

## Blackstone Reports First Quarter 2020 Results

New York, April 23, 2020: Blackstone (NYSE:BX) today reported its first quarter 2020 results.

Stephen A. Schwarzman, Chairman and Chief Executive Officer, said, “Blackstone’s first-quarter financial results reflect the unprecedented market and global economic conditions caused by the COVID-19 pandemic. Despite the extremely challenging environment, we continued to generate significant cash flow for our shareholders, distributing over \$700 million through dividends and share repurchases in the quarter, and \$3.2 billion over the last twelve months. Throughout our firm’s 35-year history, we have weathered many difficult periods - including the global financial crisis - only to emerge stronger than before. Our experience has shown that although asset values may be temporarily marked down, strong assets ultimately recover.”

Mr. Schwarzman continued, “We entered this crisis in a position of great strength, having recently completed a two-year fundraising cycle of nearly \$250 billion. With ample capital reserves, long-term fund structures, and over \$150 billion of dry powder capital - more than anyone in our industry - we are uniquely positioned to invest on behalf of our clients at a time of historic dislocation.”

Blackstone issued a full detailed presentation of its first quarter 2020 results, which can be viewed at [www.blackstone.com](http://www.blackstone.com).

### Dividend

Blackstone has declared a quarterly dividend of \$0.39 per share to record holders of Class A common stock at the close of business on May 4, 2020. This dividend will be paid on May 11, 2020.

## Quarterly Investor Call Details

Blackstone will host its first quarter 2020 investor conference via public webcast on April 23, 2020 at 9:00 a.m. ET. To register, please use the following link:

[https://event.webcasts.com/starthere.jsp?ei=1296835&tp\\_key=a429fa7d99](https://event.webcasts.com/starthere.jsp?ei=1296835&tp_key=a429fa7d99). For those unable to listen to the live broadcast, there will be a webcast replay on the Shareholders section of Blackstone's website at <https://ir.blackstone.com/>.

## About Blackstone

Blackstone is one of the world's leading investment firms. 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, with \$538 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at [www.blackstone.com](http://www.blackstone.com). Follow Blackstone on Twitter [@Blackstone](https://twitter.com/Blackstone).

## Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect 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," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to the impact of COVID-19 and energy market dislocation, as well as those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, 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.

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

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Blackstone

# Blackstone's First Quarter 2020 Earnings

APRIL 23, 2020

## BLACKSTONE'S FIRST QUARTER 2020 GAAP RESULTS

- GAAP Net Income (Loss) was \$(2.6) billion for the quarter and \$186 million over the last twelve months (“LTM”). GAAP Net Income (Loss) Attributable to The Blackstone Group Inc. was \$(1.1) billion for the quarter and \$502 million over the LTM.

(\$ in thousands, except per share data, unaudited)	1Q'19	1Q'20	1Q'19 LTM	1Q'20 LTM
<b>Revenues</b>				
Management and Advisory Fees, Net	\$ 809,726	\$ 934,832	\$ 3,108,673	\$ 3,597,261
Incentive Fees	12,132	12,161	57,106	129,940
Investment Income (Loss)				
Performance Allocations				
Realized	242,375	167,530	1,849,242	1,664,155
Unrealized	663,999	(3,453,081)	597,283	(2,990,748)
Principal Investments				
Realized	73,261	48,695	446,978	368,912
Unrealized	169,044	(959,365)	107,187	(913,406)
Total Investment Income (Loss)	1,148,679	(4,196,221)	3,000,690	(1,871,087)
Interest and Dividend Revenue	44,084	35,084	180,646	173,398
Other	10,250	138,180	741,884	207,923
<b>Total Revenues</b>	<b>\$ 2,024,871</b>	<b>\$ (3,075,964)</b>	<b>\$ 7,088,999</b>	<b>\$ 2,237,435</b>
<b>Expenses</b>				
Compensation and Benefits				
Compensation	471,397	476,543	1,691,951	1,825,476
Incentive Fee Compensation	5,406	6,522	32,660	45,416
Performance Allocations Compensation				
Realized	86,395	72,423	685,409	648,970
Unrealized	287,015	(1,397,378)	352,322	(1,144,108)
Total Compensation and Benefits	850,213	(841,890)	2,762,342	1,375,754
General, Administrative and Other	146,062	157,566	614,222	690,912
Interest Expense	42,002	41,644	167,321	199,290
Fund Expenses	2,887	4,605	26,388	19,456
<b>Total Expenses</b>	<b>\$ 1,041,164</b>	<b>\$ (638,075)</b>	<b>\$ 3,570,273</b>	<b>\$ 2,285,412</b>
<b>Other Income (Loss)</b>				
Change in Tax Receivable Agreement Liability	-	(595)	-	160,972
Net Gains (Losses) from Fund Investment Activities	130,325	(327,374)	211,448	(174,870)
<b>Income (Loss) Before Provision (Benefit) for Taxes</b>	<b>\$ 1,114,032</b>	<b>\$ (2,765,858)</b>	<b>\$ 3,730,174</b>	<b>\$ (61,875)</b>
Provision (Benefit) for Taxes	41,155	(158,703)	236,050	(247,810)
<b>Net Income (Loss)</b>	<b>\$ 1,072,877</b>	<b>\$ (2,607,155)</b>	<b>\$ 3,494,124</b>	<b>\$ 185,935</b>
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	2,480	(15,469)	1,651	(18,070)
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	186,833	(645,077)	390,212	(355,131)
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	402,260	(880,117)	1,447,041	57,250
<b>Net Income (Loss) Attributable to The Blackstone Group Inc. ("BX")</b>	<b>\$ 481,304</b>	<b>\$ (1,066,492)</b>	<b>\$ 1,655,220</b>	<b>\$ 501,886</b>
Net Income (Loss) Per Share of Class A Common Stock, Basic	\$ 0.71	\$ (1.58)	\$ 2.44	\$ 0.74
Net Income (Loss) Per Share of Class A Common Stock, Diluted	\$ 0.71	\$ (1.58)	\$ 2.44	\$ 0.74
Income (Loss) Before Provision (Benefit) for Taxes Margin	55.0%	89.9%	52.6%	(2.8)%

Throughout this presentation, all current period amounts are preliminary. Totals may not add due to rounding. See pages 34-35, Definitions and Dividend Policy, for definitions of terms used throughout this presentation. See additional notes on page 32.

### Financial Measures

- Fee Related Earnings (“FRE”) of \$468 million (\$0.39/share) in the quarter, up 25% year-over-year
  - FRE was \$1.9 billion for the LTM (\$1.57/share), up 26% year-over-year
- Distributable Earnings (“DE”) of \$557 million (\$0.46/share) in the quarter, up 4% year-over-year
  - DE was \$2.9 billion for the LTM (\$2.33/share), up 6% year-over-year
- Net Accrued Performance Revenues receivable of \$2.2 billion (\$1.83/share)

### Capital Metrics

- Total Assets Under Management (“AUM”) of \$538.0 billion, up 5% year-over-year
  - Fee-Earning AUM of \$423.1 billion, up 20% year-over-year
- Inflows of \$27.3 billion in the quarter and \$118.8 billion for the LTM
- Realizations of \$6.4 billion in the quarter and \$38.3 billion for the LTM
- Deployment of \$14.8 billion in the quarter and \$66.0 billion for the LTM

### Capital Returned to Shareholders

- Dividend of \$0.39 per common share payable on May 11, 2020
  - Dividends of \$1.97 per common share for the LTM
- Repurchased 5.0 million common shares in the quarter and 16.2 million common shares for the LTM, resulting in no net share count dilution
- Over \$700 million to be distributed to shareholders with respect to the first quarter through dividends and share repurchases, and \$3.2 billion for the LTM

## BLACKSTONE'S FIRST QUARTER 2020 SEGMENT EARNINGS

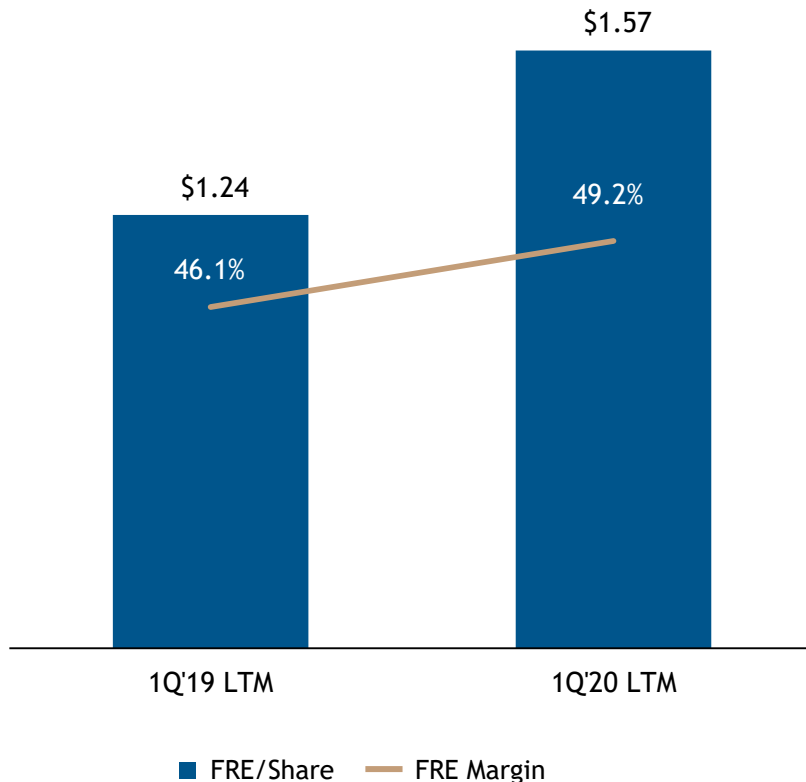
(\$ in thousands, except per share data)	1Q'19	1Q'20	% Change vs. 1Q'19	1Q'19 LTM	1Q'20 LTM	% Change vs. 1Q'19 LTM
Management and Advisory Fees, Net	\$ 814,062	\$ 940,567	16%	\$ 3,114,470	\$ 3,610,741	16%
Fee Related Performance Revenues	7,779	12,466	60%	127,778	216,688	70%
Fee Related Compensation	(324,031)	(346,264)	7%	(1,244,103)	(1,358,811)	9%
Other Operating Expenses	(123,311)	(138,885)	13%	(504,547)	(586,716)	16%
<b>Fee Related Earnings</b>	<b>\$ 374,499</b>	<b>\$ 467,884</b>	<b>25%</b>	<b>\$ 1,493,598</b>	<b>\$ 1,881,902</b>	<b>26%</b>
Realized Performance Revenues	246,769	167,233	(32)%	1,780,169	1,581,106	(11)%
Realized Performance Compensation	(85,240)	(71,302)	(16)%	(648,552)	(589,997)	(9)%
Realized Principal Investment Income	25,908	20,290	(22)%	233,273	218,537	(6)%
<b>Net Realizations</b>	<b>187,437</b>	<b>116,221</b>	<b>(38)%</b>	<b>1,364,890</b>	<b>1,209,646</b>	<b>(11)%</b>
<b>Total Segment Distributable Earnings</b>	<b>\$ 561,936</b>	<b>\$ 584,105</b>	<b>4%</b>	<b>\$ 2,858,488</b>	<b>\$ 3,091,548</b>	<b>8%</b>
Net Interest Income (Loss)	5,061	(3,941)	n/m	28,839	(11,443)	n/m
Taxes and Related Payables	(29,039)	(23,053)	(21)%	(157,862)	(190,173)	20%
<b>Distributable Earnings</b>	<b>\$ 537,958</b>	<b>\$ 557,111</b>	<b>4%</b>	<b>\$ 2,729,465</b>	<b>\$ 2,889,932</b>	<b>6%</b>
<b>Additional Metrics:</b>						
FRE per Share	\$ 0.31	\$ 0.39	26%	\$ 1.24	\$ 1.57	27%
DE per Common Share	\$ 0.44	\$ 0.46	5%	\$ 2.20	\$ 2.33	6%
Total Segment Revenues	\$ 1,094,518	\$ 1,140,556	4%	\$ 5,255,690	\$ 5,627,072	7%
Total Assets Under Management	\$ 511,777,762	\$ 538,007,285	5%	\$ 511,777,762	\$ 538,007,285	5%
Fee-Earning Assets Under Management	\$ 352,993,394	\$ 423,055,037	20%	\$ 352,993,394	\$ 423,055,037	20%

Fee Related Earnings per Share is based on end of period DE Shares Outstanding (see page 23, Share Summary). DE per Common Share is based on DE Attributable to Common Shareholders (see page 22, Shareholder Dividends) and end of period Participating Common Shares outstanding. LTM per Share amounts represent the sum of the last four quarters. See pages 30-31 for the Reconciliation of GAAP to Total Segment Measures.

## SUMMARY OF FINANCIALS

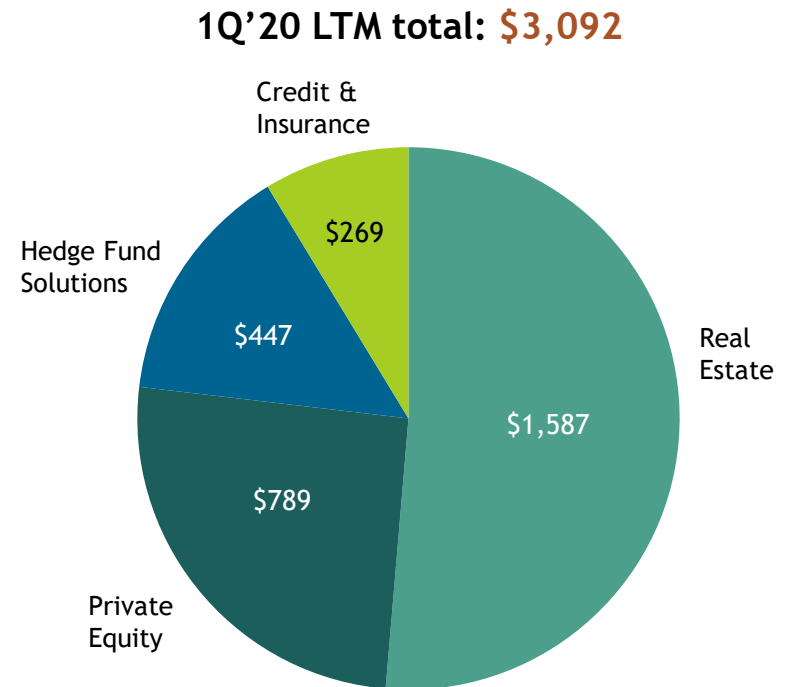
- LTM Fee Related Earnings of \$1.57 per share, an increase of 27% year-over-year.
- LTM Total Segment Distributable Earnings were \$3.1 billion, an increase of 8% year-over-year.

### Fee Related Earnings per Share



### Segment Distributable Earnings

(\$ in millions)





## INVESTMENT PERFORMANCE AND NET ACCRUED PERFORMANCE REVENUES

- Unrealized negative appreciation was driven by impact of COVID-19 on economic outlook and overall market environment, leading to lower Net Accrued Performance Revenues of \$2.2 billion (\$1.83/share).

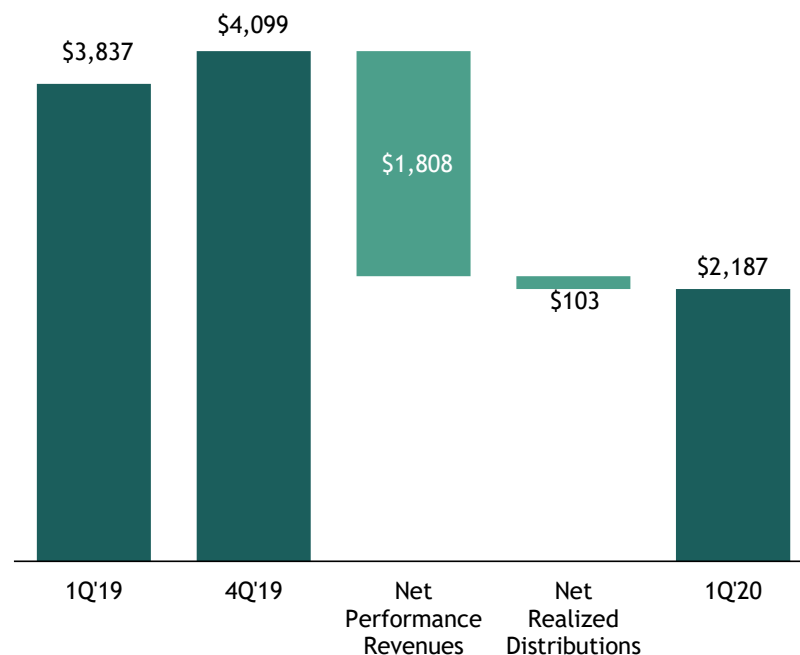
### Investment Performance

(appreciation / gross returns)

	1Q'20	1Q'20 LTM
<b>Real Estate</b>		
Opportunistic	(8.8)%	3.3%
Core+	(3.9)%	3.3%
<b>Private Equity</b>		
Corporate Private Equity	(21.6)%	(17.3)%
Tactical Opportunities	(15.9)%	(7.2)%
Secondaries	1.8%	14.0%
<b>Hedge Fund Solutions</b>		
BPS Composite	(8.6)%	(4.3)%
<b>Credit &amp; Insurance</b>		
Credit Composite	(13.6)%	(9.5)%

### Net Accrued Performance Revenues

(\$ in millions)



Investment Performance represents fund appreciation for Real Estate and Private Equity and gross returns for Hedge Fund Solutions and Credit & Insurance. BPS Composite net returns were (8.7)% and (5.0)% for 1Q'20 and 1Q'20 LTM, respectively. Credit Composite net returns were (13.0)% and (9.5)% for 1Q'20 and 1Q'20 LTM, respectively. See notes on pages 32-33 for additional details on investment performance calculations for Core+, Corporate Private Equity, Secondaries, BPS Composite and Credit Composite.

## CAPITAL METRICS - ADDITIONAL DETAIL

- Inflows were \$27.3 billion in the quarter, bringing LTM inflows to \$118.8 billion.
- Realizations were \$6.4 billion in the quarter and \$38.3 billion for the LTM.
- Deployed \$14.8 billion in the quarter and \$66.0 billion for the LTM.
  - Committed an additional \$9.8 billion during the quarter that is not yet deployed.

(\$ in millions)	Inflows		Realizations		Capital Deployed	
	1Q'20	1Q'20 LTM	1Q'20	1Q'20 LTM	1Q'20	1Q'20 LTM
<b>Real Estate</b>	\$ 12,653	\$ 41,810	\$ 2,519	\$ 17,559	\$ 5,329	\$ 24,697
Opportunistic	1,317	14,585	1,042	12,054	2,022	11,712
Core+	7,026	17,281	993	3,094	2,991	11,543
BREDS	4,310	9,944	484	2,411	317	1,442
<b>Private Equity</b>	<b>8,869</b>	<b>37,234</b>	<b>2,031</b>	<b>11,829</b>	<b>5,539</b>	<b>25,034</b>
Corporate Private Equity	7,305	16,684	771	5,839	3,047	11,951
Tactical Opportunities	979	4,223	649	3,192	1,919	5,319
Secondaries	584	9,138	611	2,799	573	7,737
Infrastructure	-	7,189	-	-	-	27
<b>Hedge Fund Solutions</b>	<b>3,247</b>	<b>12,921</b>	<b>139</b>	<b>1,224</b>	<b>606</b>	<b>4,078</b>
<b>Credit &amp; Insurance</b>	<b>2,544</b>	<b>26,818</b>	<b>1,700</b>	<b>7,718</b>	<b>3,345</b>	<b>12,175</b>
<b>Total Blackstone</b>	<b>\$ 27,313</b>	<b>\$ 118,783</b>	<b>\$ 6,389</b>	<b>\$ 38,330</b>	<b>\$ 14,819</b>	<b>\$ 65,984</b>

Corporate Private Equity also includes Core Private Equity, Life Sciences, and BTAS.

## ASSETS UNDER MANAGEMENT

- Total AUM increased to \$538.0 billion, up 5% year-over-year, with \$27.3 billion of inflows in the quarter and \$118.8 billion for the LTM.
- Fee-Earning AUM of \$423.1 billion was up 20% year-over-year, with \$50.8 billion of inflows in the quarter and \$146.1 billion for the LTM.
- Perpetual Capital AUM reached \$101.1 billion, up 32% year-over-year.

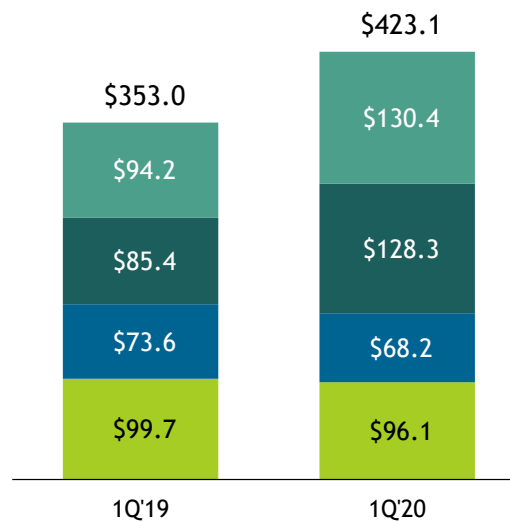
### Total AUM

(\$ in billions)



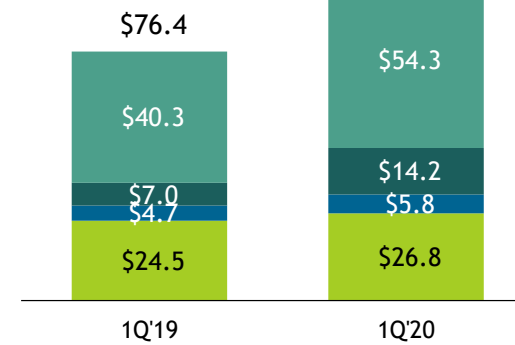
### Fee-Earning AUM

(\$ in billions)



### Perpetual Capital AUM

(\$ in billions)



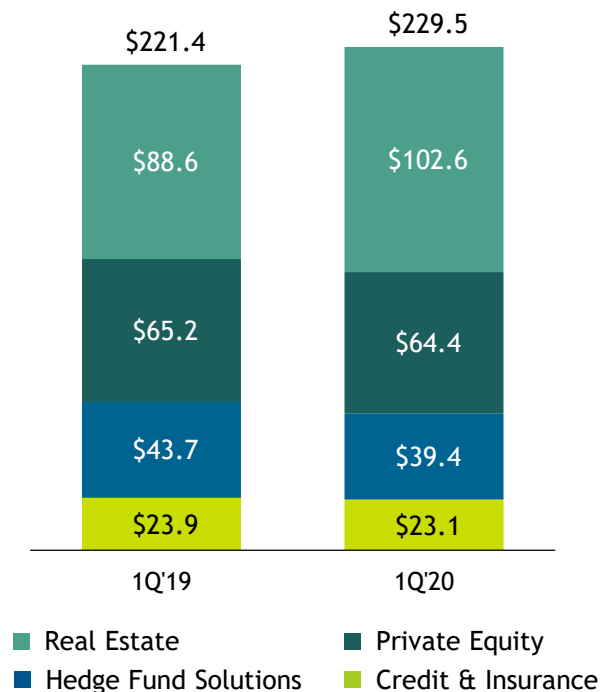
■ Real Estate
 ■ Private Equity
 ■ Hedge Fund Solutions
 ■ Credit & Insurance

## ADDITIONAL CAPITAL DETAIL

- Invested Performance Eligible AUM reached \$229.5 billion at quarter end, up 4% year-over-year.
- Undrawn capital (“Total Dry Powder”) available for investment of \$151.5 billion, driven by fundraising activity for the latest flagship funds.

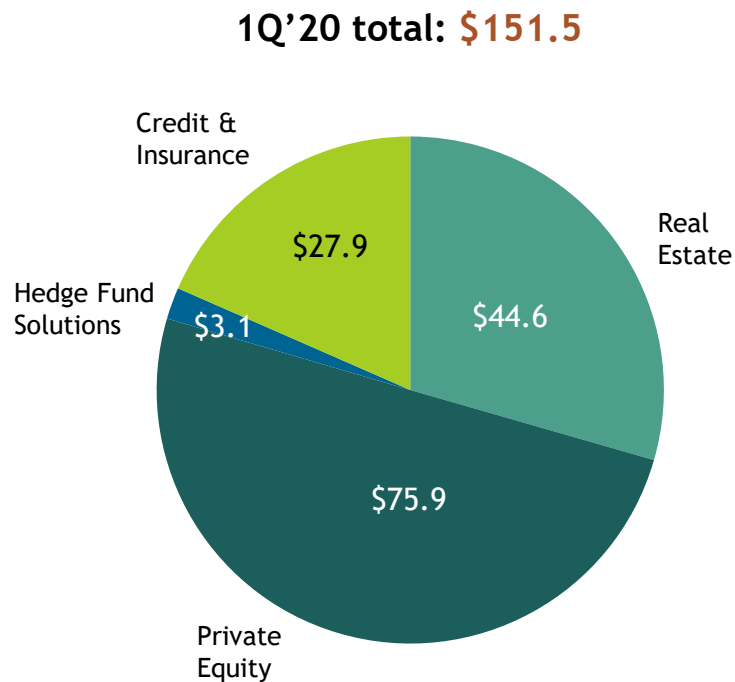
### Invested Performance Eligible AUM

(\$ in billions)



### Total Dry Powder

(\$ in billions)



# Segment Highlights

## REAL ESTATE

- **Total AUM:** Increased 15% to \$160.9 billion with inflows of \$12.7 billion in the quarter and \$41.8 billion for the LTM.
  - During the quarter raised \$5.1 billion in BREIT, closed \$2.7 billion in the fourth real estate debt fund, and held the final close for BREP Europe VI, which now has total capital commitments of €9.8 billion.
  - Fee-Earning AUM increased 38% to \$130.4 billion with inflows of \$9.4 billion in the quarter and \$59.1 billion for the LTM.
- **Realizations:** \$2.5 billion in the quarter and \$17.6 billion for the LTM; realizations in the quarter were primarily driven by asset sales in BREP.
- **Capital Deployed:** \$5.3 billion in the quarter and \$24.7 billion for the LTM.
  - Committed an additional \$4.9 billion in the quarter that is not yet deployed.
- **Appreciation:** Opportunistic funds and Core+ funds declined (8.8)% and (3.9)% in the quarter as a result of COVID-19 market and economic impacts; up 3.3% and 3.3% for the LTM, respectively.

(\$ in thousands)			% Change				% Change	
	1Q'19	1Q'20	vs. 1Q'19	1Q'19 LTM	1Q'20 LTM	vs. 1Q'19 LTM		
Management Fees, Net	\$ 283,876	\$ 386,121	36%	\$ 1,162,400	\$ 1,367,423	18%		
Fee Related Performance Revenues	6,676	4,551	(32)%	126,675	196,112	55%		
Fee Related Compensation	(114,816)	(120,296)	5%	(473,636)	(536,739)	13%		
Other Operating Expenses	(38,986)	(40,476)	4%	(155,829)	(169,822)	9%		
<b>Fee Related Earnings</b>	<b>\$ 136,750</b>	<b>\$ 229,900</b>	<b>68%</b>	<b>\$ 659,610</b>	<b>\$ 856,974</b>	<b>30%</b>		
Realized Performance Revenues	77,182	43,720	(43)%	840,985	998,875	19%		
Realized Performance Compensation	(29,900)	(13,392)	(55)%	(258,104)	(357,588)	39%		
Realized Principal Investment Income	(2,131)	7,300	n/m	75,704	89,164	18%		
<b>Net Realizations</b>	<b>45,151</b>	<b>37,628</b>	<b>(17)%</b>	<b>658,585</b>	<b>730,451</b>	<b>11%</b>		
<b>Segment Distributable Earnings</b>	<b>\$ 181,901</b>	<b>\$ 267,528</b>	<b>47%</b>	<b>\$ 1,318,195</b>	<b>\$ 1,587,425</b>	<b>20%</b>		
Segment Revenues	\$ 365,603	\$ 441,692	21%	\$ 2,205,764	\$ 2,651,574	20%		
Total AUM	\$ 140,334,043	\$ 160,934,849	15%	\$ 140,334,043	\$ 160,934,849	15%		
Fee-Earning AUM	\$ 94,223,034	\$ 130,424,462	38%	\$ 94,223,034	\$ 130,424,462	38%		

## PRIVATE EQUITY

- **Total AUM:** Increased 10% to \$174.7 billion with inflows of \$8.9 billion in the quarter and \$37.2 billion for the LTM.
  - Inflows in the quarter included \$4.8 billion for the initial close of the second Core Private Equity fund.
  - Fee-Earning AUM up 50% to \$128.3 billion, driven by commencement of investment periods for BCP VIII, BEP III and BXLS V in the quarter.
- **Realizations:** \$2.0 billion in the quarter and \$11.8 billion for the LTM.
- **Capital Deployed:** \$5.5 billion in the quarter and \$25.0 billion for the LTM across regions; committed an additional \$3.8 billion that was not yet deployed in the quarter.
- **Appreciation:** Corporate Private Equity declined (21.6)% in the quarter and (17.3)% for the LTM due to the market and economic impacts of COVID-19 and energy market dislocation. Excluding energy, Corporate Private Equity declined (11.1)% in the quarter.
  - Tactical Opportunities declined (15.9)% in the quarter and (7.2)% for the LTM due to COVID-19 impacts.
  - Secondaries' appreciation of 1.8% in the quarter and 14.0% for the LTM reflects a reporting lag of its underlying funds.

(\$ in thousands)			% Change				% Change	
	1Q'19	1Q'20	vs. 1Q'19	1Q'19 LTM	1Q'20 LTM	vs. 1Q'19 LTM	vs. 1Q'19 LTM	
Management and Advisory Fees, Net	\$ 251,723	\$ 266,172	6%	\$ 890,745	\$ 1,078,778	21%		
Fee Related Compensation	(107,587)	(110,368)	3%	(393,467)	(426,533)	8%		
Other Operating Expenses	(34,201)	(41,001)	20%	(136,146)	(166,810)	23%		
<b>Fee Related Earnings</b>	<b>\$ 109,935</b>	<b>\$ 114,803</b>	<b>4%</b>	<b>\$ 361,132</b>	<b>\$ 485,435</b>	<b>34%</b>		
Realized Performance Revenues	156,599	112,076	(28)%	836,882	424,469	(49)%		
Realized Performance Compensation	(50,556)	(54,643)	8%	(335,678)	(196,653)	(41)%		
Realized Principal Investment Income	25,139	10,347	(59)%	128,532	75,457	(41)%		
<b>Net Realizations</b>	<b>131,182</b>	<b>67,780</b>	<b>(48)%</b>	<b>629,736</b>	<b>303,273</b>	<b>(52)%</b>		
<b>Segment Distributable Earnings</b>	<b>\$ 241,117</b>	<b>\$ 182,583</b>	<b>(24)%</b>	<b>\$ 990,868</b>	<b>\$ 788,708</b>	<b>(20)%</b>		
Segment Revenues	\$ 433,461	\$ 388,595	(10)%	\$ 1,856,159	\$ 1,578,704	(15)%		
Total AUM	\$ 158,988,748	\$ 174,695,883	10%	\$ 158,988,748	\$ 174,695,883	10%		
Fee-Earning AUM	\$ 85,446,868	\$ 128,300,802	50%	\$ 85,446,868	\$ 128,300,802	50%		

## HEDGE FUND SOLUTIONS

- **Total AUM:** \$73.7 billion with inflows of \$3.2 billion in the quarter and \$12.9 billion for the LTM.
  - Positive net flows in the quarter of \$365 million driven by \$1.4 billion of fundraising in Special Situations and GP Stakes strategies partially offset by net outflows in Individual Investor Solutions.
  - Decrease in AUM mainly driven by depreciation due to the market and economic impacts of COVID-19.
  - April 1 subscriptions of \$1.1 billion are not yet included in Total AUM.
- **Returns:** BPS Composite gross return of (8.6)% in the quarter ((8.7)% net), compared to the S&P 500 Total Return (down (19.6)%).
  - Gross return of (4.3)% for the LTM ((5.0)% net), with less than one half of the volatility of broader markets.

(\$ in thousands)			% Change				% Change	
	1Q'19	1Q'20	vs. 1Q'19	1Q'19 LTM	1Q'20 LTM	vs. 1Q'19 LTM		
Management Fees, Net	\$ 137,646	\$ 140,372	2%	\$ 530,942	\$ 562,851	6%		
Fee Related Compensation	(42,954)	(46,191)	8%	(165,487)	(155,197)	(6)%		
Other Operating Expenses	(17,885)	(18,667)	4%	(76,872)	(82,781)	8%		
<b>Fee Related Earnings</b>	<b>\$ 76,807</b>	<b>\$ 75,514</b>	<b>(2)%</b>	<b>\$ 288,583</b>	<b>\$ 324,873</b>	<b>13%</b>		
Realized Performance Revenues	4,091	1,767	(57)%	36,333	124,252	242%		
Realized Performance Compensation	(1,413)	(945)	(33)%	(20,282)	(23,833)	18%		
Realized Principal Investment Income	(283)	(609)	115%	16,116	21,381	33%		
<b>Net Realizations</b>	<b>2,395</b>	<b>213</b>	<b>(91)%</b>	<b>32,167</b>	<b>121,800</b>	<b>279%</b>		
<b>Segment Distributable Earnings</b>	<b>\$ 79,202</b>	<b>\$ 75,727</b>	<b>(4)%</b>	<b>\$ 320,750</b>	<b>\$ 446,673</b>	<b>39%</b>		
Segment Revenues	\$ 141,454	\$ 141,530	0%	\$ 583,391	\$ 708,484	21%		
Total AUM	\$ 80,182,772	\$ 73,720,792	(8)%	\$ 80,182,772	\$ 73,720,792	(8)%		
Fee-Earning AUM	\$ 73,647,014	\$ 68,214,435	(7)%	\$ 73,647,014	\$ 68,214,435	(7)%		



## CREDIT & INSURANCE

- **Total AUM:** \$128.7 billion with inflows of \$2.5 billion in the quarter and \$26.8 billion for the LTM.
  - Closed 1 U.S. CLO and priced 2 others (1 U.S. and 1 Euro) in the quarter, and subsequent to quarter end, priced and closed the first CLO in the market since March 12.
  - European Direct Lending strategy held its final close for the second senior debt fund, raising \$777 million in the quarter, bringing total equity raised to \$4.8 billion and total investable capital to \$6.2 billion, inclusive of anticipated leverage.
- **Realizations:** \$1.7 billion in the quarter and \$7.7 billion for the LTM.
- **Capital Deployed:** \$3.3 billion in the quarter, driven by U.S. Direct Lending as well as increased public market investment activity in our drawdown funds, and \$12.2 billion for the LTM; committed an additional \$466 million in the quarter that is not yet deployed.
- **Returns:** Gross Credit Composite return of (13.6)% for the quarter, driven by economic and market impacts of COVID-19 and energy market dislocation.

(\$ in thousands)			% Change				% Change	
	1Q'19	1Q'20	vs. 1Q'19	1Q'19 LTM	1Q'20 LTM	vs. 1Q'19 LTM		
Management Fees, Net	\$ 140,817	\$ 147,902	5%	\$ 530,383	\$ 601,689	13%		
Fee Related Performance Revenues	1,103	7,915	618%	1,103	20,576	n/m		
Fee Related Compensation	(58,674)	(69,409)	18%	(211,513)	(240,342)	14%		
Other Operating Expenses	(32,239)	(38,741)	20%	(135,700)	(167,303)	23%		
<b>Fee Related Earnings</b>	<b>\$ 51,007</b>	<b>\$ 47,667</b>	<b>(7)%</b>	<b>\$ 184,273</b>	<b>\$ 214,620</b>	<b>16%</b>		
Realized Performance Revenues	8,897	9,670	9%	65,969	33,510	(49)%		
Realized Performance Compensation	(3,371)	(2,322)	(31)%	(34,488)	(11,923)	(65)%		
Realized Principal Investment Income	3,183	3,252	2%	12,921	32,535	152%		
<b>Net Realizations</b>	<b>8,709</b>	<b>10,600</b>	<b>22%</b>	<b>44,402</b>	<b>54,122</b>	<b>22%</b>		
<b>Segment Distributable Earnings</b>	<b>\$ 59,716</b>	<b>\$ 58,267</b>	<b>(2)%</b>	<b>\$ 228,675</b>	<b>\$ 268,742</b>	<b>18%</b>		
Segment Revenues	\$ 154,000	\$ 168,739	10%	\$ 610,376	\$ 688,310	13%		
Total AUM	\$ 132,272,199	\$ 128,655,761	(3)%	\$ 132,272,199	\$ 128,655,761	(3)%		
Fee-Earning AUM	\$ 99,676,478	\$ 96,115,338	(4)%	\$ 99,676,478	\$ 96,115,338	(4)%		

Credit Composite net return was (13.0)% for 1Q'20.

# Supplemental Details

## TOTAL SEGMENTS

(\$ in thousands)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19 LTM	1Q'20 LTM
Base Management Fees	\$ 757,518	\$ 805,315	\$ 809,729	\$ 873,368	\$ 910,396	\$ 2,894,687	\$ 3,398,808
Transaction, Advisory and Other Fees, Net	65,150	61,495	92,702	95,073	50,665	257,582	299,935
Management Fee Offsets	(8,606)	(22,654)	(22,086)	(22,768)	(20,494)	(37,799)	(88,002)
Total Management and Advisory Fees, Net	814,062	844,156	880,345	945,673	940,567	3,114,470	3,610,741
Fee Related Performance Revenues	7,779	13,624	34,225	156,373	12,466	127,778	216,688
Fee Related Compensation	(324,031)	(293,834)	(329,834)	(388,879)	(346,264)	(1,244,103)	(1,358,811)
Other Operating Expenses	(123,311)	(142,121)	(144,351)	(161,359)	(138,885)	(504,547)	(586,716)
<b>Fee Related Earnings</b>	<b>\$ 374,499</b>	<b>\$ 421,825</b>	<b>\$ 440,385</b>	<b>\$ 551,808</b>	<b>\$ 467,884</b>	<b>\$ 1,493,598</b>	<b>\$ 1,881,902</b>
Realized Performance Revenues	246,769	341,386	420,840	651,647	167,233	1,780,169	1,581,106
Realized Performance Compensation	(85,240)	(125,466)	(143,870)	(249,359)	(71,302)	(648,552)	(589,997)
Realized Principal Investment Income	25,908	123,557	36,148	38,542	20,290	233,273	218,537
Total Net Realizations	187,437	339,477	313,118	440,830	116,221	1,364,890	1,209,646
<b>Total Segment Distributable Earnings</b>	<b>\$ 561,936</b>	<b>\$ 761,302</b>	<b>\$ 753,503</b>	<b>\$ 992,638</b>	<b>\$ 584,105</b>	<b>\$ 2,858,488</b>	<b>\$ 3,091,548</b>
Net Interest Income (Loss)	5,061	2,761	(7,767)	(2,496)	(3,941)	28,839	(11,443)
Taxes and Related Payables	(29,039)	(55,201)	(35,815)	(76,104)	(23,053)	(157,862)	(190,173)
<b>Distributable Earnings</b>	<b>\$ 537,958</b>	<b>\$ 708,862</b>	<b>\$ 709,921</b>	<b>\$ 914,038</b>	<b>\$ 557,111</b>	<b>\$ 2,729,465</b>	<b>\$ 2,889,932</b>
<b>Additional Metrics:</b>							
Total Segment Revenues	\$ 1,094,518	\$ 1,322,723	\$ 1,371,558	\$ 1,792,235	\$ 1,140,556	\$ 5,255,690	\$ 5,627,072
Total Assets Under Management	\$ 511,777,762	\$ 545,482,337	\$ 554,022,343	\$ 571,122,463	\$ 538,007,285	\$ 511,777,762	\$ 538,007,285
Fee-Earning Assets Under Management	\$ 352,993,394	\$ 387,864,642	\$ 394,138,443	\$ 408,074,852	\$ 423,055,037	\$ 352,993,394	\$ 423,055,037

## ASSETS UNDER MANAGEMENT - ROLLFORWARD

### Total AUM Rollforward

(\$ in millions)

	Three Months Ended March 31, 2020					Twelve Months Ended March 31, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
Beginning Balance	\$ 163,156	\$ 182,886	\$ 80,738	\$ 144,342	\$ 571,122	\$ 140,334	\$ 158,989	\$ 80,183	\$ 132,272	\$ 511,778
Inflows	12,653	8,869	3,247	2,544	27,313	41,810	37,234	12,921	26,818	118,783
Outflows	(794)	(398)	(2,881)	(2,841)	(6,915)	(2,308)	(1,221)	(14,207)	(9,915)	(27,652)
Net Flows	11,859	8,470	365	(297)	20,398	39,502	36,013	(1,287)	16,903	91,131
Realizations	(2,519)	(2,031)	(139)	(1,700)	(6,389)	(17,559)	(11,829)	(1,224)	(7,718)	(38,330)
Market Activity	(11,562)	(14,629)	(7,244)	(13,689)	(47,124)	(1,342)	(8,477)	(3,951)	(12,801)	(26,571)
Ending Balance	\$ 160,935	\$ 174,696	\$ 73,721	\$ 128,656	\$ 538,007	\$ 160,935	\$ 174,696	\$ 73,721	\$ 128,656	\$ 538,007
% Change	(1)%	(4)%	(9)%	(11)%	(6)%	15%	10%	(8)%	(3)%	5%

### Fee-Earning AUM Rollforward

(\$ in millions)

	Three Months Ended March 31, 2020					Twelve Months Ended March 31, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
Beginning Balance	\$ 128,214	\$ 97,774	\$ 75,636	\$ 106,451	\$ 408,075	\$ 94,223	\$ 85,447	\$ 73,647	\$ 99,676	\$ 352,993
Inflows	9,429	35,326	2,367	3,636	50,758	59,120	53,924	12,221	20,839	146,104
Outflows	(1,011)	(3,612)	(2,652)	(2,741)	(10,016)	(10,436)	(5,237)	(12,513)	(8,566)	(36,752)
Net Flows	8,418	31,714	(285)	895	40,742	48,683	48,687	(293)	12,273	109,351
Realizations	(2,698)	(925)	(135)	(1,430)	(5,188)	(11,838)	(5,577)	(1,124)	(6,092)	(24,631)
Market Activity	(3,510)	(261)	(7,002)	(9,800)	(20,573)	(644)	(256)	(4,016)	(9,742)	(14,658)
Ending Balance	\$ 130,424	\$ 128,301	\$ 68,214	\$ 96,115	\$ 423,055	\$ 130,424	\$ 128,301	\$ 68,214	\$ 96,115	\$ 423,055
% Change	2%	31%	(10)%	(10)%	4%	38%	50%	(7)%	(4)%	20%

Inflows include contributions, capital raised, other increases in available capital, purchases, inter-segment allocations and acquisitions. Outflows represent redemptions, client withdrawals and other decreases in available capital. Realizations represent realizations from the disposition of assets. Market Activity represents gains (losses) on portfolio investments and the impact of foreign exchange rate fluctuations. AUM is reported in the segment where the assets are managed.

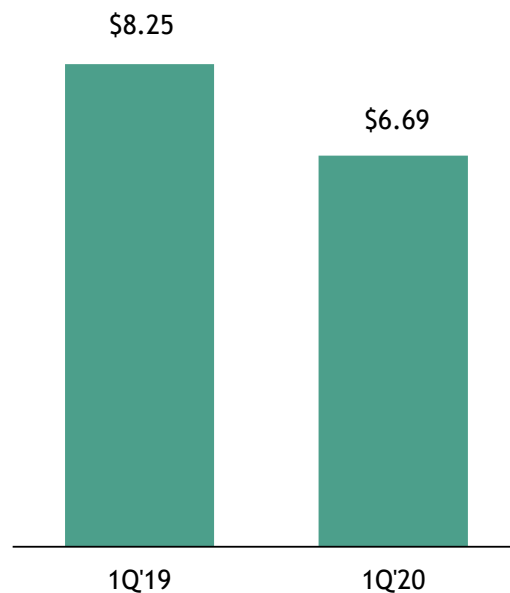
## DECONSOLIDATED BALANCE SHEET HIGHLIGHTS

- At March 31, 2020, Blackstone had \$4.2 billion in total cash, cash equivalents, and corporate treasury investments and \$8.0 billion of cash and net investments, or \$6.69 per share.
- Blackstone has a \$1.6 billion undrawn credit revolver and maintains A+/A+ ratings.

(\$ in millions)	1Q'20
Cash and Cash Equivalents	\$ 2,068
Corporate Treasury Investments	2,113
GP/Fund Investments	1,627
Net Accrued Performance Revenues	2,187
<b>Cash and Net Investments</b>	<b>\$ 7,996</b>
Outstanding Bonds (at par)	4,655

### Cash and Net Investments

(per share)



**A+ / A+**  
rated by S&P and Fitch

**\$1.6B**  
undrawn credit revolver  
with September 2023 maturity

**\$4.2B**  
total cash  
and corporate treasury

## NET ACCRUED PERFORMANCE REVENUES - ADDITIONAL DETAIL

(\$ in millions, except per share data)	1Q'19	4Q'19	1Q'20	1Q'20 Per Share
<b>Real Estate</b>				
BREP IV	\$ 1	\$ 11	\$ 8	\$ 0.01
BREP V	62	19	-	-
BREP VI	88	76	51	0.04
BREP VII	552	445	309	0.26
BREP VIII	464	674	517	0.43
BREP IX	-	6	-	-
BREP International II	7	-	-	-
BREP Europe IV	209	158	123	0.10
BREP Europe V	133	193	110	0.09
BREP Asia I	136	152	85	0.07
BREP Asia II	-	22	-	-
BPP	245	281	196	0.16
BREIT	11	-	-	-
BREDS	17	33	2	0.00
BTAS	38	42	45	0.04
<b>Real Estate</b>	<b>\$ 1,962</b>	<b>\$ 2,112</b>	<b>\$ 1,446</b>	<b>\$ 1.21</b>
<b>Private Equity</b>				
BCP IV	42	23	23	0.02
BCP VI	789	705	283	0.24
BCP VII	256	471	115	0.10
BCP Asia	6	17	14	0.01
BEP I	131	102	-	-
BEP II	69	-	-	-
BCEP	21	46	33	0.03
Tactical Opportunities	157	157	36	0.03
Secondaries	109	144	136	0.11
Life Sciences	1	7	7	0.01
BTAS/Other	51	62	73	0.06
<b>Private Equity</b>	<b>\$ 1,630</b>	<b>\$ 1,735</b>	<b>\$ 720</b>	<b>\$ 0.60</b>
<b>Hedge Fund Solutions</b>	<b>\$ 24</b>	<b>\$ 15</b>	<b>\$ 15</b>	<b>\$ 0.01</b>
<b>Credit &amp; Insurance</b>	<b>\$ 221</b>	<b>\$ 237</b>	<b>\$ 6</b>	<b>\$ 0.00</b>
<b>Net Accrued Performance Revenues</b>	<b>\$ 3,837</b>	<b>\$ 4,099</b>	<b>\$ 2,187</b>	<b>\$ 1.83</b>

## 1Q'20 QoQ Rollforward

(\$ in millions)

	4Q'19	Net Performance Revenues	Net Realized Distributions	1Q'20
Real Estate	\$ 2,112	\$ (633)	\$ (33)	\$ 1,446
Private Equity	1,735	(957)	(57)	720
HFS	15	1	(1)	15
Credit & Insurance	237	(219)	(12)	6
<b>Total</b>	<b>\$ 4,099</b>	<b>\$ (1,808)</b>	<b>\$ (103)</b>	<b>\$ 2,187</b>
<i>QoQ Change</i>				<i>(47)%</i>

## 1Q'20 LTM Rollforward

(\$ in millions)

	1Q'19	Net Performance Revenues	Net Realized Distributions	1Q'20
Real Estate	\$ 1,962	\$ 242	\$ (759)	\$ 1,446
Private Equity	1,630	(670)	(239)	720
HFS	24	84	(93)	15
Credit & Insurance	221	(166)	(49)	6
<b>Total</b>	<b>\$ 3,837</b>	<b>\$ (510)</b>	<b>\$ (1,140)</b>	<b>\$ 2,187</b>
<i>YoY Change</i>				<i>(43)%</i>

## INVESTMENT RECORDS AS OF MARCH 31, 2020<sup>(a)</sup>

Fund (Investment Period Beginning Date / Ending Date)	Committed		Available		Unrealized Investments		Realized Investments		Total Investments		Net IRRs (d)	
	Capital	Capital (b)	Value	MOIC (c)	Value	MOIC (c)	Value	MOIC (c)	Value	MOIC (c)	Realized	Total
<b>Real Estate</b>												
Pre-BREP	\$ 140,714	\$ -	\$ -	n/a	\$ 345,190	2.5x	\$ 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	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	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	3,330,406	2.4x	21%	21%
BREP IV (Apr 2003 / Dec 2005)	2,198,694	-	50,342	0.1x	4,521,164	2.2x	4,571,506	1.7x	4,571,506	1.7x	28%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	150,992	0.6x	13,040,016	2.4x	13,191,008	2.3x	13,191,008	2.3x	12%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	-	646,626	2.3x	27,045,357	2.5x	27,691,983	2.5x	27,691,983	2.5x	13%	13%
BREP VII (Aug 2011 / Apr 2015)	13,496,823	1,874,491	6,063,694	1.4x	22,735,792	2.1x	28,799,486	1.9x	28,799,486	1.9x	22%	15%
BREP VIII (Apr 2015 / Jun 2019)	16,545,433	3,052,617	16,560,812	1.3x	7,110,842	1.7x	23,671,654	1.4x	23,671,654	1.4x	26%	12%
*BREP IX (Jun 2019 / Dec 2024)	20,891,657	16,015,834	4,813,344	1.0x	140,918	1.8x	4,954,262	1.0x	4,954,262	1.0x	n/m	n/m
<b>Total Global BREP</b>	<b>\$ 72,974,938</b>	<b>\$ 20,942,942</b>	<b>\$28,285,810</b>	<b>1.2x</b>	<b>\$ 82,129,007</b>	<b>2.2x</b>	<b>\$ 110,414,817</b>	<b>1.9x</b>	<b>\$ 110,414,817</b>	<b>1.9x</b>	<b>18%</b>	<b>15%</b>
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	€ 1,373,170	2.1x	€ 1,373,170	2.1x	€ 1,373,170	2.1x	23%	23%
BREP Int'l II (Sep 2005 / Jun 2008) (e)	1,629,748	-	3,566	n/a	2,572,920	1.8x	2,576,486	1.8x	2,576,486	1.8x	8%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	469,493	446,619	0.7x	5,737,320	2.5x	6,183,939	2.1x	6,183,939	2.1x	20%	14%
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,351,071	2,742,370	1.4x	8,988,619	2.0x	11,730,989	1.8x	11,730,989	1.8x	23%	16%
BREP Europe V (Dec 2016 / Oct 2019)	7,945,251	1,762,669	7,309,063	1.2x	721,076	2.7x	8,030,139	1.3x	8,030,139	1.3x	53%	9%
*BREP Europe VI (Oct 2019 / Apr 2025)	9,797,734	8,833,563	994,596	1.0x	-	n/a	994,596	1.0x	994,596	1.0x	n/m	n/m
<b>Total BREP Europe</b>	<b>€ 30,111,217</b>	<b>€ 12,416,796</b>	<b>€ 11,496,214</b>	<b>1.2x</b>	<b>€ 19,393,105</b>	<b>2.1x</b>	<b>€ 30,889,319</b>	<b>1.6x</b>	<b>€ 30,889,319</b>	<b>1.6x</b>	<b>16%</b>	<b>13%</b>
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,753	\$ 1,728,262	\$ 3,186,403	1.3x	\$ 4,072,708	1.9x	\$ 7,259,111	1.6x	\$ 7,259,111	1.6x	21%	12%
*BREP Asia II (Dec 2017 / Jun 2023)	7,302,307	4,768,630	2,657,881	1.1x	120,378	1.6x	2,778,259	1.1x	2,778,259	1.1x	n/m	(2)%
BREP Co-Investment (f)	7,055,974	170,047	1,535,066	2.1x	13,284,359	2.1x	14,819,425	2.1x	14,819,425	2.1x	15%	16%
<b>Total BREP</b>	<b>\$ 125,853,226</b>	<b>\$ 41,306,848</b>	<b>\$ 48,901,532</b>	<b>1.2x</b>	<b>\$ 124,071,007</b>	<b>2.2x</b>	<b>\$ 172,972,539</b>	<b>1.8x</b>	<b>\$ 172,972,539</b>	<b>1.8x</b>	<b>17%</b>	<b>15%</b>
*Core+ BPP (Various) (g)	n/a	n/a	31,614,603	n/a	6,726,049	n/a	38,340,652	n/a	38,340,652	n/a	n/m	8%
*Core+ BREIT (Various) (h)	n/a	n/a	16,287,116	n/a	353,170	n/a	16,640,286	n/a	16,640,286	n/a	n/m	6%
*BREDS High-Yield (Various) (i)	16,528,666	7,240,067	2,692,832	1.0x	12,248,508	1.3x	14,941,340	1.2x	14,941,340	1.2x	11%	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	\$ 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	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	9,184,688	2.3x	14%	14%
BCOM (Jun 2000 / Jun 2006)	2,137,330	24,575	13,571	n/a	2,953,649	1.4x	2,967,220	1.4x	2,967,220	1.4x	6%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	197,294	182,216	2.5x	21,417,821	2.9x	21,600,037	2.9x	21,600,037	2.9x	36%	36%
BCP V (Dec 2005 / Jan 2011)	21,013,658	1,039,805	547,749	0.5x	37,166,513	1.9x	37,714,262	1.9x	37,714,262	1.9x	9%	8%
BCP VI (Jan 2011 / May 2016)	15,192,985	1,462,121	8,803,625	1.2x	15,459,280	2.0x	24,262,905	1.6x	24,262,905	1.6x	18%	9%
BCP VII (May 2016 / Feb 2020)	18,814,389	3,712,977	16,769,010	1.2x	1,684,779	1.8x	18,453,789	1.2x	18,453,789	1.2x	47%	9%
*BCP VIII (Feb 2020 / Feb 2026)	25,519,504	25,519,504	-	n/a	-	n/a	-	n/a	-	n/a	n/a	n/a
Energy I (Aug 2011 / Feb 2015)	2,435,454	204,075	821,842	0.8x	2,744,575	1.9x	3,566,417	1.5x	3,566,417	1.5x	17%	8%
Energy II (Feb 2015 / Feb 2020)	4,918,748	328,306	3,017,136	0.7x	309,888	2.0x	3,327,024	0.7x	3,327,024	0.7x	64%	(24)%
*Energy III (Feb 2020 / Feb 2026)	4,218,419	3,588,893	(82,173)	n/m	-	n/a	(82,173)	n/m	(82,173)	n/m	n/a	n/a
*BCP Asia (Dec 2017 / Dec 2023)	2,421,776	1,303,205	1,013,043	1.3x	54,308	1.7x	1,067,351	1.3x	1,067,351	1.3x	88%	15%
*Core Private Equity (Jan 2017 / Jan 2021) (j)	4,756,716	1,384,441	4,079,837	1.2x	418,053	1.6x	4,497,890	1.2x	4,497,890	1.2x	36%	10%
<b>Total Corporate Private Equity</b>	<b>\$ 114,389,764</b>	<b>\$ 38,765,196</b>	<b>\$ 35,165,856</b>	<b>1.1x</b>	<b>\$ 96,392,111</b>	<b>2.1x</b>	<b>\$ 131,557,967</b>	<b>1.7x</b>	<b>\$ 131,557,967</b>	<b>1.7x</b>	<b>16%</b>	<b>14%</b>

Notes on page 21. BREP - Blackstone Real Estate Partners, BREIT - Blackstone Real Estate Income Trust, BPP - Blackstone Property Partners, BREDS - Blackstone Real Estate Debt Strategies, BCP - Blackstone Capital Partners, BCOM - Blackstone Communications.

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

## INVESTMENT RECORDS AS OF MARCH 31, 2020<sup>(a)</sup> - (CONT'D)

Fund (Investment Period Beginning Date / Ending Date)	Committed Capital	Available Capital (b)	Unrealized Investments		Realized Investments		Total Investments		Net IRRs (d)		
			Value	MOIC (c)	Value	MOIC (c)	Value	MOIC (c)	Realized	Total	
<b>Private Equity (continued)</b>											
<b>Tactical Opportunities</b>											
*Tactical Opportunities (Various)	\$ 22,572,493	\$ 8,879,110	\$ 8,426,422	0.9x	\$ 9,481,153	1.7x	\$ 17,907,575	1.2x	18%	5%	
*Tactical Opportunities Co-Investment and Other (Various)	8,514,502	2,297,930	5,065,155	1.2x	1,988,734	1.6x	7,053,889	1.3x	23%	11%	
<b>Total Tactical Opportunities</b>	<b>\$ 31,086,995</b>	<b>\$ 11,177,040</b>	<b>\$ 13,491,577</b>	<b>1.0x</b>	<b>\$ 11,469,887</b>	<b>1.7x</b>	<b>\$ 24,961,464</b>	<b>1.3x</b>	<b>19%</b>	<b>7%</b>	
<b>Strategic Partners (Secondaries)</b>											
Strategic Partners I-V (Various) (k)	11,865,053	1,713,744	970,995	n/m	16,803,497	n/m	17,774,492	1.5x	n/a	13%	
Strategic Partners VI (Apr 2014 / Apr 2016) (k)	4,362,750	1,164,549	1,455,316	n/m	3,171,774	n/m	4,627,090	1.5x	n/a	15%	
Strategic Partners VII (May 2016 / Mar 2019) (k)	7,489,970	2,438,824	5,397,627	n/m	1,754,124	n/m	7,151,751	1.5x	n/a	21%	
*Strategic Partners Real Assets II (May 2017 / Mar 2022) (k)	1,749,807	618,582	811,051	n/m	349,039	n/m	1,160,090	1.2x	n/a	16%	
*Strategic Partners VIII (Mar 2019 / Jul 2023) (k)	10,763,600	5,424,702	3,263,413	n/m	80,727	n/m	3,344,140	1.4x	n/a	n/m	
*Strategic Partners Real Estate, SMA and Other (Various) (k)	6,840,060	2,189,640	2,553,670	n/m	1,256,577	n/m	3,810,247	1.3x	n/a	16%	
<b>Total Strategic Partners (Secondaries)</b>	<b>\$ 43,071,240</b>	<b>\$ 13,550,041</b>	<b>\$ 14,452,072</b>	<b>n/m</b>	<b>\$ 23,415,738</b>	<b>n/m</b>	<b>\$ 37,867,810</b>	<b>1.5x</b>	<b>n/a</b>	<b>14%</b>	
*Infrastructure (Various)	13,659,163	11,309,149	2,131,958	0.9x	-	n/a	2,131,958	0.9x	n/a	(18)%	
<b>Life Sciences</b>											
Clarus IV (Jan 2018 / Jan 2020)	910,000	470,576	554,463	1.4x	4,992	1.2x	559,455	1.4x	18%	23%	
*Bxls V (Jan 2020 / Jan 2025)	4,270,552	4,037,552	21,803	1.1x	-	n/a	21,803	1.1x	n/a	n/m	
<b>Credit (l)</b>											
Mezzanine / Opportunistic I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 15,513	0.8x	\$ 4,772,316	1.6x	\$ 4,787,829	1.6x	n/a	17%	
Mezzanine / Opportunistic II (Nov 2011 / Nov 2016)	4,120,000	1,033,255	846,611	0.6x	5,474,187	1.6x	6,320,798	1.3x	n/a	9%	
*Mezzanine / Opportunistic III (Sep 2016 / Sep 2021)	6,639,133	2,530,761	4,031,200	1.0x	1,905,173	1.6x	5,936,373	1.1x	n/a	6%	
Stressed / Distressed I (Sep 2009 / May 2013)	3,253,143	76,000	17,897	0.0x	5,772,945	1.6x	5,790,842	1.3x	n/a	9%	
Stressed / Distressed II (Jun 2013 / Jun 2018)	5,125,000	565,481	928,656	0.5x	4,367,226	1.3x	5,295,882	1.0x	n/a	(2)%	
*Stressed / Distressed III (Dec 2017 / Dec 2022)	7,356,380	4,495,807	1,702,749	0.8x	990,236	1.4x	2,692,985	0.9x	n/a	(23)%	
Energy I (Nov 2015 / Nov 2018)	2,856,867	1,070,297	1,216,670	0.7x	1,036,046	1.7x	2,252,716	1.0x	n/a	(3)%	
*Energy II (Feb 2019 / Feb 2024)	3,616,081	2,920,584	652,174	0.9x	44,826	2.8x	697,000	1.0x	n/a	n/m	
<b>Euro</b>											
European Senior Debt I (Feb 2015 / Feb 2019)	€ 1,964,689	€ 324,426	€ 1,601,714	0.9x	€ 1,356,846	1.4x	€ 2,958,560	1.1x	n/a	2%	
*European Senior Debt II (Jun 2019 / Jun 2024)	€ 4,088,344	€ 3,615,837	€ 471,370	1.0x	€ -	n/a	€ 471,370	1.0x	n/a	n/m	
<b>Total Credit</b>	<b>\$ 41,872,262</b>	<b>\$ 17,112,933</b>	<b>\$ 11,686,235</b>	<b>0.8x</b>	<b>\$ 25,896,535</b>	<b>1.5x</b>	<b>\$ 37,582,770</b>	<b>1.2x</b>	<b>n/a</b>	<b>7%</b>	

Notes on page 21. Bxls - Blackstone Life Sciences.

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



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

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

n/a Not applicable.

- (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) Net Internal Rate of Return (“IRR”) represents the annualized inception to March 31, 2020 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 cash flow 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) BPP represents the core+ real estate funds which invest with a more modest risk profile and lower leverage. Committed Capital and Available Capital are not regularly reported to investors in our Core+ strategy and are not applicable in the context of these funds.
- (h) Unrealized Investment Value reflects BREIT’s net asset value as of March 31, 2020. Realized Investment Value represents BREIT’s cash distributions, net of servicing fees. BREIT 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. Inception to date net returns are presented on an annualized basis and are from January 1, 2017. Committed Capital and Available Capital are not regularly reported to investors in our Core+ strategy and are not applicable in the context of this vehicle.
- (i) BREDS High-Yield represents the flagship real estate debt drawdown funds only and excludes BREDS High-Grade.
- (j) Blackstone Core Equity Partners is a core private equity fund which invests with a more modest risk profile and longer hold period.
- (k) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not meaningful. If information is not available on a timely basis, returns are calculated from results that are reported on a three month lag and therefore do not include the impact of economic activities in the current quarter.
- (l) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the credit drawdown funds presented.

## SHAREHOLDER DIVIDENDS

- Generated \$0.46 of Distributable Earnings per common share during the quarter, bringing the LTM amount to \$2.33 per common share.
- Blackstone declared a quarterly dividend of \$0.39 per common share to record holders as of May 4, 2020; payable on May 11, 2020.

(\$ in thousands, except per share data)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	% Change vs. 1Q'19	1Q'19 LTM	1Q'20 LTM	% Change vs. 1Q'19 LTM
Distributable Earnings	\$ 537,958	\$ 708,862	\$ 709,921	\$ 914,038	\$ 557,111	4%	\$ 2,729,465	\$ 2,889,932	6%
Add: Other Payables Attributable to Common Shareholders	14,598	39,673	24,578	63,796	9,200	(37)%	110,302	137,247	24%
DE before Certain Payables	552,556	748,535	734,499	977,834	566,311	2%	2,839,767	3,027,179	7%
Percent to Common Shareholders	56%	56%	56%	57%	58%		56%	57%	
DE before Certain Payables Attributable to Common Shareholders	310,832	419,502	413,900	556,133	325,990	5%	1,601,852	1,715,525	7%
Less: Other Payables Attributable to Common Shareholders	(14,598)	(39,673)	(24,578)	(63,796)	(9,200)	(37)%	(110,302)	(137,247)	24%
DE Attributable to Common Shareholders	296,234	379,829	389,322	492,337	316,790	7%	1,491,550	1,578,278	6%
<b>DE per Common Share</b>	<b>\$ 0.44</b>	<b>\$ 0.57</b>	<b>\$ 0.58</b>	<b>\$ 0.72</b>	<b>\$ 0.46</b>	<b>5%</b>	<b>\$2.20</b>	<b>\$2.33</b>	<b>6%</b>
Less: Retained Capital per Common Share	\$ (0.07)	\$ (0.09)	\$ (0.09)	\$ (0.11)	\$ (0.07)	-	\$ (0.33)	\$ (0.36)	9%
Special Cash Dividend per Common Share	\$ -	\$ -	\$ -	\$ -	\$ -	n/m	\$ 0.30	\$ -	n/m
<b>Actual Dividend per Common Share</b>	<b>\$ 0.37</b>	<b>\$ 0.48</b>	<b>\$ 0.49</b>	<b>\$ 0.61</b>	<b>\$ 0.39</b>	<b>5%</b>	<b>\$ 2.17</b>	<b>\$ 1.97</b>	<b>(9)%</b>
Record Date					May 4, 2020				
Payable Date					May 11, 2020				

## SHARE SUMMARY

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- Distributable Earnings Shares Outstanding as of quarter end of 1,195 million shares.
    - Repurchased 5.0 million common shares in the quarter and 16.2 million common shares for the LTM.
    - Available authorization remaining was \$528 million at March 31, 2020.
- 

	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Participating Common Shares	674,457,578	669,561,793	675,640,119	680,457,424	687,869,905
Participating Partnership Units	524,504,626	525,165,724	523,338,040	515,973,657	507,101,000
<b>Distributable Earnings Shares Outstanding</b>	<b>1,198,962,204</b>	<b>1,194,727,517</b>	<b>1,198,978,159</b>	<b>1,196,431,081</b>	<b>1,194,970,905</b>

# Reconciliations and Disclosures

## RECONCILIATION OF GAAP TO NON-GAAP MEASURES

(\$ in thousands)	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
<b>Net Income (Loss) Attributable to The Blackstone Group Inc.</b>	\$ 481,304	\$ 305,792	\$ 779,437	\$ 483,149	\$ (1,066,492)	\$ 1,655,220	\$ 501,886
Net Income (Loss) Attributable to Non-Controlling Interests in Blackstone Holdings	402,260	259,330	299,900	378,137	(880,117)	1,447,041	57,250
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	186,833	80,744	88,406	120,796	(645,077)	390,212	(355,131)
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	2,480	1,095	(8)	(3,688)	(15,469)	1,651	(18,070)
<b>Net Income (Loss)</b>	<b>\$ 1,072,877</b>	<b>\$ 646,961</b>	<b>\$ 1,167,735</b>	<b>\$ 978,394</b>	<b>\$ (2,607,155)</b>	<b>\$ 3,494,124</b>	<b>\$ 185,935</b>
Provision (Benefit) for Taxes	41,155	38,736	(156,786)	28,943	(158,703)	236,050	(247,810)
<b>Income (Loss) Before Provision (Benefit) for Taxes</b>	<b>\$ 1,114,032</b>	<b>\$ 685,697</b>	<b>\$ 1,010,949</b>	<b>\$ 1,007,337</b>	<b>\$ (2,765,858)</b>	<b>\$ 3,730,174</b>	<b>\$ (61,875)</b>
Transaction-Related Charges (a)	89,451	106,994	(82,547)	94,715	46,994	(224,954)	166,156
Amortization of Intangibles (b)	16,483	16,483	16,483	16,482	16,483	61,604	65,931
Impact of Consolidation (c)	(189,313)	(81,839)	(88,398)	(117,108)	660,546	(391,863)	373,201
Unrealized Performance Revenues (d)	(664,333)	(157,398)	(176,604)	(128,333)	3,453,446	(597,157)	2,991,111
Unrealized Performance Allocations Compensation (e)	287,015	64,518	94,907	93,845	(1,397,378)	352,322	(1,144,108)
Unrealized Principal Investment (Income) Loss (f)	(139,925)	56,353	5,219	(34,974)	616,610	(60,096)	643,208
Other Revenues (g)	(13,189)	20,150	(92,843)	6,435	(138,151)	(163,551)	(204,409)
Equity-Based Compensation (h)	66,776	53,105	58,570	51,743	87,472	180,848	250,890
Taxes and Related Payables (i)	(29,039)	(55,201)	(35,815)	(76,104)	(23,053)	(157,862)	(190,173)
<b>Distributable Earnings</b>	<b>\$ 537,958</b>	<b>\$ 708,862</b>	<b>\$ 709,921</b>	<b>\$ 914,038</b>	<b>\$ 557,111</b>	<b>\$ 2,729,465</b>	<b>\$ 2,889,932</b>
Taxes and Related Payables (i)	29,039	55,201	35,815	76,104	23,053	157,862	190,173
Net Interest (Income) Loss (j)	(5,061)	(2,761)	7,767	2,496	3,941	(28,839)	11,443
<b>Total Segment Distributable Earnings</b>	<b>\$ 561,936</b>	<b>\$ 761,302</b>	<b>\$ 753,503</b>	<b>\$ 992,638</b>	<b>\$ 584,105</b>	<b>\$ 2,858,488</b>	<b>\$ 3,091,548</b>
Realized Performance Revenues (k)	(246,769)	(341,386)	(420,840)	(651,647)	(167,233)	(1,780,169)	(1,581,106)
Realized Performance Compensation (l)	85,240	125,466	143,870	249,359	71,302	648,552	589,997
Realized Principal Investment Income (m)	(25,908)	(123,557)	(36,148)	(38,542)	(20,290)	(233,273)	(218,537)
<b>Fee Related Earnings</b>	<b>\$ 374,499</b>	<b>\$ 421,825</b>	<b>\$ 440,385</b>	<b>\$ 551,808</b>	<b>\$ 467,884</b>	<b>\$ 1,493,598</b>	<b>\$ 1,881,902</b>
<b>Adjusted EBITDA Reconciliation</b>							
<b>Distributable Earnings</b>	<b>\$ 537,958</b>	<b>\$ 708,862</b>	<b>\$ 709,921</b>	<b>\$ 914,038</b>	<b>\$ 557,111</b>	<b>\$ 2,729,465</b>	<b>\$ 2,889,932</b>
Interest Expense (n)	41,638	43,230	52,815	57,351	41,540	163,238	194,936
Taxes and Related Payables (i)	29,039	55,201	35,815	76,104	23,053	157,862	190,173
Depreciation and Amortization	5,789	6,000	6,895	7,666	7,512	23,420	28,073
<b>Adjusted EBITDA</b>	<b>\$ 614,424</b>	<b>\$ 813,293</b>	<b>\$ 805,446</b>	<b>\$ 1,055,159</b>	<b>\$ 629,216</b>	<b>\$ 3,073,985</b>	<b>\$ 3,303,114</b>

## RECONCILIATION OF GAAP TO NON-GAAP MEASURES - NOTES

Note: See pages 34-35, Definitions and Dividend Policy.

- (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.
- (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 Pátia, which is accounted for under the equity method.
- (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.

	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
GAAP Unrealized Performance Allocations	\$ 663,999	\$ 157,732	\$ 176,370	\$ 128,231	\$ (3,453,081)	\$ 597,283	\$ (2,990,748)
Segment Adjustment	334	(334)	234	102	(365)	(126)	(363)
Unrealized Performance Revenues	\$ 664,333	\$ 157,398	\$ 176,604	\$ 128,333	\$ (3,453,446)	\$ 597,157	\$ (2,991,111)

- (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.

	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
GAAP Unrealized Principal Investment Income (Loss)	\$ 169,044	\$ (37,345)	\$ 15,391	\$ 67,913	\$ (959,365)	\$ 107,187	\$ (913,406)
Segment Adjustment	(29,119)	(19,008)	(20,610)	(32,939)	342,755	(47,091)	270,198
Unrealized Principal Investment Income (Loss)	\$ 139,925	\$ (56,353)	\$ (5,219)	\$ 34,974	\$ (616,610)	\$ 60,096	\$ (643,208)

- (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.

	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
GAAP Other Revenue	\$ 10,250	\$ (17,120)	\$ 93,273	\$ (6,410)	\$ 138,180	\$ 741,884	\$ 207,923
Segment Adjustment	2,939	(3,030)	(430)	(25)	(29)	(578,333)	(3,514)
Other Revenues	\$ 13,189	\$ (20,150)	\$ 92,843	\$ (6,435)	\$ 138,151	\$ 163,551	\$ 204,409

- (h) This adjustment removes Equity-Based Compensation on a segment basis.

## RECONCILIATION OF GAAP TO NON-GAAP MEASURES - NOTES

- (i) 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.

	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
Taxes	\$ 15,344	\$ 34,209	\$ 26,933	\$ 63,930	\$ 16,274	\$ 87,138	\$ 141,346
Related Payables	13,695	20,992	8,882	12,174	6,779	70,724	48,827
Taxes and Related Payables	\$ 29,039	\$ 55,201	\$ 35,815	\$ 76,104	\$ 23,053	\$ 157,862	\$ 190,173

- (j) This adjustment removes Interest and Dividend Revenue less Interest Expense 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 interest expense associated with the Tax Receivable Agreement.

	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
GAAP Interest and Dividend Revenue	\$ 44,084	\$ 43,686	\$ 42,482	\$ 52,146	\$ 35,084	\$ 180,646	\$ 173,398
Segment Adjustment	2,615	2,305	2,566	2,709	2,515	11,431	10,095
Interest and Dividend Revenue	\$ 46,699	\$ 45,991	\$ 45,048	\$ 54,855	\$ 37,599	\$ 192,077	\$ 183,493
GAAP Interest Expense	\$ 42,002	\$ 43,596	\$ 53,362	\$ 60,688	\$ 41,644	\$ 167,321	\$ 199,290
Segment Adjustment	(364)	(366)	(547)	(3,337)	(104)	(4,083)	(4,354)
Interest Expense	\$ 41,638	\$ 43,230	\$ 52,815	\$ 57,351	\$ 41,540	\$ 163,238	\$ 194,936
Net Interest Income (Loss)	\$ 5,061	\$ 2,761	\$ (7,767)	\$ (2,496)	\$ (3,941)	\$ 28,839	\$ (11,443)

- (k) This adjustment removes the total segment amounts of Realized Performance Revenues.

- (l) This adjustment removes the total segment amounts of Realized Performance Compensation.

- (m) This adjustment removes the total segment amount of Realized Principal Investment Income.

- (n) This adjustment adds back Interest Expense on a segment basis.

## Reconciliation of GAAP Shares of Class A Common Stock Outstanding to Distributable Earnings Shares Outstanding

	QTD				
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
GAAP Shares of Class A Common Stock Outstanding	665,331,887	660,588,369	666,257,305	671,157,692	676,630,489
Unvested Participating Common Shares	9,125,691	8,973,424	9,382,814	9,299,732	11,239,416
Total Participating Common Shares	674,457,578	669,561,793	675,640,119	680,457,424	687,869,905
Participating Partnership Units	524,504,626	525,165,724	523,338,040	515,973,657	507,101,000
Distributable Earnings Shares Outstanding	1,198,962,204	1,194,727,517	1,198,978,159	1,196,431,081	1,194,970,905

## Disclosure of Weighted-Average Shares of Class A Common Stock Outstanding

	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
Total GAAP Weighted-Average Shares of Class A Common Stock Outstanding - Basic	674,507,698	673,655,305	675,963,129	679,420,988	676,305,359	678,857,331	678,847,270
Weighted-Average Shares of Unvested Deferred Restricted Class A Common Stock	207,752	330,639	256,629	274,520	-	228,692	314,450
Weighted-Average Blackstone Holdings Partnership Units	525,764,790	-	-	-	-	524,123,434	-
Total GAAP Weighted-Average Shares of Class A Common Stock Outstanding - Diluted	1,200,480,240	673,985,944	676,219,758	679,695,508	676,305,359	1,203,209,457	679,161,720

## BLACKSTONE'S FIRST QUARTER 2020 GAAP BALANCE SHEET RESULTS

(\$ in thousands) (Unaudited)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,570,741	\$ 1,484,444	\$ 2,468,563	\$ 2,172,441	\$ 2,068,326
Cash Held by Blackstone Funds and Other	217,625	324,609	375,981	351,210	318,003
Investments	21,180,950	22,242,040	22,204,460	22,281,682	16,430,701
Accounts Receivable	711,889	802,066	755,777	975,075	696,729
Due from Affiliates	2,320,291	2,211,737	2,464,163	2,594,873	2,706,112
Intangible Assets, Net	450,757	433,007	415,257	397,508	379,758
Goodwill	1,869,860	1,869,860	1,869,860	1,869,860	1,869,860
Other Assets	302,033	354,253	402,670	382,493	541,896
Right-of-Use Assets	521,932	507,065	490,882	471,059	542,757
Deferred Tax Assets	728,873	743,132	938,158	1,089,305	1,392,352
<b>Total Assets</b>	<b>\$ 29,874,951</b>	<b>\$ 30,972,213</b>	<b>\$ 32,385,771</b>	<b>\$ 32,585,506</b>	<b>\$ 26,946,494</b>
<b>Liabilities and Equity</b>					
Loans Payable	\$ 10,011,155	\$ 10,676,138	\$ 11,270,245	\$ 11,080,723	\$ 10,392,903
Due to Affiliates	1,045,452	1,081,899	984,969	1,026,871	1,247,098
Accrued Compensation and Benefits	3,001,597	3,308,595	3,623,258	3,796,044	1,965,237
Securities Sold, Not Yet Purchased	128,106	128,512	87,051	75,545	51,498
Repurchase Agreements	218,865	207,676	163,059	154,118	105,133
Operating Lease Liabilities	587,408	574,619	558,253	542,994	605,809
Accounts Payable, Accrued Expenses and Other Liabilities	735,667	929,688	1,069,475	806,159	1,000,708
<b>Total Liabilities</b>	<b>15,728,250</b>	<b>16,907,127</b>	<b>17,756,310</b>	<b>17,482,454</b>	<b>15,368,386</b>
<b>Redeemable Non-Controlling Interests in Consolidated Entities</b>	<b>136,941</b>	<b>101,310</b>	<b>93,667</b>	<b>87,651</b>	<b>72,066</b>
<b>Equity</b>					
The Blackstone Group L.P. Partners' Capital	6,501,072	6,335,897	-	-	-
Class A Common Stock, \$0.00001 par value (676,630,489 shares issued and outstanding as of March 31, 2020)	-	-	7	7	7
Class B Common Stock, \$0.00001 par value (1 share issued and outstanding as of March 31, 2020)	-	-	-	-	-
Class C Common Stock, \$0.00001 par value (1 share issued and outstanding as of March 31, 2020)	-	-	-	-	-
Additional Paid-in-Capital	-	-	6,292,765	6,428,647	6,298,093
Retained Earnings	-	-	456,814	609,625	(871,948)
Accumulated Other Comprehensive Loss	(32,430)	(27,542)	(35,173)	(28,495)	(41,533)
Non-Controlling Interests in Consolidated Entities	3,852,346	3,869,303	4,035,513	4,186,069	3,591,160
Non-Controlling Interests in Blackstone Holdings	3,688,772	3,786,118	3,785,868	3,819,548	2,530,263
<b>Total Equity</b>	<b>14,009,760</b>	<b>13,963,776</b>	<b>14,535,794</b>	<b>15,015,401</b>	<b>11,506,042</b>
<b>Total Liabilities and Equity</b>	<b>\$ 29,874,951</b>	<b>\$ 30,972,213</b>	<b>\$ 32,385,771</b>	<b>\$ 32,585,506</b>	<b>\$ 26,946,494</b>

See page 29, Reconciliation of GAAP to Non-GAAP Balance Sheet Measures.



## RECONCILIATION OF GAAP TO NON-GAAP BALANCE SHEET MEASURES

(\$ in thousands)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Investments of Consolidated Blackstone Funds	\$ 8,603,847	\$ 8,633,794	\$ 8,481,233	\$ 8,380,698	\$ 7,275,752
Equity Method Investments					
Partnership Investments	3,815,993	3,802,565	3,864,453	4,035,675	3,553,538
Accrued Performance Allocations	6,486,450	6,743,542	7,003,889	7,180,449	3,761,585
Corporate Treasury Investments	2,005,174	2,797,908	2,588,529	2,419,587	1,653,950
Other Investments	269,486	264,231	266,356	265,273	185,876
<b>Total GAAP Investments</b>	<b>\$ 21,180,950</b>	<b>\$ 22,242,040</b>	<b>\$ 22,204,460</b>	<b>\$ 22,281,682</b>	<b>\$ 16,430,701</b>
<b>Accrued Performance Allocations - GAAP</b>	<b>\$ 6,486,450</b>	<b>\$ 6,743,542</b>	<b>\$ 7,003,889</b>	<b>\$ 7,180,449</b>	<b>\$ 3,761,585</b>
Impact of Consolidation (a)	374	607	237	384	19
Due from Affiliates - GAAP (b)	9,483	25,022	18,955	154,980	20,910
Less: Net Realized Performance Revenues (c)	(21,225)	(71,352)	(129,129)	(214,662)	(31,719)
Less: Accrued Performance Compensation - GAAP (d)	(2,638,374)	(2,724,998)	(2,851,817)	(3,021,899)	(1,563,672)
<b>Net Accrued Performance Revenues</b>	<b>\$ 3,836,708</b>	<b>\$ 3,972,821</b>	<b>\$ 4,042,135</b>	<b>\$ 4,099,252</b>	<b>\$ 2,187,123</b>
<b>Corporate Treasury Investments - GAAP</b>	<b>\$ 2,005,174</b>	<b>\$ 2,797,908</b>	<b>\$ 2,588,529</b>	<b>\$ 2,419,587</b>	<b>\$ 1,653,950</b>
Impact of Consolidation (a)	75,988	160,644	163,183	164,243	131,248
Other Assets (e)	519,884	425,823	440,982	602,707	374,064
Other Liabilities (f)	(101,605)	(91,016)	(80,086)	(74,898)	(46,635)
<b>Corporate Treasury Investments - Deconsolidated</b>	<b>\$ 2,499,441</b>	<b>\$ 3,293,359</b>	<b>\$ 3,112,608</b>	<b>\$ 3,111,639</b>	<b>\$ 2,112,627</b>
<b>Partnership and Other Investments - GAAP</b>	<b>\$ 4,085,479</b>	<b>\$ 4,066,796</b>	<b>\$ 4,130,809</b>	<b>\$ 4,300,948</b>	<b>\$ 3,739,414</b>
Impact of Consolidation (g)	(2,095,717)	(2,209,825)	(2,289,139)	(2,409,218)	(2,111,945)
<b>GP/Fund Investments - Deconsolidated</b>	<b>\$ 1,989,762</b>	<b>\$ 1,856,971</b>	<b>\$ 1,841,670</b>	<b>\$ 1,891,730</b>	<b>\$ 1,627,469</b>
<b>Loans Payable - GAAP</b>	<b>\$ 10,011,155</b>	<b>\$ 10,676,138</b>	<b>\$ 11,270,245</b>	<b>\$ 11,080,723</b>	<b>\$ 10,392,903</b>
Impact of Consolidation (h)	(6,561,111)	(6,536,221)	(6,492,686)	(6,479,867)	(5,817,702)
Outstanding Bonds (Carrying Value)	3,450,044	4,139,917	4,777,559	4,600,856	4,575,201
Unamortized Discount/Premium	59,576	66,033	82,336	81,094	79,449
<b>Outstanding Bonds (at par) - Deconsolidated</b>	<b>\$ 3,509,620</b>	<b>\$ 4,205,950</b>	<b>\$ 4,859,895</b>	<b>\$ 4,681,950</b>	<b>\$ 4,654,650</b>

- (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.
- (e) This adjustment adds other assets related to Treasury Operations that are recorded within Accounts Receivable, reverse repurchase agreements and Due from Affiliates.
- (f) This adjustment adds other liabilities related to Treasury Operations that are recorded within Accounts Payable, Accrued Expenses and Other Liabilities, Repurchase Agreements and securities sold short, not yet purchased.
- (g) This adjustment removes amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests and adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.
- (h) This adjustment removes amounts related to consolidated Blackstone Funds.

## RECONCILIATION OF GAAP TO TOTAL SEGMENTS

(\$ in thousands)	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
<b>Management and Advisory Fees, Net</b>							
GAAP	\$ 809,726	\$ 840,378	\$ 878,151	\$ 943,900	\$ 934,832	\$ 3,108,673	\$ 3,597,261
Segment Adjustment (a)	4,336	3,778	2,194	1,773	5,735	5,797	13,480
<b>Total Segment</b>	<b>\$ 814,062</b>	<b>\$ 844,156</b>	<b>\$ 880,345</b>	<b>\$ 945,673</b>	<b>\$ 940,567</b>	<b>\$ 3,114,470</b>	<b>\$ 3,610,741</b>
<b>GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues</b>							
GAAP							
Incentive Fees	12,132	21,915	8,254	87,610	12,161	57,106	129,940
Investment Income - Realized Performance Allocations	242,375	332,520	446,550	717,555	167,530	1,849,242	1,664,155
GAAP	\$ 254,507	\$ 354,435	\$ 454,804	\$ 805,165	\$ 179,691	\$ 1,906,348	\$ 1,794,095
Total Segment							
Less: Realized Performance Revenues	(246,769)	(341,386)	(420,840)	(651,647)	(167,233)	(1,780,169)	(1,581,106)
Segment Adjustment (b)	41	575	261	2,855	8	1,599	3,699
<b>Total Segment</b>	<b>\$ 7,779</b>	<b>\$ 13,624</b>	<b>\$ 34,225</b>	<b>\$ 156,373</b>	<b>\$ 12,466</b>	<b>\$ 127,778</b>	<b>\$ 216,688</b>
<b>GAAP Compensation to Total Segment Fee Related Compensation</b>							
GAAP							
Compensation	471,397	438,521	462,766	447,646	476,543	1,691,951	1,825,476
Incentive Fees Compensation	5,406	8,886	5,419	24,589	6,522	32,660	45,416
Realized Performance Allocations Compensation	86,395	125,825	155,663	295,059	72,423	685,409	648,970
GAAP	\$ 563,198	\$ 573,232	\$ 623,848	\$ 767,294	\$ 555,488	\$ 2,410,020	\$ 2,519,862
Total Segment							
Less: Realized Performance Compensation	(85,240)	(125,466)	(143,870)	(249,359)	(71,302)	(648,552)	(589,997)
Less: Equity-Based Compensation - Operating Compensation	(63,708)	(50,225)	(56,139)	(51,612)	(85,334)	(168,673)	(243,310)
Less: Equity-Based Compensation - Performance Compensation	(3,068)	(2,880)	(2,431)	(131)	(2,138)	(12,175)	(7,580)
Segment Adjustment (c)	(87,151)	(100,827)	(91,574)	(77,313)	(50,450)	(336,517)	(320,164)
<b>Total Segment</b>	<b>\$ 324,031</b>	<b>\$ 293,834</b>	<b>\$ 329,834</b>	<b>\$ 388,879</b>	<b>\$ 346,264</b>	<b>\$ 1,244,103</b>	<b>\$ 1,358,811</b>
<b>GAAP General, Administrative and Other to Total Segment Other Operating Expenses</b>							
GAAP	\$ 146,062	\$ 175,308	\$ 171,067	\$ 186,971	\$ 157,566	\$ 614,222	\$ 690,912
Segment Adjustment (d)	(22,751)	(33,187)	(26,716)	(25,612)	(18,681)	(109,675)	(104,196)
<b>Total Segment</b>	<b>\$ 123,311</b>	<b>\$ 142,121</b>	<b>\$ 144,351</b>	<b>\$ 161,359</b>	<b>\$ 138,885</b>	<b>\$ 504,547</b>	<b>\$ 586,716</b>
<b>Realized Performance Revenues</b>							
GAAP							
Incentive Fees	12,132	21,915	8,254	87,610	12,161	57,106	129,940
Investment Income - Realized Performance Allocations	242,375	332,520	446,550	717,555	167,530	1,849,242	1,664,155
GAAP	\$ 254,507	\$ 354,435	\$ 454,804	\$ 805,165	\$ 179,691	\$ 1,906,348	\$ 1,794,095
Total Segment							
Less: Fee Related Performance Revenues	(7,779)	(13,624)	(34,225)	(156,373)	(12,466)	(127,778)	(216,688)
Segment Adjustment (b)	41	575	261	2,855	8	1,599	3,699
<b>Total Segment</b>	<b>\$ 246,769</b>	<b>\$ 341,386</b>	<b>\$ 420,840</b>	<b>\$ 651,647</b>	<b>\$ 167,233</b>	<b>\$ 1,780,169</b>	<b>\$ 1,581,106</b>

## RECONCILIATION OF GAAP TO TOTAL SEGMENTS - (CONT'D)

(\$ in thousands)	QTD					LTM	
	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	1Q'19	1Q'20
<b>Realized Performance Compensation</b>							
<b>GAAP</b>							
Incentive Fee Compensation	\$ 5,406	\$ 8,886	\$ 5,419	\$ 24,589	\$ 6,522	\$ 32,660	\$ 45,416
Realized Performance Allocations Compensation	86,395	125,825	155,663	295,059	72,423	685,409	648,970
<b>GAAP</b>	<b>\$ 91,801</b>	<b>\$ 134,711</b>	<b>\$ 161,082</b>	<b>\$ 319,648</b>	<b>\$ 78,945</b>	<b>\$ 718,069</b>	<b>\$ 694,386</b>
<b>Total Segment</b>							
Less: Fee Related Performance Compensation	(3,493)	(6,365)	(14,781)	(70,158)	(5,505)	(57,342)	(96,809)
Less: Equity-Based Compensation - Performance Compensation	(3,068)	(2,880)	(2,431)	(131)	(2,138)	(12,175)	(7,580)
<b>Total Segment</b>	<b>\$ 85,240</b>	<b>\$ 125,466</b>	<b>\$ 143,870</b>	<b>\$ 249,359</b>	<b>\$ 71,302</b>	<b>\$ 648,552</b>	<b>\$ 589,997</b>
<b>Realized Principal Investment Income</b>							
<b>GAAP</b>	<b>\$ 73,261</b>	<b>\$ 145,040</b>	<b>\$ 74,642</b>	<b>\$ 100,535</b>	<b>\$ 48,695</b>	<b>\$ 446,978</b>	<b>\$ 368,912</b>
Segment Adjustment (e)	(47,353)	(21,483)	(38,494)	(61,993)	(28,405)	(213,705)	(150,375)
<b>Total Segment</b>	<b>\$ 25,908</b>	<b>\$ 123,557</b>	<b>\$ 36,148</b>	<b>\$ 38,542</b>	<b>\$ 20,290</b>	<b>\$ 233,273</b>	<b>\$ 218,537</b>
<b>GAAP Interest and Dividend Revenue net of Interest Expense to Total Segment Net Interest Income (Loss)</b>							
<b>GAAP</b>							
Interest and Dividend Revenue	44,084	43,686	42,482	52,146	35,084	180,646	173,398
Interest Expense	(42,002)	(43,596)	(53,362)	(60,688)	(41,644)	(167,321)	(199,290)
<b>GAAP</b>	<b>\$ 2,082</b>	<b>\$ 90</b>	<b>\$ (10,880)</b>	<b>\$ (8,542)</b>	<b>\$ (6,560)</b>	<b>\$ 13,325</b>	<b>\$ (25,892)</b>
Segment Adjustment (f)	2,979	2,671	3,113	6,046	2,619	15,514	14,449
<b>Total Segment</b>	<b>\$ 5,061</b>	<b>\$ 2,761</b>	<b>\$ (7,767)</b>	<b>\$ (2,496)</b>	<b>\$ (3,941)</b>	<b>\$ 28,839</b>	<b>\$ (11,443)</b>

This analysis reconciles the components of Total Segment Distributable Earnings (page 3) to their equivalent GAAP measures, reported on the Consolidated Statement of Operations (page 1). 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.

- 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.
- Represents the add back of Performance Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.
- Represents the removal of Transaction-Related Charges that are not recorded in the Total Segment measures.
- Represents the removal of (1) the amortization of transaction-related intangibles, and (2) 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.
- 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.
- Represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of interest expense associated with the Tax Receivable Agreement.

## NOTES

### Notes to page 1 - Blackstone's First Quarter 2020 GAAP Results

- Effective July 1, 2019, The Blackstone Group L.P. converted from a Delaware limited partnership to a Delaware corporation, The Blackstone Group Inc. (the "Conversion"). This presentation includes results for The Blackstone Group L.P. prior to the Conversion. As of any time prior to the Conversion, references to "Blackstone," "the Company," "our" and similar terms mean The Blackstone Group L.P. and its consolidated subsidiaries and, as of any time after the Conversion, The Blackstone Group Inc. and its consolidated subsidiaries.
- All references to shares or per share amounts prior to the Conversion refer to units or per unit amounts. Unless otherwise noted, references to "common stock" and "common shares" refer to Class A common stock.
- Income (Loss) Before Provision (Benefit) for Taxes Margin is calculated by dividing Income (Loss) Before Provision (Benefit) for Taxes by Total Revenues.

### Notes to page 2 - Blackstone's First Quarter 2020 Highlights

- The changes in carrying value, fund returns and composite returns presented throughout this presentation represent those of the applicable Blackstone Funds and not those of Blackstone.
- See Notes to page 18 regarding Net Accrued Performance Revenue redefinition.

### Notes to page 5 - Investment Performance and Net Accrued Performance Revenues

- Effective 1Q'20, the Credit segment was renamed Credit & Insurance; however, there was no change to the composition of the segment or historical results.
- Effective 1Q'20, Core+ appreciation was updated to include BREIT and represents a weighted average of BREIT's per share appreciation and BPP appreciation for the period. The returns are weighted based on the average of BREIT's monthly net asset values and the average of BPP's quarterly adjusted beginning period market values for the period. This presentation provides a more holistic view of Core+ by including BREIT performance. Core+ excluding BREIT appreciation was (2.4)% and 3.4% for 1Q'20 and 1Q'20 LTM, respectively.
- Effective 1Q'20, Corporate Private Equity appreciation was updated to include Core Private Equity appreciation. This presentation provides a more holistic view of Corporate Private Equity by including Core Private Equity performance. Corporate Private Equity appreciation excluding Core Private Equity was (23.4)% and (19.9)% for 1Q'20 and 1Q'20 LTM, respectively.
- Results for the Secondaries business (also referred to as Strategic Partners) are reported on a three month lag from the Secondaries' fund financial statements, which generally report based on a three month lag from the underlying fund investments unless information is available on a more timely basis. As a result, the appreciation presented herein does not include the impact of economic and market activity in the current quarter. Current market activity is expected to affect reported results in upcoming quarters.
- The BPS Composite gross and net returns are based on the BAAM Principal Solutions ("BPS") Composite, which does not include BAAM's individual investor solutions (liquid alternatives), strategic capital (seeding and minority interests), strategic opportunities (co-invests), and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms. BAAM-managed funds in liquidation and non fee-paying assets (net returns only) 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.

## NOTES - (CONT'D)

### Notes to page 5 - Investment Performance and Net Accrued Performance Revenues (Cont'd)

- Effective 1Q'20, Credit returns are presented as a composite return instead of separate returns for performing credit and distressed. The Credit Composite now also includes the long only strategy. The Credit Composite return is a weighted average of (a) the return based on the combined quarterly cash flows of performing credit and distressed fee-earning funds and (b) the weighted average quarterly return of all long only strategy fee-earning funds. Only fee-earning funds exceeding \$100 million of fair value at the beginning of each respective quarter-end are included and funds in liquidation are excluded. Credit returns exclude Blackstone Funds that were contributed to GSO as part of Blackstone's acquisition of GSO in March 2008. Performing Credit gross returns were (16.7)% and (11.2)% for 1Q'20 and 1Q'20 LTM, respectively. Performing Credit net returns were (14.1)% and (10.5)% for 1Q'20 and 1Q'20 LTM, respectively. Distressed gross returns were (31.8)% and (36.2)% for 1Q'20 and 1Q'20 LTM, respectively. Distressed net returns were (30.3)% and (35.3)% for 1Q'20 and 1Q'20 LTM, respectively.

### Notes to page 18 - Net Accrued Performance Revenues - Additional Detail

- Effective 1Q'20, NAPR has been redefined to exclude Performance Revenues realized but not yet distributed as of the reporting date. This update aligns the presentation of DE and NAPR. All prior periods have been recast to reflect this definition.
- Per Share calculations are based on end of period DE Shares Outstanding (see page 23, Share Summary).

### Notes to page 22 - Shareholder Dividends

- DE before Certain Payables represents Distributable Earnings before the deduction for the Payable Under Tax Receivable Agreement and tax expense (benefit) of wholly owned subsidiaries.
- Per Share calculations are based on end of period Participating Common Shares (page 23, Share Summary); actual dividends are paid to shareholders as of the applicable record date.
- Retained capital is withheld pro rata from common and Blackstone Holdings Partnership unitholders. Common shareholders' share was \$48 million for 1Q'20 and \$244 million for 1Q'20 LTM.
- Common Shareholders receive tax benefits from deductions taken by Blackstone's corporate tax paying subsidiaries and bear responsibility for the deduction from Distributable Earnings of the Payable Under Tax Receivable Agreement and certain other tax-related payables.

### Notes to page 23 - Share Summary

- Participating Common Shares and Participating Partnership Units include both issued and outstanding shares and unvested shares that participate in dividends.

## DEFINITIONS AND DIVIDEND POLICY

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

- **Segment Distributable Earnings**, or “**Segment DE**”, is Blackstone’s segment profitability measure used to make operating decisions and assess performance across Blackstone’s four segments. Segment DE 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. Segment DE 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.
  - **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).
  - **Total Segment Revenues** and **Segment Revenues** represent Net Management and Advisory Fees, Fee Related Performance Revenues, Realized Performance Revenues and Realized Principal Investment Income.
- **Distributable Earnings**, or “**DE**”, is derived from Blackstone’s segment reported results. DE is used to assess performance and amounts available for dividends to Blackstone shareholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. DE is the sum of Segment DE plus Net Interest Income (Loss) less Taxes and Related Payables. DE 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.
  - **Net Interest 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 excluding the tax impact of any divestitures and including the Payable under the Tax Receivable Agreement.
- **Fee Related Earnings**, or “**FRE**”, is a performance measure used to assess Blackstone’s ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. FRE equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis, and (b) Other Operating Expenses. FRE is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes.
  - **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.

## DEFINITIONS AND DIVIDEND POLICY - (CONT'D)

- **Perpetual Capital** refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Includes co-investment capital with an investor right to convert into Perpetual Capital.
- **Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization**, or “**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.
- **Performance Revenues** collectively refers to: (a) Incentive Fees, and (b) Performance Allocations.
- **Performance Compensation** collectively refers to: (a) Incentive Fee Compensation, and (b) Performance Allocations Compensation.
- **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.

Dividend Policy. Blackstone’s intention is to pay to holders of Class A common stock a quarterly dividend representing approximately 85% of The Blackstone Group 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 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 shareholders for any ensuing quarter. The dividend amount could also be adjusted upward in any one quarter. All of the foregoing is subject to the qualification that the declaration and payment of any dividends are at the sole discretion of Blackstone’s board of directors and our board of directors may change our dividend policy at any time, including, without limitation, to eliminate such dividends entirely.

## FORWARD-LOOKING STATEMENTS

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This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect 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,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to the impact of COVID-19 and energy market dislocation, as well as those described under the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2019, 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.

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