

Blackstone's 2Q'18 Supplemental Financial Data

July 19, 2018

Total Segments

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
Revenues												
Management and Advisory Fees, Net												
Base Management Fees	\$ 586,703	\$ 593,996	\$ 593,509	\$ 623,571	\$ 642,958	\$ 671,368	\$ 669,902	\$ 696,163	\$ 707,156	\$ 692,915	\$ 1,314,326	\$ 1,400,071
Transaction, Advisory and Other Fees, Net	46,599	33,620	29,021	35,618	40,222	38,892	32,295	45,407	37,066	40,912	79,114	77,978
Management Fee Offsets	(20,101)	(15,396)	(20,850)	(23,297)	(33,599)	(13,424)	(10,215)	(9,178)	(8,178)	(10,833)	(47,023)	(19,011)
Total Management and Advisory Fees, Net	613,201	612,220	601,680	635,892	649,581	696,836	691,982	732,392	736,044	722,994	1,346,417	1,459,038
Performance Revenues												
Realized Incentive Fees	28,007	29,231	26,992	66,811	46,511	40,303	35,513	122,057	12,566	19,504	86,814	32,070
Realized Performance Allocations	231,352	323,866	507,325	433,432	1,111,948	603,096	434,994	1,422,830	269,642	503,555	1,715,044	773,197
Unrealized Performance Allocations	56,055	95,061	128,791	250,213	(124,078)	95,707	407,425	(484,486)	628,339	440,424	(28,371)	1,068,763
Total Performance Revenues	315,414	448,158	663,108	750,456	1,034,381	739,106	877,932	1,060,401	910,547	963,483	1,773,487	1,874,030
Principal Investment Income (Loss)												
Realized	(10,101)	53,670	60,634	95,666	202,894	100,887	60,188	72,225	28,693	94,647	303,781	123,340
Unrealized	(16,549)	6,101	27,253	3,616	(98,935)	(33,167)	17,384	(16,488)	13,978	52,126	(132,102)	66,104
Total Principal Investment Income (Loss)	(26,650)	59,771	87,887	99,282	103,959	67,720	77,572	55,737	42,671	146,773	171,679	189,444
Interest Income and Dividend Revenue	23,146	22,474	22,235	28,544	28,496	33,703	37,885	42,836	36,385	41,727	62,199	78,112
Other	(6,248)	8,546	(425)	52,839	(8,287)	(62,469)	(34,144)	(35,151)	(60,894)	94,416	(70,756)	33,522
Total Revenues	918,863	1,151,169	1,374,485	1,567,013	1,808,130	1,474,896	1,651,227	1,856,215	1,664,753	1,969,393	3,283,026	3,634,146
Expenses												
Compensation	287,403	286,155	268,595	241,063	289,027	305,257	302,798	306,034	336,327	317,390	594,284	653,717
Performance Compensation												
Realized Incentive Fees	13,785	14,763	13,003	27,370	22,465	21,032	18,332	43,450	6,662	9,743	43,497	16,405
Realized Performance Allocations	58,841	88,069	170,860	147,359	366,478	195,738	162,505	557,244	112,062	186,398	562,216	298,460
Unrealized Performance Allocations	34,201	77,016	79,361	142,950	7,533	86,910	175,534	(166,183)	254,435	189,991	94,443	444,426
Total Compensation and Benefits	394,230	466,003	531,819	558,742	685,503	608,937	659,169	740,545	709,486	703,522	1,294,440	1,413,008
Interest Expense	36,497	36,020	36,419	39,086	39,450	40,294	40,749	72,345	38,238	38,885	79,744	77,123
Other Operating Expenses	100,094	108,475	103,625	119,642	96,462	105,838	106,617	115,949	107,092	122,466	202,300	229,558
Total Expenses	530,821	610,498	671,863	717,470	821,415	755,069	806,535	928,839	854,816	864,873	1,576,484	1,719,689
Economic Income	\$ 388,042	\$ 540,671	\$ 702,622	\$ 849,543	\$ 986,715	\$ 719,827	\$ 844,692	\$ 927,376	\$ 809,937	\$ 1,104,520	\$ 1,706,542	\$ 1,914,457
Total Assets Under Management	\$ 343,705,462	\$ 356,281,669	\$ 361,040,173	\$ 366,553,465	\$ 368,196,917	\$ 371,056,281	\$ 387,449,746	\$ 434,128,243	\$ 449,613,826	\$ 439,386,656	\$ 371,056,281	\$ 439,386,656
Fee-Earning Assets Under Management	\$ 244,452,764	\$ 266,006,713	\$ 267,757,727	\$ 277,092,672	\$ 280,215,551	\$ 281,934,511	\$ 285,698,425	\$ 335,343,998	\$ 344,650,797	\$ 332,978,145	\$ 281,934,511	\$ 332,978,145

Private Equity

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
Revenues												
Management and Advisory Fees, Net												
Base Management Fees	\$ 130,648	\$ 131,477	\$ 132,914	\$ 160,554	\$ 176,706	\$ 177,684	\$ 182,764	\$ 187,664	\$ 182,961	\$ 195,521	\$ 354,390	\$ 378,482
Transaction, Advisory and Other Fees, Net	8,920	11,089	11,511	7,763	16,176	17,289	8,748	15,411	11,094	12,780	33,465	23,874
Management Fee Offsets	(6,848)	(4,195)	(12,917)	(10,850)	(12,190)	(3,753)	(1,088)	(976)	(3,193)	(4,351)	(15,943)	(7,544)
Total Management and Advisory Fees, Net	132,720	138,371	131,508	157,467	180,692	191,220	190,424	202,099	190,862	203,950	371,912	394,812
Performance Revenues												
Realized Performance Allocations	30,282	57,056	26,398	131,532	582,681	198,168	101,918	274,421	77,123	138,171	780,849	215,294
Unrealized Performance Allocations	73,875	85,047	144,754	122,015	(184,478)	9	80,326	90,929	397,316	498,274	(184,469)	895,590
Total Performance Revenues	104,157	142,103	171,152	253,547	398,203	198,177	182,244	365,350	474,439	636,445	596,380	1,110,884
Principal Investment Income (Loss)												
Realized	(15,357)	22,926	15,469	50,339	81,294	41,168	7,077	25,298	6,338	32,600	122,462	38,938
Unrealized	15,440	(2,766)	8,869	(26,136)	(40,522)	(25,892)	17,300	(2,303)	17,368	84,247	(66,414)	101,615
Total Principal Investment Income	83	20,160	24,338	24,203	40,772	15,276	24,377	22,995	23,706	116,847	56,048	140,553
Interest Income and Dividend Revenue	6,259	5,712	5,883	7,510	6,661	7,922	9,046	9,209	8,543	11,549	14,583	20,092
Other	(1,587)	3,395	411	18,239	(1,800)	(16,124)	(8,346)	(9,392)	(16,408)	26,667	(17,924)	10,259
Total Revenues	241,632	309,741	333,292	460,966	624,528	396,471	397,745	590,261	681,142	995,458	1,020,999	1,676,600
Expenses												
Compensation	80,274	83,140	73,638	72,916	83,603	90,676	96,166	92,229	99,729	103,798	174,279	203,527
Performance Compensation												
Realized Performance Allocations	15,427	30,946	13,741	50,768	181,633	63,060	48,019	111,832	33,045	68,513	244,693	101,558
Unrealized Performance Allocations	9,296	19,450	69,300	65,891	(39,356)	22,219	45,484	42,748	178,802	193,747	(17,137)	372,549
Total Compensation and Benefits	104,997	133,536	156,679	189,575	225,880	175,955	189,669	246,809	311,576	366,058	401,835	677,634
Interest Expense	12,113	11,942	12,084	12,987	10,427	10,728	10,804	19,170	10,133	12,773	21,155	22,906
Other Operating Expenses	31,980	32,184	31,750	34,771	27,761	28,592	32,166	32,478	31,151	36,047	56,353	67,198
Total Expenses	149,090	177,662	200,513	237,333	264,068	215,275	232,639	298,457	352,860	414,878	479,343	767,738
Economic Income	\$ 92,542	\$ 132,079	\$ 132,779	\$ 223,633	\$ 360,460	\$ 181,196	\$ 165,106	\$ 291,804	\$ 328,282	\$ 580,580	\$ 541,656	\$ 908,862
Total Assets Under Management	\$ 95,466,227	\$ 99,685,655	\$ 99,719,374	\$ 100,189,994	\$ 99,707,057	\$ 100,019,716	\$ 102,453,979	\$ 105,560,576	\$ 111,414,214	\$ 119,524,518	\$ 100,019,716	\$ 119,524,518
Fee-Earning Assets Under Management	\$ 50,228,312	\$ 69,467,174	\$ 69,344,971	\$ 69,110,457	\$ 68,227,286	\$ 68,029,670	\$ 67,538,062	\$ 70,140,883	\$ 72,398,415	\$ 78,045,697	\$ 68,029,670	\$ 78,045,697

Real Estate

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
Revenues												
Management Fees, Net												
Base Management Fees	\$ 199,907	\$ 201,004	\$ 197,629	\$ 196,621	\$ 197,879	\$ 227,865	\$ 224,048	\$ 222,399	\$ 226,526	\$ 249,680	\$ 425,744	\$ 476,206
Transaction and Other Fees, Net	35,794	21,112	14,190	24,228	21,279	16,087	20,616	24,799	23,088	23,859	37,366	46,947
Management Fee Offsets	(3,595)	(1,219)	(842)	(1,666)	(3,550)	(5,018)	(4,232)	(3,134)	(1,668)	(3,785)	(8,568)	(5,453)
Total Management Fees, Net	232,106	220,897	210,977	219,183	215,608	238,934	240,432	244,064	247,946	269,754	454,542	517,700
Performance Revenues												
Realized Incentive Fees	4,201	6,099	3,857	15,478	2,882	4,878	3,778	20,094	4,375	11,394	7,760	15,769
Realized Performance Allocations	200,495	266,382	461,980	274,617	519,873	389,441	307,932	971,996	151,309	351,630	909,314	502,939
Unrealized Performance Allocations	(1,762)	(78,934)	(99,868)	69,094	(8,046)	89,688	273,731	(498,562)	226,442	(160,578)	81,642	65,864
Total Performance Revenues	202,934	193,547	365,969	359,189	514,709	484,007	585,441	493,528	382,126	202,446	998,716	584,572
Principal Investment Income (Loss)												
Realized	12,975	19,929	46,704	43,104	119,579	57,599	44,449	34,276	14,690	50,199	177,178	64,889
Unrealized	(2,137)	(8,902)	(6,725)	16,645	(83,853)	(20,519)	(8,319)	(9,529)	2,687	(28,044)	(104,372)	(25,357)
Total Principal Investment Income	10,838	11,027	39,979	59,749	35,726	37,080	36,130	24,747	17,377	22,155	72,806	39,532
Interest Income and Dividend Revenue	9,531	9,079	8,977	10,866	12,094	14,493	15,461	16,036	15,128	14,494	26,587	29,622
Other	(1,909)	2,231	(548)	16,749	(3,150)	(22,965)	(13,108)	(12,202)	(21,497)	30,457	(26,115)	8,960
Total Revenues	453,500	436,781	625,354	665,736	774,987	751,549	864,356	766,173	641,080	539,306	1,526,536	1,180,386
Expenses												
Compensation	100,578	102,888	99,886	82,000	102,702	110,266	105,753	108,490	112,824	109,599	212,968	222,423
Performance Compensation												
Realized Incentive Fees	2,226	3,300	1,764	4,826	1,333	2,711	1,967	10,203	2,210	5,820	4,044	8,030
Realized Performance Allocations	42,983	56,441	147,419	85,748	179,956	124,512	104,112	364,410	54,183	109,233	304,468	163,416
Unrealized Performance Allocations	31,858	16,721	(33,468)	46,536	17,792	64,254	105,640	(172,254)	79,170	(51,370)	82,046	27,800
Total Compensation and Benefits	177,645	179,350	215,601	219,110	301,783	301,743	317,472	310,849	248,387	173,282	603,526	421,669
Interest Expense	12,290	12,149	12,272	13,138	14,635	14,787	15,028	26,891	14,149	11,389	29,422	25,538
Other Operating Expenses	31,824	35,785	32,016	37,956	30,864	33,379	33,256	38,543	29,417	36,026	64,243	65,443
Total Expenses	221,759	227,284	259,889	270,204	347,282	349,909	365,756	376,283	291,953	220,697	697,191	512,650
Economic Income	\$ 231,741	\$ 209,497	\$ 365,465	\$ 395,532	\$ 427,705	\$ 401,640	\$ 498,600	\$ 389,890	\$ 349,127	\$ 318,609	\$ 829,345	\$ 667,736
Total Assets Under Management	\$ 101,107,528	\$ 103,197,060	\$ 101,876,562	\$ 101,963,652	\$ 102,070,930	\$ 104,034,287	\$ 111,298,844	\$ 115,340,363	\$ 119,575,884	\$ 119,399,973	\$ 104,034,287	\$ 119,399,973
Fee-Earning Assets Under Management	\$ 67,298,439	\$ 66,744,550	\$ 65,785,083	\$ 72,030,054	\$ 71,904,741	\$ 73,710,243	\$ 75,081,521	\$ 83,984,824	\$ 87,284,578	\$ 88,776,501	\$ 73,710,243	\$ 88,776,501

Hedge Fund Solutions

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
Revenues												
Management Fees, Net												
Base Management Fees	\$ 130,158	\$ 130,123	\$ 130,305	\$ 131,150	\$ 128,468	\$ 128,698	\$ 129,410	\$ 129,472	\$ 129,228	\$ 129,553	\$ 257,166	\$ 258,781
Transaction and Other Fees, Net	543	(5)	116	407	259	1,696	48	977	345	812	1,955	1,157
Management Fee Offsets	-	-	-	-	-	-	(28)	(65)	-	-	-	-
Total Management Fees, Net	130,701	130,118	130,421	131,557	128,727	130,394	129,430	130,384	129,573	130,365	259,121	259,938
Performance Revenues												
Realized Incentive Fees	2,212	(464)	1,398	27,649	14,087	6,548	12,186	74,031	8,171	6,887	20,635	15,058
Realized Performance Allocations	472	213	3,174	7,523	597	447	2,031	44,416	2,006	383	1,044	2,389
Unrealized Performance Allocations	(1,787)	853	3,640	(1,861)	18,815	14,849	10,327	(35,647)	5,061	9,930	33,664	14,991
Total Performance Revenues	897	602	8,212	33,311	33,499	21,844	24,544	82,800	15,238	17,200	55,343	32,438
Principal Investment Income (Loss)												
Realized	(4,745)	(515)	(1,211)	(753)	(632)	225	1,316	8,165	640	7,766	(407)	8,406
Unrealized	(12,291)	9,357	12,219	6,177	18,293	11,578	12,723	(1,582)	440	(4,841)	29,871	(4,401)
Total Principal Investment Income (Loss)	(17,036)	8,842	11,008	5,424	17,661	11,803	14,039	6,583	1,080	2,925	29,464	4,005
Interest Income and Dividend Revenue	3,075	2,754	2,839	5,196	3,997	4,674	5,316	7,538	4,812	5,152	8,671	9,964
Other	(1,388)	1,125	(260)	8,680	(1,610)	(10,720)	(5,859)	(6,191)	(10,288)	17,619	(12,330)	7,331
Total Revenues	116,249	143,441	152,220	184,168	182,274	157,995	167,470	221,114	140,415	173,261	340,269	313,676
Expenses												
Compensation												
Compensation	54,169	44,436	47,206	39,509	47,604	47,361	44,347	37,470	50,300	48,086	94,965	98,386
Performance Compensation												
Realized Incentive Fees	1,535	684	485	11,611	7,014	4,097	5,862	20,159	4,034	4,155	11,111	8,189
Realized Performance Allocations	328	641	2,417	1,696	303	265	1,022	14,626	2,415	937	568	3,352
Unrealized Performance Allocations	(652)	238	1,260	(539)	6,422	5,968	3,541	(12,814)	2,186	2,772	12,390	4,958
Total Compensation and Benefits	55,380	45,999	51,368	52,277	61,343	57,691	54,772	59,441	58,935	55,950	119,034	114,885
Interest Expense	6,047	5,964	6,032	6,481	6,543	6,688	6,763	11,624	6,271	5,900	13,231	12,171
Other Operating Expenses	18,107	19,131	19,593	19,039	16,379	16,318	17,958	17,610	18,785	18,494	32,697	37,279
Total Expenses	79,534	71,094	76,993	77,797	84,265	80,697	79,493	88,675	83,991	80,344	164,962	164,335
Economic Income	\$ 36,715	\$ 72,347	\$ 75,227	\$ 106,371	\$ 98,009	\$ 77,298	\$ 87,977	\$ 132,439	\$ 56,424	\$ 92,917	\$ 175,307	\$ 149,341
Total Assets Under Management	\$ 68,475,416	\$ 68,649,878	\$ 70,113,508	\$ 71,119,718	\$ 73,303,381	\$ 72,476,444	\$ 74,219,563	\$ 75,090,834	\$ 78,657,551	\$ 77,403,078	\$ 72,476,444	\$ 77,403,078
Fee-Earning Assets Under Management	\$ 64,831,253	\$ 64,973,999	\$ 66,434,971	\$ 66,987,553	\$ 68,812,528	\$ 67,824,464	\$ 69,037,961	\$ 69,914,061	\$ 73,570,498	\$ 71,889,290	\$ 67,824,464	\$ 71,889,290

Credit

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
Revenues												
Management Fees, Net												
Base Management Fees	\$ 125,990	\$ 131,392	\$ 132,661	\$ 135,246	\$ 139,905	\$ 137,121	\$ 133,680	\$ 156,628	\$ 168,441	\$ 118,161	\$ 277,026	\$ 286,602
Transaction and Other Fees, Net	1,342	1,424	3,204	3,220	2,508	3,820	2,883	4,220	2,539	3,461	6,328	6,000
Management Fee Offsets	(9,658)	(9,982)	(7,091)	(10,781)	(17,859)	(4,653)	(4,867)	(5,003)	(3,317)	(2,697)	(22,512)	(6,014)
Total Management Fees, Net	117,674	122,834	128,774	127,685	124,554	136,288	131,696	155,845	167,663	118,925	260,842	286,588
Performance Revenues												
Realized Incentive Fees	21,594	23,596	21,737	23,684	29,542	28,877	19,549	27,932	20	1,223	58,419	1,243
Realized Performance Allocations	103	215	15,773	19,760	8,797	15,040	23,113	131,997	39,204	13,371	23,837	52,575
Unrealized Performance Allocations	(14,271)	88,095	80,265	60,965	49,631	(8,839)	43,041	(41,206)	(480)	92,798	40,792	92,318
Total Performance Revenues	7,426	111,906	117,775	104,409	87,970	35,078	85,703	118,723	38,744	107,392	123,048	146,136
Principal Investment Income (Loss)												
Realized	(2,974)	11,330	(328)	2,976	2,653	1,895	7,346	4,486	7,025	4,082	4,548	11,107
Unrealized	(17,561)	8,412	12,890	6,930	7,147	1,666	(4,320)	(3,074)	(6,517)	764	8,813	(5,753)
Total Principal Investment Income (Loss)	(20,535)	19,742	12,562	9,906	9,800	3,561	3,026	1,412	508	4,846	13,361	5,354
Interest Income and Dividend Revenue	4,281	4,929	4,536	4,972	5,744	6,614	8,062	10,053	7,902	10,532	12,358	18,434
Other	(1,364)	1,795	(28)	9,171	(1,727)	(12,660)	(6,831)	(7,366)	(12,701)	19,673	(14,387)	6,972
Total Revenues	107,482	261,206	263,619	256,143	226,341	168,881	221,656	278,667	202,116	261,368	395,222	463,484
Expenses												
Compensation												
Realized Incentive Fees	10,024	10,779	10,754	10,933	14,118	14,224	10,503	13,088	418	(232)	28,342	186
Realized Performance Allocations	103	41	7,283	9,147	4,586	7,901	9,352	66,376	22,419	7,715	12,487	30,134
Unrealized Performance Allocations	(6,301)	40,607	42,269	31,062	22,675	(5,531)	20,869	(23,863)	(5,723)	44,842	17,144	39,119
Total Compensation and Benefits	56,208	107,118	108,171	97,780	96,497	73,548	97,256	123,446	90,588	108,232	170,045	198,820
Interest Expense	6,047	5,965	6,031	6,480	7,845	8,091	8,154	14,660	7,685	8,823	15,936	16,508
Other Operating Expenses	18,183	21,375	20,266	27,876	21,458	27,549	23,237	27,318	27,739	31,899	49,007	59,638
Total Expenses	80,438	134,458	134,468	132,136	125,800	109,188	128,647	165,424	126,012	148,954	234,988	274,966
Economic Income	\$ 27,044	\$ 126,748	\$ 129,151	\$ 124,007	\$ 100,541	\$ 59,693	\$ 93,009	\$ 113,243	\$ 76,104	\$ 112,414	\$ 160,234	\$ 188,518
Total Assets Under Management	\$ 78,656,291	\$ 84,749,076	\$ 89,330,729	\$ 93,280,101	\$ 93,115,549	\$ 94,525,834	\$ 99,477,360	\$ 138,136,470	\$ 139,966,177	\$ 123,059,087	\$ 94,525,834	\$ 123,059,087
Fee-Earning Assets Under Management	\$ 62,094,760	\$ 64,820,990	\$ 66,192,702	\$ 68,964,608	\$ 71,270,996	\$ 72,370,134	\$ 74,040,881	\$ 111,304,230	\$ 111,397,306	\$ 94,266,657	\$ 72,370,134	\$ 94,266,657

Total Segments

(Dollars in Thousands)	2013	2014	2015	2016	2017
Revenues					
Management and Advisory Fees, Net					
Base Management Fees	\$ 1,740,807	\$ 1,987,529	\$ 2,196,583	\$ 2,397,779	\$ 2,680,391
Transaction, Advisory and Other Fees, Net	617,491	667,282	461,816	144,858	156,816
Management Fee Offsets	(72,220)	(86,771)	(93,494)	(79,644)	(66,416)
Total Management and Advisory Fees, Net	2,286,078	2,568,040	2,564,905	2,462,993	2,770,791
Performance Revenues					
Realized Incentive Fees	231,000	173,106	168,554	151,041	244,384
Realized Performance Allocations	1,187,291	2,539,235	3,232,068	1,495,975	3,572,868
Unrealized Performance Allocations	2,155,528	1,696,407	(1,590,369)	530,120	(105,432)
Total Performance Revenues	3,573,819	4,408,748	1,810,253	2,177,136	3,711,820
Principal Investment Income (Loss)					
Realized	170,471	543,425	418,808	199,869	436,194
Unrealized	517,334	(71,797)	(365,959)	20,421	(131,206)
Total Principal Investment Income	687,805	471,628	52,849	220,290	304,988
Interest Income and Dividend Revenue	70,936	76,052	95,661	96,399	142,920
Other	10,308	9,405	8,500	54,712	(140,051)
Total Revenues	6,628,946	7,533,873	4,532,168	5,011,530	6,790,468
Expenses					
Compensation	1,115,640	1,153,511	1,189,219	1,083,216	1,203,116
Performance Compensation					
Realized Incentive Fees	102,149	78,271	77,291	68,921	105,279
Realized Performance Allocations	355,967	847,471	802,455	465,129	1,281,965
Unrealized Performance Allocations	964,339	368,493	(309,422)	333,528	103,794
Total Compensation and Benefits	2,538,095	2,447,746	1,759,543	1,950,794	2,694,154
Interest Expense	103,904	112,563	139,842	148,022	192,838
Other Operating Expenses	382,735	420,927	448,575	431,836	424,866
Total Expenses	3,024,734	2,981,236	2,347,960	2,530,652	3,311,858
Economic Income	\$ 3,604,212	\$ 4,552,637	\$ 2,184,208	\$ 2,480,878	\$ 3,478,610
Total Assets Under Management	\$ 265,757,630	\$ 290,381,069	\$ 336,384,575	\$ 366,553,465	\$ 434,128,243
Fee-Earning Assets Under Management	\$ 197,981,739	\$ 216,691,799	\$ 246,146,372	\$ 277,092,672	\$ 335,343,998

Private Equity

(Dollars in Thousands)	2013	2014	2015	2016	2017
Revenues					
Management and Advisory Fees, Net					
Base Management Fees	\$ 368,146	\$ 415,841	\$ 502,640	\$ 555,593	\$ 724,818
Transaction, Advisory and Other Fees, Net	121,991	157,621	46,819	39,283	57,624
Management Fee Offsets	(5,683)	(19,146)	(36,760)	(34,810)	(18,007)
Total Management and Advisory Fees, Net	484,454	554,316	512,699	560,066	764,435
Performance Revenues					
Realized Performance Allocations	329,993	754,402	1,474,987	245,268	1,157,188
Unrealized Performance Allocations	398,232	1,222,828	(717,955)	425,691	(13,214)
Total Performance Revenues	728,225	1,977,230	757,032	670,959	1,143,974
Principal Investment Income (Loss)					
Realized	88,026	202,719	189,649	73,377	154,837
Unrealized	161,749	(23,914)	(116,338)	(4,593)	(51,417)
Total Principal Investment Income	249,775	178,805	73,311	68,784	103,420
Interest Income and Dividend Revenue	15,625	16,004	22,685	25,364	32,838
Other	4,259	6,569	5,854	20,458	(35,662)
Total Revenues	1,482,338	2,732,924	1,371,581	1,345,631	2,009,005
Expenses					
Compensation	240,150	280,499	280,248	309,968	362,674
Performance Compensation					
Realized Performance Allocations	38,953	266,393	256,922	110,882	404,544
Unrealized Performance Allocations	342,733	210,446	(10,172)	163,937	71,095
Total Compensation and Benefits	621,836	757,338	526,998	584,787	838,313
Interest Expense	27,780	33,595	45,068	49,126	51,129
Other Operating Expenses	96,719	104,246	142,985	130,685	120,997
Total Expenses	746,335	895,179	715,051	764,598	1,010,439
Economic Income	\$ 736,003	\$ 1,837,745	\$ 656,530	\$ 581,033	\$ 998,566
Total Assets Under Management	\$ 65,675,031	\$ 73,073,252	\$ 94,280,074	\$ 100,189,994	\$ 105,560,576
Fee-Earning Assets Under Management	\$ 42,600,515	\$ 43,890,167	\$ 51,451,196	\$ 69,110,457	\$ 70,140,883

Real Estate

(Dollars in Thousands)	2013	2014	2015	2016	2017
Revenues					
Management Fees, Net					
Base Management Fees	\$ 565,182	\$ 628,502	\$ 668,575	\$ 795,161	\$ 872,191
Transaction and Other Fees, Net	79,675	91,610	110,577	95,324	82,781
Management Fee Offsets	(22,821)	(34,443)	(26,840)	(7,322)	(15,934)
Total Management Fees, Net	622,036	685,669	752,312	883,163	939,038
Performance Revenues					
Realized Incentive Fees	26,619	3,150	16,316	29,635	31,632
Realized Performance Allocations	506,016	1,496,111	1,635,570	1,203,474	2,189,242
Unrealized Performance Allocations	1,645,392	521,148	(659,739)	(111,470)	(143,189)
Total Performance Revenues	2,178,027	2,020,409	992,147	1,121,639	2,077,685
Principal Investment Income (Loss)					
Realized	52,359	309,095	235,582	122,712	255,903
Unrealized	350,201	(58,930)	(231,889)	(1,119)	(122,220)
Total Principal Investment Income	402,560	250,165	3,693	121,593	133,683
Interest Income and Dividend Revenue	21,563	24,403	33,501	38,453	58,084
Other	3,384	2,863	(1,422)	16,523	(51,425)
Total Revenues	3,227,570	2,983,509	1,780,231	2,181,371	3,157,065
Expenses					
Compensation	294,222	326,317	358,381	385,352	427,211
Performance Compensation					
Realized Incentive Fees	13,996	1,720	8,160	12,116	16,214
Realized Performance Allocations	158,719	437,256	484,555	332,591	772,990
Unrealized Performance Allocations	563,597	195,685	(187,536)	61,647	15,432
Total Compensation and Benefits	1,030,534	960,978	663,560	791,706	1,231,847
Interest Expense	28,321	34,232	42,562	49,849	71,341
Other Operating Expenses	88,070	105,995	125,513	137,581	136,042
Total Expenses	1,146,925	1,101,205	831,635	979,136	1,439,230
Economic Income	\$ 2,080,645	\$ 1,882,304	\$ 948,596	\$ 1,202,235	\$ 1,717,835
Total Assets Under Management	\$ 79,410,788	\$ 80,863,187	\$ 93,917,824	\$ 101,963,652	\$ 115,340,363
Fee-Earning Assets Under Management	\$ 50,792,803	\$ 52,563,068	\$ 67,345,357	\$ 72,030,054	\$ 83,984,824

Hedge Fund Solutions

(Dollars in Thousands)	2013	2014	2015	2016	2017
Revenues					
Management Fees, Net					
Base Management Fees	\$ 409,321	\$ 482,981	\$ 524,386	\$ 521,736	\$ 516,048
Transaction and Other Fees, Net	623	569	317	1,061	2,980
Management Fee Offsets	(3,387)	(5,014)	171	-	(93)
Total Management Fees, Net	406,557	478,536	524,874	522,797	518,935
Performance Revenues					
Realized Incentive Fees	132,825	83,567	43,853	30,795	106,852
Realized Performance Allocations	74,910	56,962	24,344	11,382	47,491
Unrealized Performance Allocations	6,105	(2,495)	(3,978)	845	8,344
Total Performance Revenues	213,840	138,034	64,219	43,022	162,687
Principal Investment Income (Loss)					
Realized	27,613	21,550	(12,741)	(7,224)	9,074
Unrealized	(9,306)	5,132	(1,435)	15,462	41,012
Total Principal Investment Income (Loss)	18,307	26,682	(14,176)	8,238	50,086
Interest Income and Dividend Revenue	7,605	7,735	11,194	13,864	21,525
Other	688	1,855	200	8,157	(24,380)
Total Revenues	646,997	652,842	586,311	596,078	728,853
Expenses					
Compensation	136,470	131,658	179,484	185,320	176,782
Performance Compensation					
Realized Incentive Fees	44,264	26,894	17,856	14,315	37,132
Realized Performance Allocations	21,529	15,557	9,299	5,082	16,216
Unrealized Performance Allocations	2,004	(825)	(1,285)	307	3,117
Total Compensation and Benefits	204,267	173,284	205,354	205,024	233,247
Interest Expense	13,880	16,761	21,049	24,524	31,618
Other Operating Expenses	53,086	66,392	63,468	75,870	68,265
Total Expenses	271,233	256,437	289,871	305,418	333,130
Economic Income	\$ 375,764	\$ 396,405	\$ 296,440	\$ 290,660	\$ 395,723
Total Assets Under Management	\$ 55,657,463	\$ 63,585,670	\$ 69,105,425	\$ 71,119,718	\$ 75,090,834
Fee-Earning Assets Under Management	\$ 52,865,837	\$ 61,417,558	\$ 65,665,439	\$ 66,987,553	\$ 69,914,061

Credit

(Dollars in Thousands)	2013	2014	2015	2016	2017
Revenues					
Management Fees, Net					
Base Management Fees	\$ 398,158	\$ 460,205	\$ 500,982	\$ 525,289	\$ 567,334
Transaction and Other Fees, Net	28,586	18,161	6,371	9,190	13,431
Management Fee Offsets	(40,329)	(28,168)	(30,065)	(37,512)	(32,382)
Total Management Fees, Net	386,415	450,198	477,288	496,967	548,383
Performance Revenues					
Realized Incentive Fees	71,556	86,389	108,385	90,611	105,900
Realized Performance Allocations	276,372	231,760	97,167	35,851	178,947
Unrealized Performance Allocations	105,799	(45,074)	(208,697)	215,054	42,627
Total Performance Revenues	453,727	273,075	(3,145)	341,516	327,474
Principal Investment Income (Loss)					
Realized	4,098	9,354	7,186	11,004	16,380
Unrealized	13,951	5,055	(16,258)	10,671	1,419
Total Principal Investment Income (Loss)	18,049	14,409	(9,072)	21,675	17,799
Interest Income and Dividend Revenue	18,146	19,867	18,268	18,718	30,473
Other	527	(2,310)	5,171	9,574	(28,584)
Total Revenues	876,864	755,239	488,510	888,450	895,545
Expenses					
Compensation	186,514	188,200	190,189	202,576	236,449
Performance Compensation					
Realized Incentive Fees	43,889	49,657	51,275	42,490	51,933
Realized Performance Allocations	136,766	128,265	51,679	16,574	88,215
Unrealized Performance Allocations	56,005	(36,813)	(110,429)	107,637	14,150
Total Compensation and Benefits	423,174	329,309	182,714	369,277	390,747
Interest Expense	24,652	16,762	21,207	24,523	38,750
Other Operating Expenses	72,288	70,204	66,879	87,700	99,562
Total Expenses	520,114	416,275	270,800	481,500	529,059
Economic Income	\$ 356,750	\$ 338,964	\$ 217,710	\$ 406,950	\$ 366,486
Total Assets Under Management	\$ 65,014,348	\$ 72,858,960	\$ 79,081,252	\$ 93,280,101	\$ 138,136,470
Fee-Earning Assets Under Management	\$ 51,722,584	\$ 58,821,006	\$ 61,684,380	\$ 68,964,608	\$ 111,304,230

Financial Advisory

(Dollars in Thousands)	2013	2014	2015	2016	2017
Revenues					
Transaction and Advisory Fees, Net	\$ 386,616	\$ 399,321	\$ 297,732	\$ -	\$ -
Total Transaction and Advisory Fees	386,616	399,321	297,732	-	-
Principal Investment Income (Loss)					
Realized	(1,625)	707	(868)	-	-
Unrealized	739	860	(39)	-	-
Total Principal Investment Income (Loss)	(886)	1,567	(907)	-	-
Interest Income and Dividend Revenue	7,997	8,043	10,013	-	-
Other	1,450	428	(1,303)	-	-
Total Revenues	395,177	409,359	305,535	-	-
Expenses					
Compensation	258,284	226,837	180,917	-	-
Total Compensation and Benefits	258,284	226,837	180,917	-	-
Interest Expense	9,271	11,213	9,956	-	-
Other Operating Expenses	72,572	74,090	49,730	-	-
Total Expenses	340,127	312,140	240,603	-	-
Economic Income	\$ 55,050	\$ 97,219	\$ 64,932	\$ -	\$ -

Note: On October 1, 2015 Blackstone spun-off its Financial Advisory business, which did not include Blackstone's capital markets services business. The results of Blackstone's capital markets services business have been reclassified from the Financial Advisory segment to the Private Equity segment. All prior periods have been recast to reflect this reclassification.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
Net Income Attributable to The Blackstone Group L.P.	\$ 160,074	\$ 198,444	\$ 310,027	\$ 370,469	\$ 451,909	\$ 337,407	\$ 377,920	\$ 304,138	\$ 367,872	\$ 742,042	\$ 789,316	\$ 1,109,914
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	131,478	201,648	282,798	344,175	409,046	283,637	340,202	359,438	320,208	678,952	692,683	999,160
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	40,086	64,729	82,653	58,684	138,685	112,944	113,446	132,364	155,499	129,078	251,629	284,577
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(6,401)	(2,049)	10,764	1,663	2,000	991	3,215	7,600	(1,275)	905	2,991	(370)
Net Income	\$ 325,237	\$ 462,772	\$ 686,242	\$ 774,991	\$ 1,001,640	\$ 734,979	\$ 834,783	\$ 803,540	\$ 842,304	\$ 1,550,977	\$ 1,736,619	\$ 2,393,281
Provision for Taxes	9,146	47,415	27,714	48,087	57,437	29,608	59,512	596,590	54,495	138,731	87,045	193,226
Income Before Provision for Taxes	\$ 334,383	\$ 510,187	\$ 713,956	\$ 823,078	\$ 1,059,077	\$ 764,587	\$ 894,295	\$ 1,400,130	\$ 896,799	\$ 1,689,708	\$ 1,823,664	\$ 2,586,507
Transaction-Related Charges (a)	64,136	69,956	60,029	70,816	56,979	57,831	55,714	(347,055)	52,489	(470,078)	114,810	(417,589)
Amortization of Intangibles	23,208	23,208	22,054	15,996	11,344	11,344	11,344	14,265	14,873	14,873	22,688	29,746
Impact of Consolidation (b)	(33,685)	(62,680)	(93,417)	(60,347)	(140,685)	(113,935)	(116,661)	(139,964)	(154,224)	(129,983)	(254,620)	(284,207)
Economic Income	\$ 388,042	\$ 540,671	\$ 702,622	\$ 849,543	\$ 986,715	\$ 719,827	\$ 844,692	\$ 927,376	\$ 809,937	\$ 1,104,520	\$ 1,706,542	\$ 1,914,457
(Taxes) (c)	(16,794)	(21,234)	(20,985)	(33,250)	(18,805)	(24,168)	(22,552)	(36,006)	(18,228)	(20,026)	(42,973)	(38,254)
Economic Net Income	\$ 371,248	\$ 519,437	\$ 681,637	\$ 816,293	\$ 967,910	\$ 695,659	\$ 822,140	\$ 891,370	\$ 791,709	\$ 1,084,494	\$ 1,663,569	\$ 1,876,203
Taxes (c)	16,794	21,234	20,985	33,250	18,805	24,168	22,552	36,006	18,228	20,026	42,973	38,254
Performance Revenues (d)	(315,414)	(448,158)	(663,108)	(750,456)	(1,034,381)	(739,106)	(877,932)	(1,060,401)	(910,547)	(963,483)	(1,773,487)	(1,874,030)
Principal Investment (Income) Loss (e)	26,650	(59,771)	(87,887)	(99,282)	(103,959)	(67,720)	(77,572)	(55,737)	(42,671)	(146,773)	(171,679)	(189,444)
Other Revenues (f)	6,248	(8,546)	425	(52,839)	8,287	62,469	34,144	35,151	60,894	(94,416)	70,756	(33,522)
Net Interest (Income) Loss (g)	13,351	13,546	14,184	10,542	10,954	6,591	2,864	29,509	1,853	(2,842)	17,545	(989)
Performance Compensation (h)	106,827	179,848	263,224	317,679	396,476	303,680	356,371	434,511	373,159	386,132	700,156	759,291
Equity-Based Compensation - Non-Performance Compensation Related (i)	20,963	16,852	16,624	19,308	26,650	25,442	24,141	17,177	40,248	31,483	52,092	71,731
Fee Related Earnings	\$ 246,667	\$ 234,442	\$ 246,084	\$ 294,495	\$ 290,742	\$ 311,183	\$ 306,708	\$ 327,586	\$ 332,873	\$ 314,621	\$ 601,925	\$ 647,494
Net Realized Performance Revenues (j)	187,794	251,935	352,008	327,053	772,780	429,177	293,339	948,412	167,384	329,829	1,201,957	497,213
Realized Principal Investment Income (Loss) (k)	(10,101)	53,670	60,634	95,666	202,894	100,887	60,188	72,225	28,693	94,647	303,781	123,340
Net Interest Income (Loss) (g)	(13,351)	(13,546)	(14,184)	(10,542)	(10,954)	(6,591)	(2,864)	(29,509)	(1,853)	2,842	(17,545)	989
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	(16,794)	(31,588)	(51,089)	(67,678)	(25,324)	(53,291)	(31,805)	(79,568)	(25,042)	(41,797)	(78,615)	(66,839)
Distributable Earnings	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138	\$ 781,365	\$ 625,566	\$ 1,239,146	\$ 502,055	\$ 700,142	\$ 2,011,503	\$ 1,202,197
Interest Expense (m)	36,497	36,020	36,419	39,086	39,450	40,294	40,749	72,345	38,238	38,885	79,744	77,123
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	16,794	31,588	51,089	67,678	25,324	53,291	31,805	79,568	25,042	41,797	78,615	66,839
Depreciation and Amortization	6,292	6,331	7,338	12,010	6,216	6,392	6,027	6,593	6,251	5,986	12,608	12,237
Adjusted EBITDA	\$ 453,798	\$ 568,852	\$ 688,299	\$ 757,768	\$ 1,301,128	\$ 881,342	\$ 704,147	\$ 1,397,652	\$ 571,586	\$ 786,810	\$ 2,182,470	\$ 1,358,396

See Reconciliation of GAAP to Non-GAAP Measures – Notes.

Reconciliation of GAAP to Non-GAAP Measures

(Dollars in Thousands)

	2013	2014	2015	2016	2017
Net Income Attributable to The Blackstone Group L.P.	\$ 1,175,346	\$ 1,588,827	\$ 713,188	\$ 1,039,014	\$ 1,471,374
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,343,874	1,705,001	686,529	960,099	1,392,323
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	198,557	335,070	219,900	246,152	497,439
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	183,315	74,794	11,145	3,977	13,806
Net Income	\$ 2,901,092	\$ 3,703,692	\$ 1,630,762	\$ 2,249,242	\$ 3,374,942
Provision for Taxes	255,642	291,173	190,398	132,362	743,147
Income Before Provision for Taxes	\$ 3,156,734	\$ 3,994,865	\$ 1,821,160	\$ 2,381,604	\$ 4,118,089
Transaction-Related Charges (a)	722,707	856,382	489,563	264,937	(176,531)
Amortization of Intangibles	106,643	111,254	104,530	84,466	48,297
Impact of Consolidation (b)	(381,872)	(409,864)	(231,045)	(250,129)	(511,245)
Economic Income	\$ 3,604,212	\$ 4,552,637	\$ 2,184,208	\$ 2,480,878	\$ 3,478,610
(Taxes) (c)	(82,164)	(199,512)	(27,527)	(92,263)	(101,531)
Economic Net Income	\$ 3,522,048	\$ 4,353,125	\$ 2,156,681	\$ 2,388,615	\$ 3,377,079
Taxes (c)	82,164	199,512	27,527	92,263	101,531
Performance Revenues (d)	(3,573,819)	(4,408,748)	(1,810,253)	(2,177,136)	(3,711,820)
Principal Investment Income (e)	(687,805)	(471,628)	(52,849)	(220,290)	(304,988)
Other Revenues (f)	(10,308)	(9,405)	(8,500)	(54,712)	140,051
Net Interest (Income) Loss (g)	32,968	36,511	44,181	51,623	49,918
Performance Compensation (h)	1,422,455	1,294,235	570,324	867,578	1,491,038
Equity-Based Compensation - Non-Performance Compensation Related (i)	130,124	45,133	96,901	73,747	93,410
Fee Related Earnings	\$ 917,827	\$ 1,038,735	\$ 1,024,012	\$ 1,021,688	\$ 1,236,219
Net Realized Performance Revenues (j)	960,175	1,789,692	2,527,019	1,118,790	2,443,708
Realized Principal Investment Income (k)	170,471	543,425	418,808	199,869	436,194
Net Interest Income (Loss) (g)	(32,968)	(36,511)	(44,181)	(51,623)	(49,918)
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	(156,734)	(280,788)	(90,470)	(167,149)	(189,988)
Distributable Earnings	\$ 1,858,771	\$ 3,054,553	\$ 3,835,188	\$ 2,121,575	\$ 3,876,215
Interest Expense (m)	103,904	112,563	139,842	148,022	192,838
Taxes and Related Payables Including Payable Under Tax Receivable Agreement (l)	156,734	280,788	90,470	167,149	189,988
Depreciation and Amortization	35,441	32,300	27,213	31,971	25,228
Adjusted EBITDA	\$ 2,154,850	\$ 3,480,204	\$ 4,092,713	\$ 2,468,717	\$ 4,284,269

See Reconciliation of GAAP to Non-GAAP Measures – Notes.

Reconciliation of GAAP to Non-GAAP Measures – Notes

Note: See Definitions.

- (a) This adjustment removes Transaction-Related Charges. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the tax receivable agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.
- (b) This adjustment reverses the effect of consolidating the Blackstone Funds and the elimination of non-controlling interests in the Blackstone consolidated operating partnerships.
- (c) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and adjusted to exclude the tax impact on any divestitures.
- (d) This adjustment removes total segment Performance Revenues.
- (e) This adjustment removes total segment Principal Investment Income (Loss).
- (f) This adjustment removes total segment Other Revenues.
- (g) This adjustment removes total segment Interest and Dividend Revenue less total segment Interest Expense.
- (h) This adjustment removes the total segment amount of Performance Compensation, comprised of Incentive Fee Compensation and Performance Allocations Compensation.
- (i) This adjustment removes the component of total segment Compensation that is equity-based.
- (j) This adjustment adds the total segment amounts of Realized Incentive Fees and Realized Performance Allocations, net of realized Performance Compensation.
- (k) This adjustment adds the total segment amount of Realized Principal Investment Income.
- (l) Taxes and Related Payables Including Payable Under Tax Receivable Agreement represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and to exclude the tax impact on any divestitures and the Payable Under Tax Receivable Agreement.
- (m) This adjustment adds back the total segment amount of Interest Expense.

Walkdown of Financial Metrics

	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
▶ Management and Advisory Fees, Net (a)	\$ 613,201	\$ 612,220	\$ 601,680	\$ 635,892	\$ 649,581	\$ 696,836	\$ 691,982	\$ 732,392	\$ 736,044	\$ 722,994	\$ 1,346,417	\$ 1,459,038
▶ Fee Related Compensation (b)	(266,440)	(269,303)	(251,971)	(221,755)	(262,377)	(279,815)	(278,657)	(288,857)	(296,079)	(285,907)	(542,192)	(581,986)
▶ Other Operating Expenses (a)	(100,094)	(108,475)	(103,625)	(119,642)	(96,462)	(105,838)	(106,617)	(115,949)	(107,092)	(122,466)	(202,300)	(229,558)
Fee Related Earnings	\$ 246,667	\$ 234,442	\$ 246,084	\$ 294,495	\$ 290,742	\$ 311,183	\$ 306,708	\$ 327,586	\$ 332,873	\$ 314,621	\$ 601,925	\$ 647,494
▶ Net Realized Performance Revenues (b)	187,794	251,935	352,008	327,053	772,780	429,177	293,339	948,412	167,384	329,829	1,201,957	497,213
▶ Realized Principal Investment Income (Loss) (a)	(10,101)	53,670	60,634	95,666	202,894	100,887	60,188	72,225	28,693	94,647	303,781	123,340
▶ Net Interest Income (Loss) (b)	(13,351)	(13,546)	(14,184)	(10,542)	(10,954)	(6,591)	(2,864)	(29,509)	(1,853)	2,842	(17,545)	989
▶ Taxes and Related Payables (b)(c)	(16,794)	(31,588)	(51,089)	(67,678)	(25,324)	(53,291)	(31,805)	(79,568)	(25,042)	(41,797)	(78,615)	(66,839)
Distributable Earnings	\$ 394,215	\$ 494,913	\$ 593,453	\$ 638,994	\$ 1,230,138	\$ 781,365	\$ 625,566	\$ 1,239,146	\$ 502,055	\$ 700,142	\$ 2,011,503	\$ 1,202,197
▶ Net Unrealized Performance Revenues (b)	21,854	18,045	49,430	107,263	(131,611)	8,797	231,891	(318,303)	373,904	250,433	(122,814)	624,337
▶ Unrealized Principal Investment Income (Loss) (a)	(16,549)	6,101	27,253	3,616	(98,935)	(33,167)	17,384	(16,488)	13,978	52,126	(132,102)	66,104
▶ Other Revenue (a)	(6,248)	8,546	(425)	52,839	(8,287)	(62,469)	(34,144)	(35,151)	(60,894)	94,416	(70,756)	33,522
▶ Add Back: Related Payables (b)(d)	-	10,354	30,104	34,428	6,519	29,123	9,253	43,562	6,814	21,771	35,642	28,585
▶ Less: Equity-Based Compensation (b)(e)	(22,024)	(18,522)	(18,178)	(20,847)	(29,914)	(27,990)	(27,810)	(21,396)	(44,148)	(34,394)	(57,904)	(78,542)
Economic Net Income	\$ 371,248	\$ 519,437	\$ 681,637	\$ 816,293	\$ 967,910	\$ 695,659	\$ 822,140	\$ 891,370	\$ 791,709	\$ 1,084,494	\$ 1,663,569	\$ 1,876,203

Fee
Earnings

Distributable
Earnings

Economic
Net Income

(a) Represents the total segment amounts of the respective captions.

(b) See Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics for details.

(c) Represents the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and the Payable Under Tax Receivable Agreement.

(d) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

(e) Represents equity-based award expense included in Economic Income. Which excludes all transaction-related equity-based charges.

Walkdown of Financial Metrics

(Dollars in Thousands)

	2013	2014	2015	2016	2017		
▶ Management and Advisory Fees, Net (a)	\$ 2,286,078	\$ 2,568,040	\$ 2,564,905	\$ 2,462,993	\$ 2,770,791	Fee Earnings	Distributable Economic Net Income
▶ Fee Related Compensation (b)	(985,516)	(1,108,378)	(1,092,318)	(1,009,469)	(1,109,706)		
▶ Other Operating Expenses (a)	(382,735)	(420,927)	(448,575)	(431,836)	(424,866)		
Fee Related Earnings	\$ 917,827	\$ 1,038,735	\$ 1,024,012	\$ 1,021,688	\$ 1,236,219		
▶ Net Realized Performance Revenues (b)	960,175	1,789,692	2,527,019	1,118,790	2,443,708		
▶ Realized Principal Investment Income (a)	170,471	543,425	418,808	199,869	436,194		
▶ Net Interest (Loss) (b)	(32,968)	(36,511)	(44,181)	(51,623)	(49,918)		
▶ Taxes and Related Payables (b)(c)	(156,734)	(280,788)	(90,470)	(167,149)	(189,988)		
Distributable Earnings	\$ 1,858,771	\$ 3,054,553	\$ 3,835,188	\$ 2,121,575	\$ 3,876,215		
▶ Net Unrealized Performance Revenues (b)	1,191,189	1,327,914	(1,280,947)	196,592	(209,226)		
▶ Unrealized Principal Investment Income (Loss) (a)	517,334	(71,797)	(365,959)	20,421	(131,206)		
▶ Other Revenue (a)	10,308	9,405	8,500	54,712	(140,051)		
▶ Add Back: Related Payables (b)(d)	74,570	81,276	62,943	74,886	88,457		
▶ Less: Equity-Based Compensation (b)(e)	(130,124)	(48,226)	(103,044)	(79,571)	(107,110)		
Economic Net Income	\$ 3,522,048	\$ 4,353,125	\$ 2,156,681	\$ 2,388,615	\$ 3,377,079		

(a) Represents the total segment amounts of the respective captions.

(b) See Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics for details.

(c) Represents the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and the Payable Under Tax Receivable Agreement.

(d) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

(e) Represents equity-based award expense included in Economic Income. Which excludes all transaction-related equity-based charges.

Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics

(Dollars in Thousands)	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	Year-to-Date	
											2Q'17	2Q'18
Compensation	\$ (287,403)	\$ (286,155)	\$ (268,595)	\$ (241,063)	\$ (289,027)	\$ (305,257)	\$ (302,798)	\$ (306,034)	\$ (336,327)	\$ (317,390)	\$ (594,284)	\$ (653,717)
Less: Equity-Based Compensation - Non-Performance Compensation Related (a)	20,963	16,852	16,624	19,308	26,650	25,442	24,141	17,177	40,248	31,483	52,092	71,731
Fee Related Compensation	\$ (266,440)	\$ (269,303)	\$ (251,971)	\$ (221,755)	\$ (262,377)	\$ (279,815)	\$ (278,657)	\$ (288,857)	\$ (296,079)	\$ (285,907)	\$ (542,192)	\$ (581,986)
Realized Incentive Fees	28,007	29,231	26,992	66,811	46,511	40,303	35,513	122,057	12,566	19,504	86,814	32,070
Realized Performance Allocations	231,352	323,866	507,325	433,432	1,111,948	603,096	434,994	1,422,830	269,642	503,555	1,715,044	773,197
Less: Realized Incentive Fees Compensation	(13,785)	(14,763)	(13,003)	(27,370)	(22,465)	(21,032)	(18,332)	(43,450)	(6,662)	(9,743)	(43,497)	(16,405)
Less: Realized Performance Allocations Compensation	(58,841)	(88,069)	(170,860)	(147,359)	(366,478)	(195,738)	(162,505)	(557,244)	(112,062)	(186,398)	(562,216)	(298,460)
Plus: Equity-Based Compensation - Performance Compensation Related (b)	1,061	1,670	1,554	1,539	3,264	2,548	3,669	4,219	3,900	2,911	5,812	6,811
Net Realized Performance Revenues	\$ 187,794	\$ 251,935	\$ 352,008	\$ 327,053	\$ 772,780	\$ 429,177	\$ 293,339	\$ 948,412	\$ 167,384	\$ 329,829	\$ 1,201,957	\$ 497,213
Interest Income and Dividend Revenue	23,146	22,474	22,235	28,544	28,496	33,703	37,885	42,836	36,385	41,727	62,199	78,112
Less: Interest Expense	(36,497)	(36,020)	(36,419)	(39,086)	(39,450)	(40,294)	(40,749)	(72,345)	(38,238)	(38,885)	(79,744)	(77,123)
Net Interest Income (Loss)	\$ (13,351)	\$ (13,546)	\$ (14,184)	\$ (10,542)	\$ (10,954)	\$ (6,591)	\$ (2,864)	\$ (29,509)	\$ (1,853)	\$ 2,842	\$ (17,545)	\$ 989
Taxes and Related Payables (c)	\$ (16,794)	\$ (31,588)	\$ (51,089)	\$ (67,678)	\$ (25,324)	\$ (53,291)	\$ (31,805)	\$ (79,568)	\$ (25,042)	\$ (41,797)	\$ (78,615)	\$ (66,839)
Unrealized Performance Allocations	56,055	95,061	128,791	250,213	(124,078)	95,707	407,425	(484,486)	628,339	440,424	(28,371)	1,068,763
Less: Unrealized Performance Allocations Compensation	(34,201)	(77,016)	(79,361)	(142,950)	(7,533)	(86,910)	(175,534)	166,183	(254,435)	(189,991)	(94,443)	(444,426)
Net Unrealized Performance Revenues	\$ 21,854	\$ 18,045	\$ 49,430	\$ 107,263	\$ (131,611)	\$ 8,797	\$ 231,891	\$ (318,303)	\$ 373,904	\$ 250,433	\$ (122,814)	\$ 624,337
Related Payables (d)	\$ -	\$ 10,354	\$ 30,104	\$ 34,428	\$ 6,519	\$ 29,123	\$ 9,253	\$ 43,562	\$ 6,814	\$ 21,771	\$ 35,642	\$ 28,585
Equity-Based Compensation - Non-Performance Compensation Related (a)	20,963	16,852	16,624	19,308	26,650	25,442	24,141	17,177	40,248	31,483	52,092	71,731
Plus: Equity-Based Compensation - Performance Compensation Related (b)	1,061	1,670	1,554	1,539	3,264	2,548	3,669	4,219	3,900	2,911	5,812	6,811
Equity-Based Compensation (e)	\$ 22,024	\$ 18,522	\$ 18,178	\$ 20,847	\$ 29,914	\$ 27,990	\$ 27,810	\$ 21,396	\$ 44,148	\$ 34,394	\$ 57,904	\$ 78,542

Unless otherwise noted, all amounts are the respective captions from the Total Segment information.

(a) Represents the equity-based compensation expense component of Compensation.

(b) Represents the total equity-based compensation expense component of Realized Incentive Fees Compensation and Realized Performance Allocations Compensation.

(c) Represents the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and to exclude the tax impact on any divestitures and the Payable Under Tax Receivable Agreement.

(d) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

(e) Represents all equity-based compensation expenses included in Economic Income. This excludes all transaction-related equity-based charges.

Walkdown of Financial Metrics – Calculation of Certain Non-GAAP Financial Metrics

(Dollars in Thousands)	2013	2014	2015	2016	2017
Compensation	\$ (1,115,640)	\$ (1,153,511)	\$ (1,189,219)	\$ (1,083,216)	\$ (1,203,116)
Less: Equity-Based Compensation - Non-Performance Compensation Related (a)	130,124	45,133	96,901	73,747	93,410
Fee Related Compensation	\$ (985,516)	\$ (1,108,378)	\$ (1,092,318)	\$ (1,009,469)	\$ (1,109,706)
Realized Incentive Fees	231,000	173,106	168,554	151,041	244,384
Realized Performance Allocations	1,187,291	2,539,235	3,232,068	1,495,975	3,572,868
Less: Realized Incentive Fees Compensation	(102,149)	(78,271)	(77,291)	(68,921)	(105,279)
Less: Realized Performance Allocations Compensation	(355,967)	(847,471)	(802,455)	(465,129)	(1,281,965)
Plus: Equity-Based Compensation - Performance Compensation Related (b)	-	3,093	6,143	5,824	13,700
Net Realized Performance Revenues	\$ 960,175	\$ 1,789,692	\$ 2,527,019	\$ 1,118,790	\$ 2,443,708
Interest Income and Dividend Revenue	70,936	76,052	95,661	96,399	142,920
Less: Interest Expense	(103,904)	(112,563)	(139,842)	(148,022)	(192,838)
Net Interest (Loss)	\$ (32,968)	\$ (36,511)	\$ (44,181)	\$ (51,623)	\$ (49,918)
Taxes and Related Payables (c)	\$ (156,734)	\$ (280,788)	\$ (90,470)	\$ (167,149)	\$ (189,988)
Unrealized Performance Allocations	2,155,528	1,696,407	(1,590,369)	530,120	(105,432)
Less: Unrealized Performance Allocations Compensation	(964,339)	(368,493)	309,422	(333,528)	(103,794)
Net Unrealized Performance Revenues	\$ 1,191,189	\$ 1,327,914	\$ (1,280,947)	\$ 196,592	\$ (209,226)
Related Payables (d)	\$ 74,570	\$ 81,276	\$ 62,943	\$ 74,886	\$ 88,457
Equity-Based Compensation - Non-Performance Compensation Related (a)	130,124	45,133	96,901	73,747	93,410
Plus: Equity-Based Compensation - Performance Compensation Related (b)	-	3,093	6,143	5,824	13,700
Equity-Based Compensation (e)	\$ 130,124	\$ 48,226	\$ 103,044	\$ 79,571	\$ 107,110

Unless otherwise noted, all amounts are the respective captions from the Total Segment information.

(a) Represents the equity-based compensation expense component of Compensation.

(b) Represents the total equity-based compensation expense component of Realized Incentive Fees Compensation and Realized Performance Allocations Compensation.

(c) Represents the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and to exclude the tax impact on any divestitures and the Payable Under Tax Receivable Agreement.

(d) Represents tax-related payables including the Payable Under Tax Receivable Agreement, which is a component of Taxes and Related Payables.

(e) Represents all equity-based compensation expenses included in Economic Income. This excludes all transaction-related equity-based charges.

Investment Records as of June 30, 2018^(a)

(Dollars in Thousands, Except Where Noted)

Fund (Investment Period Beginning Date / Ending Date)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)	
			Value	MOIC (c)	% Public	Value	MOIC (c)	Value	MOIC (c)	Realized	Total
Private Equity											
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	17,086	1.3x	-	2,953,649	1.4x	2,970,735	1.4x	7%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	207,524	872,299	0.9x	50%	20,677,725	3.2x	21,550,024	2.9x	42%	36%
BCP V (Dec 2005 / Jan 2011)	21,022,164	1,052,763	2,256,568	1.1x	30%	36,189,148	2.0x	38,445,716	1.9x	9%	8%
BCP VI (Jan 2011 / May 2016)	15,190,523	1,800,629	17,512,669	1.8x	32%	8,990,744	2.1x	26,503,413	1.9x	23%	15%
BEP I (Aug 2011 / Feb 2015)	2,436,904	168,684	2,947,107	1.7x	36%	1,416,870	2.0x	4,363,977	1.8x	29%	15%
BEP II (Feb 2015 / Feb 2021)	4,874,208	1,698,584	2,884,607	1.4x	-	65,371	2.9x	2,949,978	1.4x	n/m	15%
BCP VII (May 2016 / May 2022)	18,494,651	12,230,285	5,644,440	1.4x	-	311,717	1.2x	5,956,157	1.4x	n/m	17%
BCP Asia (Dec 2017 / Dec 2023) (e)	2,369,469	2,208,544	13,992	n/a	-	-	n/a	13,992	n/a	n/a	n/m
Total Corporate Private Equity	\$ 79,486,034	\$ 19,391,588	\$ 32,148,768	1.5x	24%	\$ 84,788,469	2.2x	\$ 116,937,237	2.0x	17%	15%
Tactical Opportunities	18,427,737	8,426,505	9,781,454	1.2x	10%	5,287,948	1.7x	15,069,402	1.4x	26%	12%
Tactical Opportunities Co-Investment and Other	5,119,604	1,409,243	3,670,283	1.2x	2%	1,198,810	1.6x	4,869,093	1.3x	n/a	18%
Strategic Partners I-V and Co-Investment (f)	11,913,113	1,796,921	2,020,522	n/m	-	15,588,672	n/m	17,609,194	1.5x	n/a	13%
Strategic Partners VI LBO, RE and SMA (f)	7,402,171	2,070,236	3,500,627	n/m	-	2,739,347	n/m	6,239,974	1.5x	n/a	21%
Strategic Partners VII (f)	7,669,970	2,334,958	4,876,510	n/m	-	350,751	n/m	5,227,261	1.3x	n/a	54%
Strategic Partners RA II (f)	1,806,807	1,446,595	262,612	n/m	-	12,940	n/m	275,552	1.2x	n/a	24%
BCEP (Jan 2017 / Jan 2021) (g)	4,755,620	2,605,464	2,214,439	1.0x	-	-	n/a	2,214,439	1.0x	n/a	3%
Other Funds and Co-Investment (h)	1,621,936	442,069	68,639	0.9x	22%	637,161	0.9x	705,800	0.9x	n/m	n/m
Real Estate											
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	-	313,328	0.4x	30%	4,259,530	2.2x	4,572,858	1.7x	35%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	-	1,181,187	2.3x	31%	12,230,080	2.3x	13,411,267	2.3x	12%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	556,530	1,554,579	1.6x	3%	25,908,690	2.6x	27,463,269	2.5x	14%	13%
BREP VII (Aug 2011 / Apr 2015)	13,495,034	2,058,135	11,964,442	1.7x	19%	16,641,294	2.1x	28,605,736	1.9x	29%	18%
BREP VIII (Apr 2015 / Oct 2020)	16,419,603	8,407,055	11,023,120	1.4x	2%	4,003,140	1.5x	15,026,260	1.4x	27%	17%
Total Global BREP	\$ 51,955,662	\$ 11,021,720	\$ 26,036,656	1.5x	11%	\$ 70,577,652	2.3x	\$ 96,614,308	2.0x	19%	16%
BREP Int ¹ (Jan 2001 / Sep 2005)	€ 824,172	€ -	€ -	n/a	-	€ 1,369,016	2.1x	€ 1,369,016	2.1x	23%	23%
BREP Int ¹ II (Sep 2005 / Jun 2008) (i)	1,629,748	-	140,384	0.5x	-	2,294,647	2.0x	2,435,031	1.7x	10%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	463,758	1,154,882	1.3x	-	5,199,477	2.5x	6,354,359	2.2x	21%	16%
BREP Europe IV (Sep 2013 / Dec 2016)	6,709,145	1,333,963	4,903,348	1.5x	10%	6,316,424	2.0x	11,219,772	1.8x	25%	18%
BREP Europe V (Dec 2016 / Jun 2022)	7,855,686	4,256,899	4,164,195	1.2x	4%	14,155	n/m	4,178,350	1.2x	n/m	19%
Total Euro BREP	€ 20,223,918	€ 6,054,620	€ 10,362,809	1.3x	7%	€ 15,193,719	2.1x	€ 25,556,528	1.7x	17%	14%
BREP Asia I (Jun 2013 / Dec 2017)	\$ 5,096,522	\$ 1,881,675	\$ 4,253,540	1.4x	-	\$ 2,508,819	1.8x	\$ 6,762,359	1.5x	23%	16%
BREP Asia II (Dec 2017 / Jun 2023)	7,105,707	7,008,667	262,033	n/m	-	-	n/m	262,033	n/m	n/m	n/m
BREP Co-Investment (j)	6,892,347	146,573	2,098,516	1.7x	51%	11,800,844	2.1x	13,899,360	2.1x	16%	16%
Total BREP	\$ 95,817,573	\$ 27,054,144	\$ 44,954,095	1.4x	11%	\$ 104,310,222	2.2x	\$ 149,264,317	1.9x	19%	16%
BPP (k)	\$ 25,307,653	\$ 2,882,693	\$ 25,930,125	1.2x	-	\$ 2,678,843	n/a	\$ 28,608,968	1.2x	n/m	12%
BREDS (l)	\$ 13,247,759	\$ 4,600,992	\$ 2,966,415	1.1x	-	\$ 9,474,771	1.3x	\$ 12,441,186	1.3x	12%	11%
Hedge Fund Solutions											
BSCH (Dec 2013 / Jun 2020) (m)	\$ 3,298,575	\$ 2,356,290	\$ 973,480	1.0x	-	\$ 256,301	n/a	\$ 1,229,781	1.3x	n/a	6%
BSCH Co-Investment	276,000	164,877	102,280	0.9x	-	24,167	n/a	126,447	1.1x	n/a	9%
Total Hedge Fund Solutions	\$ 3,574,575	\$ 2,521,167	\$ 1,075,760	1.0x	-	\$ 280,468	n/a	\$ 1,356,228	1.3x	n/a	6%
Credit (n)											
Mezzanine I (Jul 2007 / Oct 2011)	\$ 2,000,000	\$ 97,114	\$ 45,909	0.8x	-	\$ 4,770,221	1.6x	\$ 4,816,130	1.6x	n/a	17%
Mezzanine II (Nov 2011 / Nov 2016)	4,120,000	1,146,274	2,535,690	1.1x	-	4,100,043	1.6x	6,635,733	1.4x	n/a	13%
Mezzanine III (Sep 2016 / Sep 2021)	6,639,133	3,457,539	2,547,038	1.1x	-	636,892	1.5x	3,183,930	1.2x	n/a	13%
Stressed / Distressed Investing I (Sep 2009 / May 2013)	3,253,143	175,000	417,641	0.7x	-	5,568,943	1.5x	5,986,584	1.4x	n/a	11%
Stressed / Distressed Investing II (Jun 2013 / Jun 2018)	5,125,000	648,283	2,846,622	1.1x	-	2,968,264	1.4x	5,814,886	1.2x	n/a	13%
Stressed / Distressed Investing III (Dec 2017 / Dec 2022)	7,356,380	6,329,287	769,329	1.1x	-	23,341	n/a	792,670	1.1x	n/a	n/a
Energy Select Opportunities (Nov 2015 / Nov 2018)	2,856,867	1,108,540	1,875,069	1.2x	-	415,064	1.7x	2,290,133	1.2x	n/a	19%
Euro											
European Senior Debt Fund (Feb 2015 / Feb 2019)	€ 1,964,689	€ 1,560,617	€ 1,811,098	1.0x	-	€ 656,896	1.5x	€ 2,467,994	1.1x	n/a	11%
Total Credit	\$ 33,616,933	\$ 14,784,215	\$ 13,151,845	1.1x	-	\$ 19,235,263	1.5x	\$ 32,387,108	1.3x	n/a	14%

Investment Records as of June 30, 2018 – Notes

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

- n/m Not meaningful.
- n/a Not applicable.
- (a) Preliminary.
- (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 Carried Interest, divided by invested capital.
- (d) Net Internal Rate of Return (“IRR”) represents the annualized inception to June 30, 2018 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Carried Interest.
- (e) Includes foreign currency gain or loss on invested undrawn capital, if any.
- (f) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not meaningful.
- (g) BCEP, or Blackstone Core Equity Partners, is a core private equity fund which invests with a more modest risk profile and longer hold period.
- (h) Returns for Other Funds and Co-Investment are not meaningful as these funds have limited transaction activity.
- (i) The 10% 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 9% Realized Net IRR and a 6% Total Net IRR.
- (j) 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 Carried Interest.
- (k) BPP represents the core+ real estate funds which invest with a more modest risk profile and lower leverage. Excludes BREIT.
- (l) Excludes Capital Trust drawdown funds.
- (m) BSCH, or Blackstone Strategic Capital Holdings, is a permanent capital vehicle focused on acquiring strategic minority positions in alternative asset managers.
- (n) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the eight credit drawdown funds presented.

Definitions

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

- **Economic Income**, or “**EI**”, represents segment net income before taxes and is used as a key measure of value creation, a benchmark of performance and in making resource deployment and compensation decisions across Blackstone’s four segments. EI presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages, and excludes the amortization of intangibles and other transaction-related charges.

Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone’s initial public offering.

They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the tax receivable agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.

- **Economic Net Income**, or “**ENI**”, represents EI adjusted to include current period taxes. Current period taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision for Taxes and adjusted to exclude the tax impact of any divestitures.
- **Fee Related Earnings**, or “**FRE**”, is used as a performance measure to assess whether recurring revenue from its businesses is sufficient to adequately cover all of its operating expenses and generate profits. FRE equals contractual fee revenues less (a) cash compensation expenses (which excludes Performance Compensation), and (b) Other Operating Expenses. FRE represents EI adjusted to exclude: (a) the income related to Performance Revenue and related Performance Compensation, (b) income earned from Blackstone’s investments in the Blackstone Funds, (c) net interest income (loss), (d) equity-based compensation, and (e) Other Revenue.
- **Distributable Earnings**, or “**DE**”, which is derived from Blackstone’s segment reported results, is a supplemental measure used to assess performance and amounts available for distributions to Blackstone unitholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. DE is intended to show the amount of net realized earnings without the effects of the consolidation of the Blackstone Funds. DE is the sum across all segments of: (a) Total Management, Advisory and Other Fees, Net, (b) Interest and Dividend Revenue, (c) Realized Incentive Fees, (d) Realized Performance Allocations, and (e) Realized Principal Investment Income (Loss); less (a) Compensation, excluding the expense of equity-based awards, (b) Realized Incentive Fee Compensation, (c) Realized Performance Allocations Compensation, (d) Interest Expense, (e) Other Operating Expenses, and (f) Taxes and Related Payables Under the Tax Receivable Agreement. DE is reconciled to Blackstone’s Consolidated Statement of Operations.
- **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.
- **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.