Supervisory VIII LLP                           | United Kingdom   |
| Blackstone/GSO Capital Solutions Associates LLC                          | Delaware   |
| Blackstone/GSO Capital Solutions Overseas Associates LLC                 | Delaware   |
| BMA Asia II GP L.P.  | Cayman Islands   |
| BMA Asia II L.L.C.   | Delaware   |
| BMA Asia II Ltd.   | Cayman Islands   |
| BMA Asia L.L.C.  | Delaware   |
| BMA Asia Ltd.  | Cayman Islands   |
| BMA Asia NQ L.L.C.   | Delaware   |
| BMA Asia NQ Ltd.   | Cayman Islands   |
| BMA IX GP (CYM) L.P.   | Cayman Islands   |
| BMA IX GP L.P.   | Delaware   |
| BMA IX L.L.C.  | Delaware   |
| BMA V L.L.C.   | Delaware   |
| BMA V USS L.L.C.   | Delaware   |
| BMA VI L.L.C.  | Delaware   |
| BMA VII L.L.C.   | Delaware   |
| BMA VII NQ L.L.C.  | Delaware   |
| BMA VIII GP (CYM) L.P.   | Cayman Islands   |
| BMA VIII GP L.P.   | Delaware   |
| BMA VIII L.L.C.  | Delaware   |
| BMA VI-NQ L.L.C.   | Delaware   |
| BMEZ Advisors L.L.C.   | Delaware   |
| BML Associates (Cayman) L.P.   | Cayman Islands   |
| BMLA L.L.C.  | Delaware   |
| BMP II Side-by-Side GP L.L.C.  | Delaware   |
| BMP II USS Side-by-Side GP L.L.C.  | Delaware   |
| BPP Advisors L.L.C.  | Delaware   |
| BPP Core Asia Associates L.P.  | Cayman Islands   |
| BPP Core Asia Associates-NQ L.P.   | Cayman Islands   |
| BPP Core Asia L.L.C.   | Delaware   |
| BPP Core Asia Ltd.   | Cayman Islands   |
| BPP Core Asia-NQ L.L.C.  | Delaware   |
| BPP Core Asia-NQ Ltd.  | Cayman Islands   |
| BPP Pristine Co-Invest GP ULC  | Canada   |
| BPP Pristine Co-Invest Special LP ULC                                    | Canada   |

| <u>Name</u>                                   | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|---|--|
| BPP Pristine Holdings GP Limited              | Cayman Islands   |
| BRE Advisors Europe L.L.C.                    | Delaware   |
| BRE Advisors III L.L.C.                       | Delaware   |
| BRE Advisors International L.L.C.             | Delaware   |
| BRE Advisors IV L.L.C.                        | Delaware   |
| BRE Advisors V L.L.C.                         | Delaware   |
| BRE Advisors VI L.L.C.                        | Delaware   |
| BRE Associates International (Cayman) II Ltd. | Cayman Islands   |
| BRE Gryphon Advisors LLC                      | Delaware   |
| BRE/SW Green Associates L.P.                  | Cayman Islands   |
| BREA Asia III (Cayman) L.P.                   | Cayman Islands   |
| BREA Edens L.L.C.                             | Delaware   |
| BREA Europe VI (Cayman) L.P.                  | Cayman Islands   |
| BREA Europe VII (Cayman) L.P.                 | Cayman Islands   |
| BREA International (Cayman) II Ltd.           | Cayman Islands   |
| BREA International (Cayman) Ltd.              | Cayman Islands   |
| BREA IV L.L.C.                                | Delaware   |
| BREA IX (Delaware) L.P.                       | Delaware   |
| BREA IX (Offshore) (Cayman) L.P.              | Cayman Islands   |
| BREA IX L.L.C.                                | Delaware   |
| BREA IX Ltd.                                  | Cayman Islands   |
| BREA OMP GP L.L.C.                            | Delaware   |
| BREA V L.L.C.                                 | Delaware   |
| BREA VI L.L.C.                                | Delaware   |
| BREA VII L.L.C.                               | Delaware   |
| BREA VIII L.L.C.                              | Delaware   |
| BREA VIII-NQ L.L.C.                           | Delaware   |
| BREA VII-NQ L.L.C.                            | Delaware   |
| BREA VI-NQ L.L.C.                             | Delaware   |
| BREA X (Delaware) L.P.                        | Delaware   |
| BREA X (Offshore) (Cayman) L.P.               | Cayman Islands   |
| BREA X L.L.C.                                 | Delaware   |
| BREA X Ltd.                                   | Cayman Islands   |
| BREAI (Delaware) II L.L.C.                    | Delaware   |
| BREAI II L.P.                                 | Delaware   |
| BRECA L.L.C.                                  | Delaware   |
| BREDS Associates HG Loan NQ L.P.              | Delaware   |
| BREDS Associates II Loan NQ L.P.              | Delaware   |
| BREDS Associates II NQ L.P.                   | Delaware   |
| BREDS Associates III Loan NQ L.P.             | Delaware   |
| BREDS Associates III NQ PE L.P.               | Delaware   |
| BREDS Capital GP LLP                          | United Kingdom   |
| BREDS Capital UK Limited                      | United Kingdom   |
| BREDS Europe HG Holdings NQ GP Ltd.           | Cayman Islands   |
| BREDS HG GP NQ - AIV L.L.C.                   | Delaware   |
| BREDS High-Grade GP L.L.C.                    | Delaware   |
| BREDS II Feeder Fund GP L.P.                  | Cayman Islands   |
| BREDS II Feeder GP LTD.                       | Cayman Islands   |
| BREDS II GP - Gaussian L.L.C.                 | Delaware   |

| <u>Name</u>                               | <u>Jurisdiction of Incorporation or Organization</u> |
|---|--|
| BREDS II GP - Gaussian NQ L.L.C.          | Delaware   |
| BREDS II GP L.L.C.                        | Delaware   |
| BREDS II GP NQ - AIV L.L.C.               | Delaware   |
| BREDS II GP NQ L.L.C.                     | Delaware   |
| BREDS II LR Associates (Cayman) - NQ Ltd. | Cayman Islands                                       |
| BREDS III (Cayman) NQ Ltd.                | Cayman Islands                                       |
| BREDS III Associates (Cayman) NQ L.P.     | Cayman Islands                                       |
| BREDS III Capital GP LLP                  | United Kingdom                                       |
| BREDS III Capital UK Limited              | United Kingdom                                       |
| BREDS III Feeder Fund GP L.P.             | Cayman Islands                                       |
| BREDS III GP L.L.C.                       | Delaware   |
| BREDS III GP NQ - AIV L.L.C.              | Delaware   |
| BREDS III GP NQ L.L.C.                    | Delaware   |
| BREDS III GP NQ PE L.L.C.                 | Delaware   |
| BREDS III Supervisory UK LLP              | United Kingdom                                       |
| BREDS III UK L.L.C.                       | Delaware   |
| BREDS III UK Supervisory Limited          | United Kingdom                                       |
| BREDS IV (AIV) GP L.L.C.                  | Delaware   |
| BREDS IV Capital GP LLP                   | United Kingdom                                       |
| BREDS IV Capital UK Limited               | United Kingdom                                       |
| BREDS IV Feeder Fund GP L.P.              | Cayman Islands                                       |
| BREDS IV GP L.L.C.                        | Delaware   |
| BREDS IV L.P.                             | Delaware   |
| BREDS IV Supervisory UK LLP               | United Kingdom                                       |
| BREDS IV UK Supervisory Limited           | United Kingdom                                       |
| BREDS IV-A L.P.                           | Delaware   |
| BREDS Supervisory UK LLP                  | United Kingdom                                       |
| BREDS UK L.L.C.                           | Delaware   |
| BREDS UK Supervisory Limited              | United Kingdom                                       |
| BREDS V (AIV) GP L.L.C.                   | Delaware   |
| BREDS V Feeder Fund GP L.P.               | Cayman Islands                                       |
| BREDS V GP L.L.C.                         | Delaware   |
| BREDS V L.P.                              | Delaware   |
| BREDS V-A L.P.                            | Delaware   |
| BREIT Special Limited Partner L.P.        | Delaware   |
| BREMAI II L.P.                            | Canada   |
| BREP Asia - NQ L.L.C.                     | Delaware   |
| BREP Asia - NQ Side-by-Side GP L.L.C.     | Delaware   |
| BREP Asia II L.L.C.                       | Delaware   |
| BREP Asia II Ltd.                         | Cayman Islands                                       |
| BREP Asia III L.L.C.                      | Delaware   |
| BREP Asia III Ltd.                        | Cayman Islands                                       |
| BREP Asia L.L.C.                          | Delaware   |
| BREP Asia Ltd.                            | Cayman Islands                                       |
| BREP Asia Side-by-Side GP L.L.C.          | Delaware   |
| BREP Asia UK L.L.C.                       | Delaware   |
| BREP Chiswick GP L.L.C.                   | Delaware   |
| BREP Cognac Co-Invest GP ULC              | Canada   |
| BREP Cognac Co-Invest Special LP ULC      | Canada   |

| <u>Name</u>                         | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|-------------------------------------|--|
| BREP Co-Invest GP L.L.C.            | Delaware   |
| BREP Co-Invest GP L.P.              | Delaware   |
| BREP Edens Associates L.P.          | Delaware   |
| BREP Europe III GP L.L.C.           | Delaware   |
| BREP Europe III GP L.P.             | Delaware   |
| BREP Europe III-NQ GP L.L.C.        | Delaware   |
| BREP Europe III-NQ GP L.P.          | Delaware   |
| BREP International GP L.L.C.        | Delaware   |
| BREP International GP L.P.          | Delaware   |
| BREP International II - Q GP L.P.   | Delaware   |
| BREP International II GP L.L.C.     | Delaware   |
| BREP International II GP L.P.       | Delaware   |
| BREP International II-Q GP L.L.C.   | Delaware   |
| BREP IV (Offshore) GP L.L.C.        | Delaware   |
| BREP IV (Offshore) GP L.P.          | Delaware   |
| BREP IV Side-by-Side GP L.L.C.      | Delaware   |
| BREP IX (Offshore) GP L.L.C.        | Delaware   |
| BREP IX (Offshore) GP L.P.          | Delaware   |
| BREP OMP Associates L.P.            | Delaware   |
| BREP V (Offshore) GP L.L.C.         | Delaware   |
| BREP V (Offshore) GP L.P.           | Delaware   |
| BREP V Side-by-Side GP L.L.C.       | Delaware   |
| BREP VI - NQ Side-by-Side GP L.L.C. | Delaware   |
| BREP VI - Q (Offshore) GP L.L.C.    | Delaware   |
| BREP VI (Offshore) GP L.L.C.        | Delaware   |
| BREP VI (Offshore) GP L.P.          | Delaware   |
| BREP VI Side-by-Side GP L.L.C.      | Delaware   |
| BREP VII (Offshore) GP L.L.C.       | Delaware   |
| BREP VII (Offshore) GP L.P.         | Delaware   |
| BREP VII Side-by-Side GP L.L.C.     | Delaware   |
| BREP VIII (Offshore) GP L.L.C.      | Delaware   |
| BREP VIII (Offshore) GP L.P.        | Delaware   |
| BREP VIII Side-by-Side GP L.L.C.    | Delaware   |
| BREP VIII UK L.L.C.                 | Delaware   |
| BREP VIII-NQ (Offshore) GP L.L.C.   | Delaware   |
| BREP VIII-NQ (Offshore) GP L.P.     | Delaware   |
| BREP VIII-NQ Side-by-Side GP L.L.C. | Delaware   |
| BREP VII-NQ (Offshore) GP L.L.C.    | Delaware   |
| BREP VII-NQ (Offshore) GP L.P.      | Delaware   |
| BREP VII-NQ Side-by-Side GP L.L.C.  | Delaware   |
| BREP VI-Q (Offshore) GP L.P.        | Delaware   |
| BREP X (Offshore) GP L.L.C.         | Delaware   |
| BREP X (Offshore) GP L.P.           | Delaware   |
| BRESE L.L.C.                        | Delaware   |
| BSAF III GP LLC                     | Delaware   |
| BSCA Advisors L.L.C.                | Delaware   |
| BSCA Associates L.L.C.              | Delaware   |
| BSCA II B GP L.P.                   | Delaware   |
| BSCA II B L.L.C.                    | Delaware   |

| <u>Name</u>                                   | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|---|--|
| BSCA II GP L.P.                               | Delaware   |
| BSCA II L.L.C.                                | Delaware   |
| BSCH Side-By-Side GP L.L.C.                   | Delaware   |
| BSSF Holdings Intermediary (Cayman) Ltd.      | Cayman Islands   |
| BSSF I AIV GP L.L.C.                          | Delaware   |
| BTAS Associates L.L.C.                        | Delaware   |
| BTAS Associates-NQ L.L.C.                     | Delaware   |
| BTD CP Holdings LP                            | Delaware   |
| BTO - FCC NQ Side-by-Side GP L.L.C.           | Delaware   |
| BTO - NQ Side-by-Side GP L.L.C.               | Delaware   |
| BTO AD (Cayman) - NQ GP L.P.                  | Cayman Islands   |
| BTO AD GP L.L.C.                              | Delaware   |
| BTO Ascenty ESC (Cayman), L.P.                | Cayman Islands   |
| BTO Asia SBS Holding I Ltd.                   | Cayman Islands   |
| BTO BA Fiber ESC (Cayman) L.P.                | Cayman Islands   |
| BTO BTIG ESC Holdings L.P.                    | Delaware   |
| BTO Caesars Manager L.L.C.                    | Delaware   |
| BTO Commodities Manager L.L.C.                | Delaware   |
| BTO CR Fund Associates (Cayman) L.P.          | Cayman Islands   |
| BTO DE GP - NQ L.L.C.                         | Delaware   |
| BTO Eletson Manager L.L.C.                    | Delaware   |
| BTO ESC Park Holdings L.P.                    | Delaware   |
| BTO ESC Precision Holdings L.P.               | Delaware   |
| BTO ESC PTI International Holdings L.P.       | Cayman Islands   |
| BTO ESC PTI US Holdings L.P.                  | Delaware   |
| BTO ESC RGB Holdings L.P.                     | Delaware   |
| BTO European Diversified Property Manager LLC | Delaware   |
| BTO FCC Associates - NQ L.L.C.                | Delaware   |
| BTO Feather Holdings ESC (Mauritius) Ltd      | Mauritius  |
| BTO Feeder Manager IV (CYM) L.L.C.            | Cayman Islands   |
| BTO Feeder Manager IV L.L.C.                  | Delaware   |
| BTO Flames Manager Inc.                       | Canada   |
| BTO Freeze Parent GP LLC                      | Delaware   |
| BTO Gamma Manager L.L.C.                      | Delaware   |
| BTO George Manager L.L.C.                     | Delaware   |
| BTO GP - NQ L.L.C.                            | Delaware   |
| BTO GP Finance LLC                            | Delaware   |
| BTO GP L.L.C.                                 | Delaware   |
| BTO Hafnia Manager L.L.C.                     | Delaware   |
| BTO Hercules Manager L.L.C.                   | Delaware   |
| BTO HFZ Manager L.L.C.                        | Delaware   |
| BTO Holdco Manager L.L.C.                     | Delaware   |
| BTO Holdings (Cayman) - NQ Manager L.L.C.     | Delaware   |
| BTO Holdings Cayman Manager L.L.C.            | Delaware   |
| BTO Holdings Manager - NQ L.L.C.              | Delaware   |
| BTO Holdings Manager IV (CYM) L.L.C.          | Cayman Islands   |
| BTO Holdings Manager IV L.L.C.                | Delaware   |
| BTO Holdings Manager L.L.C.                   | Delaware   |
| BTO IH3 Manager L.L.C.                        | Delaware   |

| <u>Name</u>                            | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|--|--|
| BTO Italian Manager L.L.C.             | Delaware   |
| BTO Koala Manager L.L.C.               | Delaware   |
| BTO Life Settlement Manager L.L.C.     | Delaware   |
| BTO NCR Holdings - ESC L.P.            | Delaware   |
| BTO Night Manager L.L.C.               | Delaware   |
| BTO Omaha Manager L.L.C.               | Delaware   |
| BTO One Market Plaza Manager L.L.C.    | Delaware   |
| BTO Peachtree Fund ESC L.P.            | Delaware   |
| BTO Peachtree Holdings Manager L.L.C.  | Delaware   |
| BTO Pluto Manager L.L.C.               | Delaware   |
| BTO Resolution Manager L.L.C.          | Delaware   |
| BTO Rothesay Manager L.L.C.            | Delaware   |
| BTO RPL Manager L.L.C.                 | Delaware   |
| BTO Side-by-Side GP L.L.C.             | Delaware   |
| BTO SKYY Master Holding GP             | Cayman Islands   |
| BTOA - NQ L.L.C.                       | Delaware   |
| BTOA AD L.P.                           | Delaware   |
| BTOA II L.L.C.                         | Delaware   |
| BTOA III - NQ L.P.                     | Delaware   |
| BTOA III (Cayman) - GP L.P.            | Cayman Islands   |
| BTOA III (Cayman) - NQ GP L.P.         | Cayman Islands   |
| BTOA III L.P.                          | Delaware   |
| BTOA III Lux L.L.C.                    | Delaware   |
| BTOA III Lux Ltd.                      | Cayman Islands   |
| BTOA IV (CYM) - NQ GP L.P.             | Cayman Islands   |
| BTOA IV L.P.                           | Delaware   |
| BTOA L.L.C.                            | Delaware   |
| BTOSI GP - NQ L.L.C.                   | Delaware   |
| BTOSI GP L.L.C.                        | Delaware   |
| BTOSI Holdings Manager - NQ L.L.C.     | Delaware   |
| BTOSIA - NQ L.L.C.                     | Delaware   |
| BTOSIA L.L.C.                          | Delaware   |
| BTOSIAO - NQ L.L.C.                    | Delaware   |
| BUMO GP L.L.C.                         | Delaware   |
| Buzz Holdings GP L.L.C.                | Delaware   |
| BX Bodyguard Royalties (CYM) GP L.L.C. | Cayman Islands   |
| BX Gates ML-3 Holdco LLC               | Cayman Islands   |
| BX Mexico Advisors, S.A. de C.V.       | Mexico   |
| BX RE Ventures L.L.C.                  | Delaware   |
| BX REIT Advisors L.L.C.                | Delaware   |
| BX Shipston SCSp                       | Luxembourg   |
| BXC Azul Associates LLC                | Delaware   |
| BXC DL (WH) Holdings LLC               | Delaware   |
| BXC Jade Associates LLC                | Delaware   |
| BXC Magnesium Associates LLC           | Delaware   |
| BXC MayBay Finance GP Inc.             | Delaware   |
| BXG GP L.L.C.                          | Delaware   |
| BXG Holdings Manager (CYM) L.L.C.      | Cayman Islands   |
| BXG Holdings Manager L.L.C.            | Delaware   |

| <u>Name</u>   | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|---|--|
| BXG II (Cayman) Ltd.                                  | Cayman Islands   |
| BXG II GP L.L.C.                                      | Delaware   |
| BXG II Side-by-Side GP L.L.C.                         | Delaware   |
| BXG Side-by-Side GP L.L.C.                            | Delaware   |
| BXGA GP (CYM) L.P.                                    | Cayman Islands   |
| BXGA GP L.P.  | Delaware   |
| BXGA II GP (CYM) L.P.                                 | Cayman Islands   |
| BXGA II GP L.P.                                       | Delaware   |
| BXGA II L.L.C.  | Delaware   |
| BXGA L.L.C.   | Delaware   |
| BXLS Family Investment Partnership (CYM) V - ESC L.P. | Cayman Islands   |
| BXLS Family Investment Partnership V - ESC L.P.       | Delaware   |
| BXLS LR Associates (Cayman) V Ltd.                    | Cayman Islands   |
| BXLS V GP L.P.  | Delaware   |
| BXLS V L.L.C.   | Delaware   |
| BXLS V Side-by-Side GP L.L.C.                         | Delaware   |
| BXLS Yield GP L.P.                                    | Delaware   |
| BXLS Yield HoldCo (CYM) GP L.L.C.                     | Cayman Islands   |
| BXLS Yield L.L.C.                                     | Cayman Islands   |
| BXMT Advisors L.L.C.                                  | Delaware   |
| BXPE US Aggregator (E) L.P.                           | Delaware   |
| BXPE US Aggregator (NE) L.P.                          | Delaware   |
| BXPEA L.L.C.  | Delaware   |
| BZDIF Associates GP (DEL) L.L.C.                      | Delaware   |
| BZDIF Associates GP Ltd.                              | Cayman Islands   |
| BZDIF Associates L.P.                                 | Cayman Islands   |
| BZDIF Associates Ltd.                                 | Cayman Islands   |
| Capitol Gardens Associates L.L.C.                     | Cayman Islands   |
| Catalyst Fund Holdco L.P.                             | Delaware   |
| CFS ESC Lower Holdings (Delaware) GP L.L.C.           | Delaware   |
| CFS Holdings (Cayman) ESC, L.P.                       | Cayman Islands   |
| CHK Mid-Con Co-Invest Associates LLC                  | Delaware   |
| Clarus IV GP, L.P.                                    | Delaware   |
| Clarus IV GP, LLC                                     | Delaware   |
| Clarus Ventures, LLC                                  | Delaware   |
| Cleveland Tonkawa CIM, LLC                            | Delaware   |
| CQP Common Holdco GP LLC                              | Delaware   |
| CQP Common Holdco Parent GP LLC                       | Delaware   |
| CQP SuperHoldCo GP LLC                                | Delaware   |
| CQP SuperHoldCo Parent GP LLC                         | Delaware   |
| CT High Grade Partners II Co-Invest, LLC              | Delaware   |
| CT Investment Management Co., LLC                     | Delaware   |
| DCI Asset Management Ireland Limited                  | Ireland  |
| DCI GP, LLC   | Delaware   |
| Equity Healthcare L.L.C.                              | Delaware   |
| ESDF II ABL Borrower Associates Ltd.                  | Cayman Islands   |
| FourFive SBS Holding Ltd                              | Cayman Islands   |
| G QCM GP S.à r.l.                                     | Luxembourg   |
| G QCM SLP LLC   | Delaware   |



| <u>Name</u>   | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|---|--|
| G QCM Special LP  | Cayman Islands   |
| Graphite Holdings LLC                                     | Delaware   |
| GSO 3 Bear Energy Holdings Associates LLC                 | Delaware   |
| GSO Advisor Holdings L.L.C.                               | Delaware   |
| GSO Aiguille des Grands Montets Associates LLC            | Delaware   |
| GSO Aiguille Des Grands Montets GP LTD                    | Cayman Islands   |
| GSO Altus Holdings Associates LLC                         | Delaware   |
| GSO AMD Holdings Associates LLC                           | Delaware   |
| GSO Associates LLC  | Delaware   |
| GSO Bakken Associates I LLC                               | Delaware   |
| GSO Bandera Strategic Credit Associates I LLC             | Delaware   |
| GSO Beacon Co-Invest Associates LLC                       | Delaware   |
| GSO BISA Blazer Associates LLC                            | Delaware   |
| GSO Blazer Holdings Associates LLC                        | Delaware   |
| GSO BSOF SLP LLC  | Delaware   |
| GSO Cactus Credit Opportunities Associates LLC            | Delaware   |
| GSO CalPeak Energy Associates LLC                         | Delaware   |
| GSO Capital Opportunities Associates II (Cayman) Ltd.     | Cayman Islands   |
| GSO Capital Opportunities Associates II (Delaware) LLC    | Delaware   |
| GSO Capital Opportunities Associates II (Facility) LLC    | Delaware   |
| GSO Capital Opportunities Associates II LP                | Cayman Islands   |
| GSO Capital Opportunities Associates III (AIR) LLC        | Delaware   |
| GSO Capital Opportunities Associates III LLC              | Delaware   |
| GSO Capital Opportunities Associates IV (Delaware) LLC    | Delaware   |
| GSO Capital Opportunities Associates IV (EEA) GP S.à r.l. | Luxembourg   |
| GSO Capital Opportunities Associates IV LP                | Cayman Islands   |
| GSO Capital Opportunities Associates LLC                  | Delaware   |
| GSO Capital Opportunities Overseas Associates LLC         | Delaware   |
| GSO Capital Partners (California) LLC                     | Delaware   |
| GSO Capital Partners (Texas) GP LLC                       | Texas  |
| GSO Capital Partners (Texas) LP                           | Texas  |
| GSO Capital Partners (UK) Limited                         | United Kingdom   |
| GSO Capital Partners GP L.L.C.                            | Delaware   |
| GSO Capital Solutions Associates II (Cayman) Ltd.         | Cayman Islands   |
| GSO Capital Solutions Associates II (Delaware) LLC        | Delaware   |
| GSO Capital Solutions Associates II LP                    | Cayman Islands   |
| GSO Capital Solutions Associates III (Cayman) Ltd.        | Cayman Islands   |
| GSO Capital Solutions Associates III (Delaware) LLC       | Delaware   |
| GSO Capital Solutions Associates III (EEA) GP S.à r.l.    | Luxembourg   |
| GSO Capital Solutions Associates III LP                   | Cayman Islands   |
| GSO Churchill Associates II LLC                           | Delaware   |
| GSO Churchill Associates LLC                              | Delaware   |
| GSO ClearGen Holdings Associates LLC                      | Delaware   |
| GSO CLO Opportunity Associates LLC                        | Delaware   |
| GSO Coastline Credit Associates LLC                       | Delaware   |
| GSO COF III Co-Investment Associates (AIR) LLC            | Delaware   |
| GSO COF III Co-Investment Associates LLC                  | Delaware   |
| GSO COF IV Co-Investment Associates LLC                   | Delaware   |
| GSO Co-Investment Fund-D Associates LLC                   | Delaware   |

| <u>Name</u>   | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|---|--|
| GSO Co-Investor WPX-C Associates LLC                            | Delaware   |
| GSO Community Development Capital Group IV Associates LP        | Delaware   |
| GSO Convoy Holdings Associates LLC                              | Delaware   |
| GSO Credit Alpha Associates II (Cayman) Ltd.                    | Cayman Islands   |
| GSO Credit Alpha Associates II (Delaware) LLC                   | Delaware   |
| GSO Credit Alpha Associates II LP                               | Cayman Islands   |
| GSO Credit Alpha Associates LLC                                 | Delaware   |
| GSO Credit Alpha Diversified Alternatives Associates LLC        | Delaware   |
| GSO Credit-A Associates LLC                                     | Delaware   |
| GSO CSF III Co-Investment Associates (Cayman) Ltd.              | Cayman Islands   |
| GSO CSF III Co-Investment Associates (Delaware) LLC             | Delaware   |
| GSO CSF III Co-Investment Associates LP                         | Cayman Islands   |
| GSO Delaware Holdings Associates LLC                            | Delaware   |
| GSO Diamond Portfolio Associates LLC                            | Delaware   |
| GSO Direct Lending Fund-D Associates LLC                        | Delaware   |
| GSO DL Co-Invest CI Associates LLC                              | Delaware   |
| GSO DL Co-Invest EIS Associates LLC                             | Delaware   |
| GSO DP Associates LLC   | Delaware   |
| GSO DrillCo Holdings Associates II LLC                          | Delaware   |
| GSO DrillCo Holdings Associates LLC                             | Delaware   |
| GSO EM Holdings Associates LLC                                  | Delaware   |
| GSO Energy E&P Holdings 4 Co-Invest Associates LLC              | Delaware   |
| GSO Energy Lending Fund-A Onshore Associates LLC                | Delaware   |
| GSO Energy Lending Fund-A Overseas Associates LLC               | Delaware   |
| GSO Energy Liquid Opportunities Associates LLC                  | Delaware   |
| GSO Energy Market Opportunities Associates LLC                  | Delaware   |
| GSO Energy Partners-A Associates LLC                            | Delaware   |
| GSO Energy Partners-B Associates LLC                            | Delaware   |
| GSO Energy Partners-C Associates II LLC                         | Delaware   |
| GSO Energy Partners-C Associates LLC                            | Delaware   |
| GSO Energy Partners-D Associates LLC                            | Delaware   |
| GSO Energy Partners-E Associates LLC                            | Delaware   |
| GSO Energy Select Opportunities Associates II (Cayman) Ltd.     | Cayman Islands   |
| GSO Energy Select Opportunities Associates II (Delaware) LLC    | Delaware   |
| GSO Energy Select Opportunities Associates II (EEA) GP S.à r.l. | Luxembourg   |
| GSO Energy Select Opportunities Associates II LP                | Cayman Islands   |
| GSO Energy Select Opportunities Associates LLC                  | Delaware   |
| GSO Equitable Holdings Associates LLC                           | Delaware   |
| GSO European Senior Debt Associates II (Cayman) Ltd.            | Cayman Islands   |
| GSO European Senior Debt Associates II (Delaware) LLC           | Delaware   |
| GSO European Senior Debt Associates II (EEA) GP S.à r.l.        | Luxembourg   |
| GSO European Senior Debt Associates II LP                       | Cayman Islands   |
| GSO European Senior Debt Associates LLC                         | Delaware   |
| GSO FPP Associates LLC  | Delaware   |
| GSO FSGCOF Holdings LLC   | Delaware   |
| GSO FSIC Holdings LLC   | Delaware   |
| GSO FSIC III Holdings LLC                                       | Delaware   |
| GSO FSIC IV Holdings LLC  | Delaware   |
| GSO GEPH Holdings Associates LLC                                | Delaware   |

| <u>Name</u>                                      | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|--|--|
| GSO Global Dynamic Credit Associates LLC         | Delaware   |
| GSO Harrington Credit Alpha Associates L.L.C.    | Delaware   |
| GSO Holdings I L.L.C.                            | Delaware   |
| GSO Holdings II L.L.C.                           | Delaware   |
| GSO Holdings III L.L.C.                          | Delaware   |
| GSO IH Holdings Associates LLC                   | Delaware   |
| GSO IM Holdings Associates LLC                   | Delaware   |
| GSO Jasmine Associates LLC                       | Delaware   |
| GSO M5 Holdings Associates LLC                   | Delaware   |
| GSO M6 Holdings Associates LLC                   | Delaware   |
| GSO MAK Associates LLC                           | Delaware   |
| GSO MMBU Holdings Associates LLC                 | Delaware   |
| GSO Nemo Associates LLC                          | Delaware   |
| GSO Oasis Credit Associates LLC                  | Delaware   |
| GSO Orchid Associates LLC                        | Delaware   |
| GSO Overseas Associates LLC                      | Delaware   |
| GSO Palmetto Capital Associates LLC              | Delaware   |
| GSO Palmetto Opportunistic Associates LLC        | Delaware   |
| GSO Rodeo Holdings Associates LLC                | Delaware   |
| GSO SFRO Associates LLC                          | Delaware   |
| GSO SJ Partners Associates LLC                   | Delaware   |
| GSO Spartan Associates LLC                       | Delaware   |
| GSO ST Holdings Associates LLC                   | Delaware   |
| GSO Targeted Opportunity Associates LLC          | Delaware   |
| GSO Targeted Opportunity Master Associates LLC   | Delaware   |
| GSO Targeted Opportunity Overseas Associates LLC | Delaware   |
| GSO Tiger Holdings Associates LLC                | Delaware   |
| GSO WPX Holdings Associates LLC                  | Delaware   |
| Harvest Fund Advisors, LLC                       | Delaware   |
| Harvest Fund Holdco L.P.                         | Delaware   |
| Harvest Fund Manager LLC                         | Delaware   |
| Hexagon Holding ESC (Mauritius) Ltd              | Mauritius  |
| Huskies Acquisition LLC                          | Delaware   |
| Immortality ESC Ltd.                             | Cayman Islands   |
| Joy Acquisitions SPV GP LLC                      | Delaware   |
| Lexington National Land Services, LLC            | New York   |
| Lifestyle SBS Holding Ltd                        | Cayman Islands   |
| LNLS HoldCo LLC                                  | Delaware   |
| LNLS Upper Holdings LLC                          | Delaware   |
| LSV Fund 3 GP (Cayman) Ltd.                      | Cayman Islands   |
| LSV Fund 4 GP (Cayman) Ltd.                      | Cayman Islands   |
| LSV Fund 5 GP (Cayman) Ltd.                      | Cayman Islands   |
| LSV Fund GP (Cayman) Ltd.                        | Cayman Islands   |
| MarketPark O&G HoldCo II LLC                     | Delaware   |
| MarketPark O&G HoldCo III LLC                    | Delaware   |
| MB Asia REA L.L.C.                               | Delaware   |
| MB Asia REA L.P.                                 | Cayman Islands   |
| MB Asia REA Ltd.                                 | Cayman Islands   |
| MB Asia Real Estate Associates L.P.              | Cayman Islands   |

| <u>Name</u>  | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|--|--|
| ML Asian R.E. Fund GP, L.P.  | Cayman Islands   |
| Motion Aggregator GP L.L.C.  | Delaware   |
| Siccar Point (Cayman) Holdco II Limited  | Cayman Islands   |
| Siccar Point (Cayman) Holdco III Limited   | Cayman Islands   |
| Signal Holdings GP, L.L.C.   | Delaware   |
| SP Duet Acquisitions GP LLC  | Delaware   |
| SP Mars Acquisitions GP LLC  | Delaware   |
| SP Polar Holdings GP, LLC  | Delaware   |
| SP RA II (Cayman) - NQ GP L.P.   | Cayman Islands   |
| SP RA II LR Associates (Cayman) - NQ Ltd.  | Cayman Islands   |
| SP RA Stark Acquisitions GP LLC  | Delaware   |
| SP Stark Acquisitions GP LLC   | Delaware   |
| SPFS Advisors L.L.C.   | Delaware   |
| SPFSA 2007 L.L.C.  | Delaware   |
| SPFSA GP Solutions L.L.C.  | Delaware   |
| SPFSA I L.L.C.   | Delaware   |
| SPFSA II L.L.C.  | Delaware   |
| SPFSA III L.L.C.   | Delaware   |
| SPFSA Infrastructure III L.L.C.  | Delaware   |
| SPFSA IV L.L.C.  | Delaware   |
| SPFSA IX L.L.C.  | Delaware   |
| SPFSA Opportunities L.L.C.   | Delaware   |
| SPFSA RA II - NQ L.L.C.  | Delaware   |
| SPFSA RA II L.L.C.   | Delaware   |
| SPFSA RE VII L.L.C.  | Delaware   |
| SPFSA RE VIII L.L.C.   | Delaware   |
| SPFSA V L.L.C.   | Delaware   |
| SPFSA VI L.L.C.  | Delaware   |
| SPFSA VII L.L.C.   | Delaware   |
| SPFSA VIII L.L.C.  | Delaware   |
| Steamboat Credit Opportunities GP LLC  | Delaware   |
| StoneCo IV Corporation   | Delaware   |
| Strategic Partners Fund Solutions Advisors L.P.                                  | Delaware   |
| Strategic Partners Fund Solutions Associates - NC Real Asset Opportunities, L.P. | Delaware   |
| Strategic Partners Fund Solutions Associates 2007 L.P.                           | Delaware   |
| Strategic Partners Fund Solutions Associates DE L.P.                             | Delaware   |
| Strategic Partners Fund Solutions Associates GP Solutions (Lux) S.à r.l.         | Luxembourg   |
| Strategic Partners Fund Solutions Associates GP Solutions L.P.                   | Delaware   |
| Strategic Partners Fund Solutions Associates II L.P.                             | Delaware   |
| Strategic Partners Fund Solutions Associates III L.P.                            | Delaware   |
| Strategic Partners Fund Solutions Associates Infrastructure III (Lux) S.à r.l.   | Luxembourg   |
| Strategic Partners Fund Solutions Associates Infrastructure III L.P.             | Delaware   |
| Strategic Partners Fund Solutions Associates IV L.P.                             | Delaware   |
| Strategic Partners Fund Solutions Associates IX (Lux) S.à r.l.                   | Luxembourg   |
| Strategic Partners Fund Solutions Associates IX AIV L.P.                         | Delaware   |
| Strategic Partners Fund Solutions Associates IX L.P.                             | Delaware   |
| Strategic Partners Fund Solutions Associates Opportunities L.P.                  | Delaware   |
| Strategic Partners Fund Solutions Associates RA II (Cayman) - NQ L.P.            | Cayman Islands   |
| Strategic Partners Fund Solutions Associates RA II, L.P.                         | Delaware   |

| <u>Name</u>  | <u>Jurisdiction<br/>of Incorporation or<br/>Organization</u> |
|--|--|
| Strategic Partners Fund Solutions Associates Real Estate VI L.P.             | Delaware   |
| Strategic Partners Fund Solutions Associates Real Estate VII L.P.            | Delaware   |
| Strategic Partners Fund Solutions Associates Real Estate VIII (Lux) S.a r.l. | Luxembourg   |
| Strategic Partners Fund Solutions Associates Real Estate VIII L.P.           | Delaware   |
| Strategic Partners Fund Solutions Associates V L.P.                          | Delaware   |
| Strategic Partners Fund Solutions Associates VI L.P.                         | Delaware   |
| Strategic Partners Fund Solutions Associates VII AIV L.P.                    | Delaware   |
| Strategic Partners Fund Solutions Associates VII L.P.                        | Delaware   |
| Strategic Partners Fund Solutions Associates VIII (Lux) S.à r.l.             | Luxembourg   |
| Strategic Partners Fund Solutions Associates VIII L.P.                       | Delaware   |
| Strategic Partners Fund Solutions GP (Offshore) Ltd.                         | Cayman Islands   |
| TBG Realty Corp.   | New York   |
| The Blackstone Group (Australia) Pty Limited                                 | Australia  |
| The Blackstone Group (HK) Holdings Limited                                   | Hong Kong  |
| The Blackstone Group (HK) Limited  | Hong Kong  |
| The Blackstone Group Germany GmbH  | Germany  |
| The Blackstone Group International (Cayman) Limited                          | Cayman Islands   |
| The Blackstone Group International Limited                                   | United Kingdom   |
| The Blackstone Group International Partners LLP                              | United Kingdom   |
| The Blackstone Group Japan K.K.  | Japan  |
| The Blackstone Group Mauritius II Ltd  | Mauritius  |
| The Blackstone Group Mauritius Ltd   | Mauritius  |
| The Blackstone Group Spain SL.   | Spain  |
| Utica Royalty Associates II LLC  | Delaware   |
| Valkyrie BTO Aviation LLC  | Delaware   |

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements on Form S-8 of our report dated February 24, 2023, relating to the consolidated financial statements of Blackstone Inc. and subsidiaries (“Blackstone”) and the effectiveness of Blackstone’s internal control over financial reporting, appearing in the Annual Report on Form 10-K of Blackstone for the year ended December 31, 2022:

- Registration Statement No. 333-263058 (Blackstone Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-253660 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-236788 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8.
- Registration Statement No. 333-230020 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8.
- Registration Statement No. 333-223346 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-216225 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-209758 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-202359 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-194234 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-186999 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-179775 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-172451 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-165115 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-157635 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8
- Registration Statement No. 333-143948 (The Blackstone Group Inc. Amended and Restated 2007 Equity Incentive Plan) on Form S-8

*/s/ DELOITTE & TOUCHE LLP*

New York, New York

February 24, 2023

## Chief Executive Officer Certification

I, Stephen A. Schwarzman, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 of Blackstone Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 24, 2023

/s/ Stephen A. Schwarzman

Stephen A. Schwarzman  
Chief Executive Officer

**Chief Financial Officer Certification**

I, Michael S. Chae, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 of Blackstone Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 24, 2023

/s/ Michael S. Chae

Michael S. Chae  
Chief Financial Officer



**Certification of the Chief Executive Officer**  
**Pursuant to 18 U.S.C. Section 1350,**  
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Blackstone Inc. (the "Company") on Form 10-K for the year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen A. Schwarzman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 24, 2023

/s/ Stephen A. Schwarzman

\_\_\_\_\_  
Stephen A. Schwarzman  
Chief Executive Officer

\* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**Certification of the Chief Financial Officer**  
**Pursuant to 18 U.S.C. Section 1350,**  
**As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Blackstone Inc. (the "Company") on Form 10-K for the year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael S. Chae, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 24, 2023

/s/ Michael S. Chae

\_\_\_\_\_  
Michael S. Chae  
Chief Financial Officer

\* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**Section 13(r) Disclosure**

Atlantia S.p.A. provided the disclosure reproduced below in connection with activities during the quarter ended December 31, 2022. We have not independently verified or participated in the preparation of this disclosure.

“Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934. Funds affiliated with Blackstone first invested in Atlantia S.p.A. on November 18, 2022 in connection with the voluntary public tender offer by Schema Alfa S.p.A. for all of the shares of Atlantia S.p.A., pursuant to which such funds obtained a minority non-controlling interest in Atlantia S.p.A. Atlantia S.p.A. owns and controls Aeroporti di Roma S.p.A. (“ADR”), an operator of airports in Italy including Leonardo da Vinci-Fiumicino Airport. Iran Air has historically operated periodic flights to and from Leonardo da Vinci-Fiumicino Airport as authorized, from time to time, by an aviation-related bilateral agreement between Italy and Iran, scheduled in compliance with European Regulation 95/93, and approved by the Italian Civil Aviation Authority. ADR, as airport operator, is under a mandatory obligation to provide airport services to all air carriers (including Iran Air) authorized by the applicable Italian authority. The relevant turnover attributable to these activities (whose consideration is calculated on the basis of general tariffs determined by such independent Italian authority) in the quarter ended December 31, 2022 was less than €30,000. Atlantia S.p.A. does not track profits specifically attributable to these activities.”