UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2022**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number: 001-33551

Blackstone

Blackstone Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**20-8875684**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BX	New York Stock Exchange

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

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

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

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

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

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

As of April 29, 2022, there were 700,724,002 shares of common stock of the registrant outstanding.

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Forward-Looking Statements

This report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, which reflect our current views with respect to, among other things, our operations, taxes, earnings and financial performance, and 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,” “opportunity,” “leads,” “forecast” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to the impact of the novel coronavirus (“COVID-19”), 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, 2021, 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. 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.

Website and Social Media Disclosure

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

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. In this report, references to “Blackstone,” the “Company,” “we,” “us” or “our” refer to Blackstone Inc. and its consolidated subsidiaries.

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as “common stock,” and to reclassify its Class B and Class C common stock into a new “Series I preferred stock” and “Series II preferred stock,” respectively (the “share reclassification”). Each new stock has the same rights and powers of its predecessor. All references to common stock, Series I preferred stock and Series II preferred stock prior to the share reclassification refer to Class A, Class B and Class C common stock, respectively. See “Part I. Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Organizational Structure.”

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

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

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

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

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

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

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

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

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

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

(a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,

(b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds, and our Hedge Fund Solutions drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods), and (2) our funds of hedge funds, our Hedge Fund Solutions registered investment companies, BREIT, and BEPIF,

(c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,

(d) the amount of debt and equity outstanding for our collateralized loan obligations ("CLO") during the reinvestment period,

(e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,

(f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies,

(g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT, and

(h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

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

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

(a) for our Private Equity segment funds and Real Estate segment carry funds, including certain BREDS and Hedge Fund Solutions funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,

(b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,

(c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,

(d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, BEPIF, and certain of our Hedge Fund Solutions drawdown funds,

(e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,

(f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,

(g) the aggregate par amount of collateral assets, including principal cash, of our CLOs, and

(h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies.

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

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

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

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

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

Part I. Financial Information

Item 1. Financial Statements

Blackstone Inc.
Condensed Consolidated Statements of Financial Condition (Unaudited)
(Dollars in Thousands, Except Share Data)

	March 31, 2022	December 31, 2021
Assets		
Cash and Cash Equivalents	$ 3,868,567	$ 2,119,738
Cash Held by Blackstone Funds and Other	110,648	79,994
Investments (including assets pledged of $78,396 and $63,044 at March 31, 2022 and December 31, 2021, respectively)	30,068,474	28,665,043
Accounts Receivable	517,465	636,616
Due from Affiliates	4,004,359	4,656,867
Intangible Assets, Net	265,686	284,384
Goodwill	1,890,202	1,890,202
Other Assets	422,786	492,936
Right-of-Use Assets	868,437	788,991
Deferred Tax Assets	1,327,454	1,581,637
Total Assets	$ 43,344,078	$ 41,196,408
Liabilities and Equity		
Loans Payable	$ 8,937,456	$ 7,748,163
Due to Affiliates	1,881,054	1,906,098
Accrued Compensation and Benefits	8,140,773	7,905,070
Securities Sold, Not Yet Purchased	27,278	27,849
Repurchase Agreements	77,289	57,980
Operating Lease Liabilities	986,073	908,033
Accounts Payable, Accrued Expenses and Other Liabilities	1,053,128	937,169
Total Liabilities	21,103,051	19,490,362
Commitments and Contingencies		
Redeemable Non-Controlling Interests in Consolidated Entities	41,430	68,028
Equity		
Stockholders' Equity of Blackstone Inc.		
Common Stock, $0.00001 par value, 90 billion shares authorized, (707,180,830 shares issued and outstanding as of March 31, 2022; 704,339,774 shares issued and outstanding as of December 31, 2021)	7	7
Series I Preferred Stock, $0.00001 par value, 999,999,000 shares authorized, (1 share issued and outstanding as of March 31, 2022 and December 31, 2021)	—	—
Series II Preferred Stock, $0.00001 par value, 1,000 shares authorized, (1 share issued and outstanding as of March 31, 2022 and December 31, 2021)	—	—
Additional Paid-in-Capital	5,879,796	5,794,727
Retained Earnings	3,805,918	3,647,785
Accumulated Other Comprehensive Loss	(25,754)	(19,626)
Total Stockholders' Equity of Blackstone Inc.	9,659,967	9,422,893
Non-Controlling Interests in Consolidated Entities	5,747,698	5,600,653
Non-Controlling Interests in Blackstone Holdings	6,791,932	6,614,472
Total Equity	22,199,597	21,638,018
Total Liabilities and Equity	$ 43,344,078	$ 41,196,408

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Financial Condition (Unaudited)
(Dollars in Thousands)

The following presents the asset and liability portion of the consolidated balances presented in the Condensed Consolidated Statements of Financial Condition attributable to consolidated Blackstone Funds which are variable interest entities. The following assets may only be used to settle obligations of these consolidated Blackstone Funds and these liabilities are only the obligations of these consolidated Blackstone Funds and they do not have recourse to the general credit of Blackstone.

	March 31, 2022	December 31, 2021
Assets		
Cash Held by Blackstone Funds and Other	$ 110,648	$ 79,994
Investments	2,045,156	2,018,829
Accounts Receivable	51,044	64,680
Due from Affiliates	40,879	13,748
Other Assets	240	251
Total Assets	$ 2,247,967	$ 2,177,502
Liabilities		
Loans Payable	$ —	$ 101
Due to Affiliates	82,957	95,204
Securities Sold, Not Yet Purchased	23,215	23,557
Repurchase Agreements	5,078	15,980
Accounts Payable, Accrued Expenses and Other Liabilities	24,116	10,420
Total Liabilities	$ 135,366	$ 145,262

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in Thousands, Except Share and Per Share Data)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Revenues		
Management and Advisory Fees, Net	$ 1,475,936	$ 1,177,815
Incentive Fees	104,489	36,124
Investment Income		
Performance Allocations		
Realized	1,766,386	534,367
Unrealized	1,293,050	2,464,497
Principal Investments		
Realized	285,104	355,038
Unrealized	73,961	639,315
Total Investment Income	3,418,501	3,993,217
Interest and Dividend Revenue	54,485	31,412
Other	72,869	60,304
Total Revenues	5,126,280	5,298,872
Expenses		
Compensation and Benefits		
Compensation	656,505	542,638
Incentive Fee Compensation	41,019	13,325
Performance Allocations Compensation		
Realized	717,601	213,027
Unrealized	472,284	1,049,969
Total Compensation and Benefits	1,887,409	1,818,959
General, Administrative and Other	240,674	185,122
Interest Expense	66,747	44,983
Fund Expenses	2,192	2,383
Total Expenses	2,197,022	2,051,447
Other Income		
Change in Tax Receivable Agreement Liability	761	2,910
Net Gains from Fund Investment Activities	50,876	120,353
Total Other Income	51,637	123,263
Income Before Provision (Benefit) for Taxes	2,980,895	3,370,688
Provision (Benefit) for Taxes	483,281	(447)
Net Income	2,497,614	3,371,135
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	5,052	629
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	216,375	386,850
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,059,313	1,235,784
Net Income Attributable to Blackstone Inc.	$ 1,216,874	$ 1,747,872
Net Income Per Share of Common Stock		
Basic	$ 1.66	$ 2.47
Diluted	$ 1.66	$ 2.46
Weighted-Average Shares of Common Stock Outstanding		
Basic	734,327,015	709,033,212
Diluted	734,966,915	709,912,344

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(Dollars in Thousands)

	Three Months Ended March 31,	
	2022	**2021**
Net Income	$ 2,497,614	$ 3,371,135
Other Comprehensive Income (Loss) – Currency Translation Adjustment	(9,399)	7,931
Comprehensive Income	2,488,215	3,379,066
Less:		
Comprehensive Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	5,052	629
Comprehensive Income Attributable to Non-Controlling Interests in Consolidated Entities	216,375	386,850
Comprehensive Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,056,042	1,239,338
Comprehensive Income Attributable to Non-Controlling Interests	1,277,469	1,626,817
Comprehensive Income Attributable to Blackstone Inc.	$ 1,210,746	$ 1,752,249

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(Dollars in Thousands, Except Share Data)

	Shares of Blackstone Inc. (a)	Blackstone Inc. (a)									
	Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Equity	Redeemable Non-Controlling Interests in Consolidated Entities
Balance at December 31, 2021	704,339,774	$ 7	$ 5,794,727	$ 3,647,785	$ (19,626)	$ 9,422,893	$ 5,600,653	$ 6,614,472	$21,638,018	$ 68,028
Net Income	—	—	—	1,216,874	—	1,216,874	216,375	1,059,313	2,492,562	5,052
Currency Translation Adjustment	—	—	—	—	(6,128)	(6,128)	—	(3,271)	(9,399)	—
Capital Contributions	—	—	—	—	—	—	192,338	2,486	194,824	—
Capital Distributions	—	—	—	(1,058,741)	—	(1,058,741)	(252,846)	(901,789)	(2,213,376)	(31,650)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(8,822)	—	(8,822)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	3,272	—	—	3,272	—	—	3,272	—
Equity-Based Compensation	—	—	80,901	—	—	80,901	—	53,678	134,579	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	1,892,172	—	(32,061)	—	—	(32,061)	—	—	(32,061)	—
Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units	—	—	—	—	—	—	—	—	—	—
Change in Blackstone Inc.'s Ownership Interest	—	—	19,519	—	—	19,519	—	(19,519)	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	948,884	—	13,438	—	—	13,438	—	(13,438)	—	—
Balance at March 31, 2022	707,180,830	$ 7	$ 5,879,796	$ 3,805,918	$ (25,754)	$ 9,659,967	$ 5,747,698	$ 6,791,932	$22,199,597	$ 41,430

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(Dollars in Thousands, Except Share Data)

	Shares of Blackstone Inc. (a)	Blackstone Inc. (a)									
	Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings (Deficit)	Accumulated Other Compre-hensive Income (Loss)	Total Stockholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Equity	Redeemable Non-Controlling Interests in Consolidated Entities
Balance at December 31, 2020	683,875,544	$ 7	$ 6,332,105	$ 335,762	$ (15,831)	$ 6,652,043	$ 4,042,157	$ 3,831,148	$14,525,348	$ 65,161
Net Income	—	—	—	1,747,872	—	1,747,872	386,850	1,235,784	3,370,506	629
Currency Translation Adjustment	—	—	—	—	4,377	4,377	—	3,554	7,931	—
Capital Contributions	—	—	—	—	—	—	207,297	2,708	210,005	—
Capital Distributions	—	—	—	(674,866)	—	(674,866)	(242,200)	(582,970)	(1,500,036)	(244)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(3,510)	—	(3,510)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	10,179	—	—	10,179	—	—	10,179	—
Equity-Based Compensation	—	—	91,523	—	—	91,523	—	65,895	157,418	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	1,713,313	—	(18,199)	—	—	(18,199)	—	—	(18,199)	—
Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units	—	—	—	—	—	—	—	—	—	—
Change in Blackstone Inc.'s Ownership Interest	—	—	(7,445)	—	—	(7,445)	—	7,445	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	4,980,706	—	38,666	—	—	38,666	—	(38,666)	—	—
Balance at March 31, 2021	690,569,563	$ 7	$ 6,446,829	$ 1,408,768	$ (11,454)	$ 7,844,150	$ 4,390,594	$ 4,524,898	$16,759,642	$ 65,546

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	Three Months Ended March 31,	
	2022	**2021**
Operating Activities		
Net Income	$ 2,497,614	$ 3,371,135
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Blackstone Funds Related		
Net Realized Gains on Investments	(2,154,499)	(942,407)
Changes in Unrealized Gains on Investments	(101,802)	(723,783)
Non-Cash Performance Allocations	(1,293,050)	(2,464,497)
Non-Cash Performance Allocations and Incentive Fee Compensation	1,230,904	1,276,321
Equity-Based Compensation Expense	219,083	163,867
Amortization of Intangibles	18,698	18,778
Other Non-Cash Amounts Included in Net Income	(215,753)	(204,164)
Cash Flows Due to Changes in Operating Assets and Liabilities		
Accounts Receivable	169,644	(32,900)
Due from Affiliates	722,779	265,981
Other Assets	118,945	70,339
Accrued Compensation and Benefits	(1,079,703)	(339,805)
Securities Sold, Not Yet Purchased	16	(17,600)
Accounts Payable, Accrued Expenses and Other Liabilities	52,257	49,029
Repurchase Agreements	19,310	(18,758)
Due to Affiliates	22,831	31,228
Investments Purchased	(773,867)	(916,378)
Cash Proceeds from Sale of Investments	3,295,094	2,710,298
Net Cash Provided by Operating Activities	2,748,501	2,296,684
Investing Activities		
Purchase of Furniture, Equipment and Leasehold Improvements	(56,152)	(20,741)
Net Cash Used in Investing Activities	(56,152)	(20,741)
Financing Activities		
Distributions to Non-Controlling Interest Holders in Consolidated Entities	(284,496)	(242,444)
Contributions from Non-Controlling Interest Holders in Consolidated Entities	181,824	204,691
Payments Under Tax Receivable Agreement	(46,880)	(51,366)
Net Settlement of Vested Common Stock and Repurchase of Common Stock and Blackstone Holdings Partnership Units	(32,061)	(18,199)
Proceeds from Loans Payable	1,481,644	—

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	Three Months Ended March 31,	
	2022	**2021**
Financing Activities (Continued)		
Repayment and Repurchase of Loans Payable	$ (250,101)	$ —
Dividends/Distributions to Shareholders and Unitholders	(1,958,044)	(1,255,128)
Net Cash Used in Financing Activities	(908,114)	(1,362,446)
Effect of Exchange Rate Changes on Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other	(4,752)	(6,246)
Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other		
Net Increase	1,779,483	907,251
Beginning of Period	2,199,732	2,064,456
End of Period	$ 3,979,215	$ 2,971,707
Supplemental Disclosure of Cash Flows Information		
Payments for Interest	$ 75,184	$ 51,368
Payments for Income Taxes	$ 41,394	$ 34,735
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Non-Cash Contributions from Non-Controlling Interest Holders	$ 4,227	$ 1,717
Notes Issuance Costs	$ 14,226	$ —
Transfer of Interests to Non-Controlling Interest Holders	$ (8,822)	$ (3,510)
Change in Blackstone Inc.'s Ownership Interest	$ 19,519	$ (7,445)
Net Settlement of Vested Common Stock	$ 131,087	$ 89,733
Conversion of Blackstone Holdings Units to Common Stock	$ 13,438	$ 38,666
Acquisition of Ownership Interests from Non-Controlling Interest Holders		
Deferred Tax Asset	$ (33,503)	$ (88,352)
Due to Affiliates	$ 30,231	$ 78,173
Equity	$ 3,272	$ 10,179

The following table provides a reconciliation of Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other reported within the Condensed Consolidated Statements of Financial Condition:

	March 31, 2022	**December 31, 2021**
Cash and Cash Equivalents	$ 3,868,567	$ 2,119,738
Cash Held by Blackstone Funds and Other	110,648	79,994
	$ 3,979,215	$ 2,199,732

See notes to condensed consolidated financial statements.

1. Organization

Blackstone Inc., together with its consolidated subsidiaries ("Blackstone" or the "Company"), is one of the world's leading investment firms. Blackstone's asset management business includes investment vehicles focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets and secondary funds, all on a global basis. "Blackstone Funds" refers to the funds and other vehicles that are managed by Blackstone. Blackstone's business is organized into four segments: Real Estate, Private Equity, Hedge Fund Solutions and Credit & Insurance.

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. Blackstone Inc. was initially formed as The Blackstone Group L.P., a Delaware limited partnership, on March 12, 2007. Prior to its conversion (effective July 1, 2019) to a Delaware corporation, Blackstone Inc. was managed and operated by Blackstone Group Management L.L.C., which is wholly owned by Blackstone's senior managing directors and controlled by one of Blackstone's founders, Stephen A. Schwarzman (the "Founder"). Effective February 26, 2021, the Certificate of Incorporation of Blackstone Inc. was amended and restated to rename Blackstone's Class A common stock as "common stock" and reclassify Blackstone's Class B common stock and Class C common stock into a new Series I preferred stock and a new Series II preferred stock, respectively. All references to common stock, Series I preferred stock and Series II preferred stock prior to such date refer to Class A, Class B and Class C common stock, respectively. See Note 13. "Income Taxes" and Note 14. "Earnings Per Share and Stockholders' Equity — Stockholders' Equity."

The activities of Blackstone are conducted through its holding partnerships: Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. (collectively, "Blackstone Holdings," "Blackstone Holdings Partnerships" or the "Holding Partnerships"). Blackstone, through its wholly owned subsidiaries, is the sole general partner of each of the Holding Partnerships. Generally, holders of the limited partner interests in the Holding Partnerships may, four times each year, exchange their limited partnership interests ("Partnership Units") for Blackstone common stock, on a one-to-one basis, exchanging one Partnership Unit from each of the Holding Partnerships for one share of Blackstone common stock.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Blackstone have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the instructions to Form 10-Q. The condensed consolidated financial statements, including these notes, are unaudited and exclude some of the disclosures required in audited financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in Blackstone's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission.

The condensed consolidated financial statements include the accounts of Blackstone, its wholly owned or majority owned subsidiaries, the consolidated entities which are considered to be variable interest entities and for which Blackstone is considered the primary beneficiary, and certain partnerships or similar entities which are not considered variable interest entities but in which the general partner is determined to have control.

All intercompany balances and transactions have been eliminated in consolidation.

COVID-19 and Global Economic Market Conditions

The impact of the novel coronavirus ("COVID-19") pandemic has rapidly evolved around the globe, causing disruption in the U.S. and global economies. Although the global economy continued reopening in early 2022 and robust economic activity has supported a continued recovery, certain geographies, most notably China, have experienced setbacks. The estimates and assumptions underlying these condensed consolidated financial statements are based on the information available as of March 31, 2022 for the current period and as of March 31, 2021 or December 31, 2021, as applicable. The estimates and assumptions include judgments about financial market and economic conditions which have changed, and may continue to change, over time.

Consolidation

Blackstone consolidates all entities that it controls through a majority voting interest or otherwise, including those Blackstone Funds in which the general partner has a controlling financial interest. Blackstone has a controlling financial interest in Blackstone Holdings because the limited partners do not have the right to dissolve the partnerships or have substantive kick-out rights or participating rights that would overcome the control held by Blackstone. Accordingly, Blackstone consolidates Blackstone Holdings and records non-controlling interests to reflect the economic interests of the limited partners of Blackstone Holdings.

In addition, Blackstone consolidates all variable interest entities ("VIE") for which it is the primary beneficiary. An enterprise is determined to be the primary beneficiary if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The consolidation guidance requires an analysis to determine (a) whether an entity in which Blackstone holds a variable interest is a VIE and (b) whether Blackstone's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests, would give it a controlling financial interest. Performance of that analysis requires the exercise of judgment.

Blackstone determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a variable interest entity and continuously reconsiders that conclusion. In determining whether Blackstone is the primary beneficiary, Blackstone evaluates its control rights as well as economic interests in the entity held either directly or indirectly by Blackstone. The consolidation analysis can generally be performed qualitatively; however, if it is not readily apparent that Blackstone is not the primary beneficiary, a quantitative analysis may also be performed. Investments and redemptions (either by Blackstone, affiliates of Blackstone or third parties) or amendments to the governing documents of the respective Blackstone Funds could affect an entity's status as a VIE or the determination of the primary beneficiary. At each reporting date, Blackstone assesses whether it is the primary beneficiary and will consolidate or deconsolidate accordingly.

Assets of consolidated VIEs that can only be used to settle obligations of the consolidated VIE and liabilities of a consolidated VIE for which creditors (or beneficial interest holders) do not have recourse to the general credit of Blackstone are presented in a separate section in the Condensed Consolidated Statements of Financial Condition.

Blackstone's other disclosures regarding VIEs are discussed in Note 9. "Variable Interest Entities."

Revenue Recognition

Revenues primarily consist of management and advisory fees, incentive fees, investment income, interest and dividend revenue and other.

Management and advisory fees and incentive fees are accounted for as contracts with customers. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. See Note 18. "Segment Reporting" for a disaggregated presentation of revenues from contracts with customers.

Management and Advisory Fees, Net — Management and Advisory Fees, Net are comprised of management fees, including base management fees, transaction and other fees and advisory fees net of management fee reductions and offsets.

Blackstone earns base management fees from its customers, at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross asset value, total assets, committed capital or invested capital. Blackstone identifies its customers on a fund by fund basis in accordance with the terms and circumstances of the individual fund. Generally, the customer is identified as the investors in its managed funds and investment vehicles, but for certain widely held funds or vehicles, the fund or vehicle itself may be identified as the customer. These customer contracts require Blackstone to provide investment management services, which represents a performance obligation that Blackstone satisfies over time. Management fees are a form of variable consideration because the fees Blackstone is entitled to vary based on fluctuations in the basis for the management fee. The amount recorded as revenue is generally determined at the end of the period because these management fees are payable on a regular basis (typically quarterly) and are not subject to clawback once paid.

Transaction, advisory and other fees are principally fees charged to the investors of funds indirectly through the managed funds and portfolio companies. The investment advisory agreements generally require that the investment adviser reduce the amount of management fees payable by the investors to Blackstone ("management fee reductions") by an amount equal to a portion of the transaction and other fees paid to Blackstone by the portfolio companies. The amount of the reduction varies by fund, the type of fee paid by the portfolio company and the previously incurred expenses of the fund. These fees and associated management fee reductions are a component of the transaction price for Blackstone's performance obligation to provide investment management services to the investors of funds and are recognized as changes to the transaction price in the period in which they are charged and the services are performed.

Management fee offsets are reductions to management fees payable by the investors of the Blackstone Funds, which are based on the amount such investors reimburse the Blackstone Funds or Blackstone primarily for placement fees. Providing investment management services requires Blackstone to arrange for services on behalf of its customers. In those situations where Blackstone is acting as an agent on behalf of the investors of funds, it presents the cost of services as net against management fee revenue. In all other situations, Blackstone is primarily responsible for fulfilling the services and is therefore acting as a principal for those arrangements. As a result, the cost of those services is presented as Compensation or General, Administrative and Other expense, as appropriate, with any reimbursement from the investors of the funds recorded as Management and Advisory Fees, Net. In cases where the investors of the funds are determined to be the customer in an arrangement, placement fees may be capitalized as a cost to acquire a customer contract. Capitalized placement fees are amortized over the life of the customer contract, are recorded within Other Assets in the Condensed Consolidated Statements of Financial Condition and amortization is recorded within General, Administrative and Other within the Condensed Consolidated Statements of Operations.

Accrued but unpaid Management and Advisory Fees, net of management fee reductions and management fee offsets, as of the reporting date are included in Accounts Receivable or Due from Affiliates in the Condensed Consolidated Statements of Financial Condition.

Incentive Fees — Contractual fees earned based on the performance of Blackstone Funds ("Incentive Fees") are a form of variable consideration in Blackstone's contracts with customers to provide investment management services. Incentive Fees are earned based on fund performance during the period, subject to the achievement of minimum return levels, or high water marks, in accordance with the respective terms set out in each fund's governing agreements. Incentive Fees will not be recognized as revenue until (a) it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. Incentive Fees are typically recognized as revenue when realized at the end of the measurement period. Once realized, such fees are not subject to clawback or reversal. Accrued but unpaid Incentive Fees charged directly to investors in Blackstone Funds as of the reporting date are recorded within Due from Affiliates in the Condensed Consolidated Statements of Financial Condition.

Investment Income (Loss) — Investment Income (Loss) represents the unrealized and realized gains and losses on Blackstone's Performance Allocations and Principal Investments.

In carry fund structures, Blackstone, through its subsidiaries, invests alongside its limited partners in a partnership and is entitled to its pro-rata share of the results of the fund (a "pro-rata allocation"). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, Blackstone is entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as carried interest ("Performance Allocations").

Performance Allocations are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. At the end of each reporting period, Blackstone calculates the balance of accrued Performance Allocations ("Accrued Performance Allocations") that would be due to Blackstone for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation to the general partner or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. Accrued Performance Allocations as of the reporting date are reflected in Investments in the Condensed Consolidated Statements of Financial Condition.

Performance Allocations are realized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of the preferred return or, in limited instances, after certain thresholds for return of capital are met. Performance Allocations are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results. As such, the accrual for potential repayment of previously received Performance Allocations, which is a component of Due to Affiliates, represents all amounts previously distributed to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone carry funds if the Blackstone carry funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. The actual clawback liability, however, generally does not become realized until the end of a fund's life except for certain funds, including certain Blackstone real estate funds, multi-asset class investment funds and credit-focused funds, which may have an interim clawback liability.

Principal Investments include the unrealized and realized gains and losses on Blackstone's principal investments, including its investments in Blackstone Funds that are not consolidated and receive pro-rata allocations, its equity method investments, and other principal investments. Income (Loss) on Principal Investments is realized when Blackstone redeems all or a portion of its investment or when Blackstone receives cash income, such as dividends or distributions. Unrealized Income (Loss) on Principal Investments results from changes in the fair value of the underlying investment as well as the reversal of unrealized gain (loss) at the time an investment is realized.

Interest and Dividend Revenue — Interest and Dividend Revenue comprises primarily of interest and dividend income earned on principal investments not accounted for under the equity method held by Blackstone.

Other Revenue — Other Revenue consists of miscellaneous income and foreign exchange gains and losses arising on transactions denominated in currencies other than U.S. dollars.

Fair Value of Financial Instruments

GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- Level I – Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments in Level I include listed equities, listed derivatives and mutual funds with quoted prices. Blackstone does not adjust the quoted price for these investments, even in situations where Blackstone holds a large position and a sale could reasonably impact the quoted price.

- Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Financial instruments which are generally included in this category include corporate bonds and loans, including corporate bonds and loans held within CLO vehicles, government and agency securities, less liquid and restricted equity securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.

- Level III – Pricing inputs are unobservable for the financial instruments and includes situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments that are included in this category generally include general and limited partnership interests in private equity and real estate funds, credit-focused funds, distressed debt and non-investment grade residual interests in securitizations, certain corporate bonds and loans held within CLO vehicles and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. Blackstone's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Level II Valuation Techniques

Financial instruments classified within Level II of the fair value hierarchy comprise of debt instruments, including debt securities sold, not yet purchased and certain equity securities and derivative instruments valued using observable inputs.

The valuation techniques used to value financial instruments classified within Level II of the fair value hierarchy are as follows:

- Debt Instruments and Equity Securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments. The valuation of certain equity securities is based on an observable price for an identical security adjusted for the effect of a restriction.

- Freestanding Derivatives are valued using contractual cash flows and observable inputs comprising yield curves, foreign currency rates and credit spreads.

Level III Valuation Techniques

In the absence of observable market prices, Blackstone values its investments using valuation methodologies applied on a consistent basis. For some investments little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances, and may incorporate management's own assumptions and involves a significant degree of judgment, taking into consideration a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks. Investments for which market prices are not observable include private investments in the equity of operating companies, real estate properties, certain funds of hedge funds and credit-focused investments.

Real Estate Investments – The fair values of real estate investments are determined by considering projected operating cash flows, sales of comparable assets, if any, and replacement costs, among other measures. The methods used to estimate the fair value of real estate investments include the discounted cash flow method and/or capitalization rates analysis. Valuations may be derived by reference to observable valuation measures for comparable companies or assets (for example, multiplying a key performance metric of the investee company or asset, such as earnings before interest, taxes, depreciation and amortization ("EBITDA"), by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables, and in some instances by reference to option pricing models or other similar methods. Where a discounted cash flow method is used, a terminal value is derived by reference to an exit EBITDA multiple or capitalization rate. Additionally, where applicable, projected distributable cash flow-through debt maturity will be considered in support of the investment's fair value.

Private Equity Investments – The fair values of private equity investments are determined by reference to projected net earnings, EBITDA, the discounted cash flow method, public market or private transactions, valuations for comparable companies and other measures which, in many cases, are based on unaudited information at the time received. Valuations may be derived by reference to observable valuation measures for comparable companies or transactions (for example, multiplying a key performance metric of the investee company, such as EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables, and in some instances by reference to option pricing models or other similar methods. Where a discounted cash flow method is used, a terminal value is derived by reference to EBITDA or price/earnings exit multiples.

Credit-Focused Investments – The fair values of credit-focused investments are generally determined on the basis of prices between market participants provided by reputable dealers or pricing services. For credit-focused investments that are not publicly traded or whose market prices are not readily available, Blackstone may utilize other valuation techniques, including the discounted cash flow method or a market approach. The discounted cash flow method projects the expected cash flows of the debt instrument based on contractual terms, and discounts such cash flows back to the valuation date using a market-based yield. The market-based yield is estimated using yields of publicly traded debt instruments issued by companies operating in similar industries as the subject investment, with similar leverage statistics and time to maturity.

The market approach is generally used to determine the enterprise value of the issuer of a credit investment, and considers valuation multiples of comparable companies or transactions. The resulting enterprise value will dictate whether or not such credit investment has adequate enterprise value coverage. In cases of distressed credit instruments, the market approach may be used to estimate a recovery value in the event of a restructuring.

Investments, at Fair Value

The Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Accounting and Auditing Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority owned and controlled investments (the "Portfolio Companies"), at fair value. Such consolidated funds' investments are reflected in Investments on the Condensed Consolidated Statements of Financial Condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of Net Gains from Fund Investment Activities in the Condensed Consolidated Statements of Operations. Fair value is the amount that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, at current market conditions (i.e., the exit price).

Blackstone's principal investments are presented at fair value with unrealized appreciation or depreciation and realized gains and losses recognized in the Condensed Consolidated Statements of Operations within Investment Income (Loss).

For certain instruments, Blackstone has elected the fair value option. Such election is irrevocable and is applied on an investment by investment basis at initial recognition or other eligible election dates. Blackstone has applied the fair value option for certain loans and receivables, unfunded loan commitments and certain investments in private debt securities that otherwise would not have been carried at fair value with gains and losses recorded in net income. The methodology for measuring the fair value of such investments is consistent with the methodology applied to private equity, real estate, credit-focused and funds of hedge funds investments. Changes in the fair value of such instruments are recognized in Investment Income (Loss) in the Condensed Consolidated Statements of Operations. Interest income on interest bearing loans and receivables and debt securities on which the fair value option has been elected is based on stated coupon rates adjusted for the accretion of purchase discounts and the amortization of purchase premiums. This interest income is recorded within Interest and Dividend Revenue.

Blackstone has elected the fair value option for certain proprietary investments that would otherwise have been accounted for using the equity method of accounting. The fair value of such investments is based on quoted prices in an active market or using the discounted cash flow method. Changes in fair value are recognized in Investment Income (Loss) in the Condensed Consolidated Statements of Operations.

Further disclosure on instruments for which the fair value option has been elected is presented in Note 7. “Fair Value Option.”

The investments of consolidated Blackstone Funds in funds of hedge funds (“Investee Funds”) are valued at net asset value (“NAV”) per share of the Investee Fund. In limited circumstances, Blackstone may determine, based on its own due diligence and investment procedures, that NAV per share does not represent fair value. In such circumstances, Blackstone will estimate the fair value in good faith and in a manner that it reasonably chooses, in accordance with the requirements of GAAP.

Certain investments of Blackstone and of the consolidated Blackstone funds of hedge funds and credit-focused funds measure their investments in underlying funds at fair value using NAV per share without adjustment. The terms of the investee’s investment generally provide for minimum holding periods or lock-ups, the institution of gates on redemptions or the suspension of redemptions or an ability to side-pocket investments, at the discretion of the investee’s fund manager, and as a result, investments may not be redeemable at, or within three months of, the reporting date. A side-pocket is used by hedge funds and funds of hedge funds to separate investments that may lack a readily ascertainable value, are illiquid or are subject to liquidity restriction. Redemptions are generally not permitted until the investments within a side-pocket are liquidated or it is deemed that the conditions existing at the time that required the investment to be included in the side-pocket no longer exist. As the timing of either of these events is uncertain, the timing at which Blackstone may redeem an investment held in a side-pocket cannot be estimated. Further disclosure on instruments for which fair value is measured using NAV per share is presented in Note 5. “Net Asset Value as Fair Value.”

Security and loan transactions are recorded on a trade date basis.

Blackstone may elect to measure certain proprietary investments in equity securities without readily determinable fair values under the measurement alternative, which reflects cost less impairment, with adjustments in value resulting from observable price changes arising from orderly transactions of the same or a similar security from the same issuer. If the measurement alternative election is not made, the equity security is measured at fair value. The measurement alternative election is made on an instrument by instrument basis.

Equity Method Investments

Investments in which Blackstone is deemed to exert significant influence, but not control, are accounted for using the equity method of accounting except in cases where the fair value option has been elected. Blackstone has significant influence over all Blackstone Funds in which it invests but does not consolidate. Therefore, its investments in such Blackstone Funds, which include both a proportionate and disproportionate allocation of the profits and losses (as is the case with carry funds that include a Performance Allocation), are accounted for under the equity method. Under the equity method of accounting, Blackstone’s share of earnings (losses) from equity method investments is included in Investment Income (Loss) in the Condensed Consolidated Statements of Operations.

In cases where Blackstone’s equity method investments provide for a disproportionate allocation of the profits and losses (as is the case with carry funds that include a Performance Allocation), Blackstone’s share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value (“HLBV”) method. Under the HLBV method, at the end of each reporting period, Blackstone calculates the Accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance

Allocation to the general partner, or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. The carrying amounts of equity method investments are reflected in Investments in the Condensed Consolidated Statements of Financial Condition.

Strategic Partners' results presented in Blackstone's financial statements are reported on a three month lag from Strategic Partners' fund financial statements, which report the performance of underlying investments generally on a same quarter basis, if available. Therefore, Strategic Partners' results presented herein do not reflect the impact of economic and market activity in the current quarter. Current quarter market activity of Strategic Partners' underlying investments is expected to affect Blackstone's reported results in upcoming periods. Effective September 30, 2021, Strategic Partners' fund financial reporting process was updated to report the performance of underlying fund investments generally on a same-quarter basis, if available. Previously, such fund financial reporting in Strategic Partners' fund financial statements generally reported on a three month lag. This update to Strategic Partners' fund financial reporting process has permitted Strategic Partners' appreciation to be reported in Blackstone's financial statements on a more current basis.

Compensation and Benefits

Compensation and Benefits — Compensation — Compensation consists of (a) salary and bonus, and benefits paid and payable to employees and senior managing directors and (b) equity-based compensation associated with the grants of equity-based awards to employees and senior managing directors. Compensation cost relating to the issuance of equity-based awards to senior managing directors and employees is measured at fair value at the grant date, and expensed over the vesting period on a straight-line basis, taking into consideration expected forfeitures, except in the case of (a) equity-based awards that do not require future service, which are expensed immediately, and (b) certain awards to recipients that meet criteria making them eligible for retirement (allowing such recipient to keep a percentage of those awards upon departure from Blackstone after becoming eligible for retirement), for which the expense for the portion of the award that would be retained in the event of retirement is either expensed immediately or amortized to the retirement date. Cash settled equity-based awards and awards settled in a variable number of shares are classified as liabilities and are remeasured at the end of each reporting period.

Compensation and Benefits — Incentive Fee Compensation — Incentive Fee Compensation consists of compensation paid based on Incentive Fees.

Compensation and Benefits — Performance Allocations Compensation — Performance Allocation Compensation consists of compensation paid based on Performance Allocations (which may be distributed in cash or in-kind). Such compensation expense is subject to both positive and negative adjustments. Unlike Performance Allocations, compensation expense is based on the performance of individual investments held by a fund rather than on a fund by fund basis. These amounts may also include allocations of investment income from Blackstone's principal investments, to senior managing directors and employees participating in certain profit sharing initiatives.

Non-Controlling Interests in Consolidated Entities

Non-Controlling Interests in Consolidated Entities represent the component of Equity in general partner entities and consolidated Blackstone Funds held by third party investors and employees. The percentage interests in consolidated Blackstone Funds held by third parties and employees is adjusted for general partner allocations and by subscriptions and redemptions in funds of hedge funds and certain credit-focused funds which occur during the reporting period. Income (Loss) and other comprehensive income, if applicable, arising from the respective entities is allocated to non-controlling interests in consolidated entities based on the relative ownership interests of third party investors and employees after considering any contractual arrangements that govern the allocation of income (loss) such as fees allocable to Blackstone Inc.

Redeemable Non-Controlling Interests in Consolidated Entities

Non-controlling interests related to funds of hedge funds are subject to annual, semi-annual or quarterly redemption by investors in these funds following the expiration of a specified period of time, or may be withdrawn subject to a redemption fee during the period when capital may not be withdrawn. As limited partners in these types of funds have been granted redemption rights, amounts relating to third party interests in such consolidated funds are presented as Redeemable Non-Controlling Interests in Consolidated Entities within the Condensed Consolidated Statements of Financial Condition. When redeemable amounts become legally payable to investors, they are classified as a liability and included in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition. For all consolidated funds in which redemption rights have not been granted, non-controlling interests are presented within Equity in the Condensed Consolidated Statements of Financial Condition as Non-Controlling Interests in Consolidated Entities.

Non-Controlling Interests in Blackstone Holdings

Non-Controlling Interests in Blackstone Holdings represent the component of Equity in the consolidated Blackstone Holdings Partnerships held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships.

Certain costs and expenses are borne directly by the Holdings Partnerships. Income (Loss), excluding those costs directly borne by and attributable to the Holdings Partnerships, is attributable to Non-Controlling Interests in Blackstone Holdings. This residual attribution is based on the year to date average percentage of Blackstone Holdings Partnership Units and unvested participating Holdings Partnership Units held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. Unvested participating Holdings Partnership Units are excluded from the attribution in periods of loss as they are not contractually obligated to share in losses of the Holdings Partnerships.

Income Taxes

Provision of Income Taxes

Income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities, resulting in all pretax amounts being appropriately tax effected in the period, irrespective of which tax return year items will be reflected. Blackstone reports interest expense and tax penalties related to income tax matters in provision for income taxes.

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce the deferred tax assets to the amount that is more likely than not to be realized. Deferred tax assets are separately stated, and deferred tax liabilities are included in Accounts Payable, Accrued Expenses, and Other Liabilities in the financial statements.

Unrecognized Tax Benefits

Blackstone recognizes tax positions in the condensed consolidated financial statements when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit what will more likely than not be realized on settlement. A liability is established for differences between positions taken in the return and amounts recognized in the condensed consolidated financial statements.

Net Income (Loss) Per Share of Common Stock

Basic Income (Loss) Per Share of Common Stock is calculated by dividing Net Income (Loss) Attributable to Blackstone Inc. by the weighted-average shares of common stock, unvested participating shares of common stock outstanding for the period and vested deferred restricted shares of common stock that have been earned for which issuance of the related shares of common stock is deferred until future periods. Diluted Income (Loss) Per Share of Common Stock reflects the impact of all dilutive securities. Unvested participating shares of common stock are excluded from the computation in periods of loss as they are not contractually obligated to share in losses.

Blackstone applies the treasury stock method to determine the dilutive weighted-average common shares outstanding for certain equity-based compensation awards. Blackstone applies the "if-converted" method to the Blackstone Holdings Partnership Units to determine the dilutive impact, if any, of the exchange right included in the Blackstone Holdings Partnership Units. Blackstone applies the contingently issuable share model to contracts that may require the issuance of shares.

Reverse Repurchase and Repurchase Agreements

Securities purchased under agreements to resell ("reverse repurchase agreements") and securities sold under agreements to repurchase ("repurchase agreements"), comprised primarily of U.S. and non-U.S. government and agency securities, asset-backed securities and corporate debt, represent collateralized financing transactions. Such transactions are recorded in the Condensed Consolidated Statements of Financial Condition at their contractual amounts and include accrued interest. The carrying value of reverse repurchase and repurchase agreements approximates fair value.

Blackstone manages credit exposure arising from reverse repurchase agreements and repurchase agreements by, in appropriate circumstances, entering into master netting agreements and collateral arrangements with counterparties that provide Blackstone, in the event of a counterparty default, the right to liquidate collateral and the right to offset a counterparty's rights and obligations.

Blackstone takes possession of securities purchased under reverse repurchase agreements and is permitted to repledge, deliver or otherwise use such securities. Blackstone also pledges its financial instruments to counterparties to collateralize repurchase agreements. Financial instruments pledged that can be repledged, delivered or otherwise used by the counterparty are recorded in Investments in the Condensed Consolidated Statements of Financial Condition. Additional disclosures relating to repurchase agreements are discussed in Note 10. "Repurchase Agreements."

Blackstone does not offset assets and liabilities relating to reverse repurchase agreements and repurchase agreements in its Condensed Consolidated Statements of Financial Condition. Additional disclosures relating to offsetting are discussed in Note 11. "Offsetting of Assets and Liabilities."

Securities Sold, Not Yet Purchased

Securities Sold, Not Yet Purchased consist of equity and debt securities that Blackstone has borrowed and sold. Blackstone is required to "cover" its short sale in the future by purchasing the security at prevailing market prices and delivering it to the counterparty from which it borrowed the security. Blackstone is exposed to loss in the event that the price at which a security may have to be purchased to cover a short sale exceeds the price at which the borrowed security was sold short.

Securities Sold, Not Yet Purchased are recorded at fair value in the Condensed Consolidated Statements of Financial Condition.

Derivative Instruments

Blackstone recognizes all derivatives as assets or liabilities on its Condensed Consolidated Statements of Financial Condition at fair value. On the date Blackstone enters into a derivative contract, it designates and documents each derivative contract as one of the following: (a) a hedge of a recognized asset or liability ("fair value hedge"), (b) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), (c) a hedge of a net investment in a foreign operation, or (d) a derivative instrument not designated as a hedging instrument ("freestanding derivative").

For freestanding derivative contracts, Blackstone presents changes in fair value in current period earnings. Changes in the fair value of derivative instruments held by consolidated Blackstone Funds are reflected in Net Gains from Fund Investment Activities or, where derivative instruments are held by Blackstone, within Investment Income (Loss) in the Condensed Consolidated Statements of Operations. The fair value of freestanding derivative assets of the consolidated Blackstone Funds are recorded within Investments, the fair value of freestanding derivative assets that are not part of the consolidated Blackstone Funds are recorded within Other Assets and the fair value of freestanding derivative liabilities are recorded within Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

Blackstone has elected to not offset derivative assets and liabilities or financial assets in its Condensed Consolidated Statements of Financial Condition, including cash, that may be received or paid as part of collateral arrangements, even when an enforceable master netting agreement is in place that provides Blackstone, in the event of counterparty default, the right to liquidate collateral and the right to offset a counterparty's rights and obligations.

Blackstone's other disclosures regarding derivative financial instruments are discussed in Note 6. "Derivative Financial Instruments."

Blackstone's disclosures regarding offsetting are discussed in Note 11. "Offsetting of Assets and Liabilities."

Affiliates

Blackstone considers its Founder, senior managing directors, employees, the Blackstone Funds and the Portfolio Companies to be affiliates.

Dividends

Dividends are reflected in the condensed consolidated financial statements when declared.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

3. Intangible Assets

Intangible Assets, Net consists of the following:

	March 31, 2022	December 31, 2021
Finite-Lived Intangible Assets/Contractual Rights	$ 1,745,376	$ 1,745,376
Accumulated Amortization	(1,479,690)	(1,460,992)
Intangible Assets, Net	$ 265,686	$ 284,384

Amortization expense associated with Blackstone's intangible assets was $18.7 million and $18.8 million for the three months ended March 31, 2022 and 2021, respectively.

Amortization of Intangible Assets held at March 31, 2022 is expected to be $67.1 million, $38.1 million, $30.5 million, $30.5 million and $30.4 million for each of the years ending December 31, 2022, 2023, 2024, 2025, and 2026, respectively. Blackstone's Intangible Assets as of March 31, 2022 are expected to amortize over a weighted-average period of 7.2 years.

4. Investments

Investments consist of the following:

	March 31, 2022	December 31, 2021
Investments of Consolidated Blackstone Funds	$ 2,045,156	$ 2,018,829
Equity Method Investments		
Partnership Investments	5,858,926	5,635,212
Accrued Performance Allocations	17,661,244	17,096,873
Corporate Treasury Investments	916,510	658,066
Other Investments	3,586,638	3,256,063
	$ 30,068,474	$ 28,665,043

Blackstone's share of Investments of Consolidated Blackstone Funds totaled $376.4 million and $375.8 million at March 31, 2022 and December 31, 2021, respectively.

Where appropriate, the accounting for Blackstone's investments incorporates the changes in fair value of those investments as determined under GAAP. The significant inputs and assumptions required to determine the change in fair value of the investments of Consolidated Blackstone Funds, Corporate Treasury Investments and Other Investments are discussed in more detail in Note 8. "Fair Value Measurements of Financial Instruments."

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Investments of Consolidated Blackstone Funds

The following table presents the Realized and Net Change in Unrealized Gains (Losses) on investments held by the consolidated Blackstone Funds and a reconciliation to Other Income (Loss) – Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
	2022	**2021**
Realized Gains	$ 17,688	$ 28,994
Net Change in Unrealized Gains	27,841	84,467
Realized and Net Change in Unrealized Gains from Consolidated Blackstone Funds	45,529	113,461
Interest and Dividend Revenue Attributable to Consolidated Blackstone Funds	5,347	6,892
Other Income – Net Gains from Fund Investment Activities	$ 50,876	$ 120,353

Equity Method Investments

Blackstone's equity method investments include Partnership Investments, which represent the pro-rata investments, and any associated Accrued Performance Allocations, in Blackstone Funds, excluding any equity method investments for which the fair value option has been elected. Blackstone evaluates each of its equity method investments, excluding Accrued Performance Allocations, to determine if any were significant as defined by guidance from the United States Securities and Exchange Commission ("SEC"). As of and for the three months ended March 31, 2022 and 2021, no individual equity method investment held by Blackstone met the significance criteria. As such, Blackstone is not required to present separate financial statements for any of its equity method investments.

Partnership Investments

Blackstone recognized net gains related to its Partnership Investments accounted for under the equity method of $336.3 million and $694.4 million for the three months ended March 31, 2022 and 2021, respectively.

Accrued Performance Allocations

Accrued Performance Allocations to Blackstone were as follows:

	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
Accrued Performance Allocations, December 31, 2021	$ 8,471,754	$ 7,550,468	$ 456,405	$ 618,246	$ 17,096,873
Performance Allocations as a Result of Changes in Fund Fair Values	2,363,362	613,890	56,925	25,716	3,059,893
Foreign Exchange Loss	(47,482)	—	—	—	(47,482)
Fund Distributions	(1,836,609)	(559,450)	(9,268)	(42,713)	(2,448,040)
Accrued Performance Allocations, March 31, 2022	$ 8,951,025	$ 7,604,908	$ 504,062	$ 601,249	$ 17,661,244

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Corporate Treasury Investments

The portion of corporate treasury investments included in Investments represents Blackstone's investments into primarily fixed income securities, mutual fund interests, and other fund interests. These strategies are managed by a combination of Blackstone personnel and third party advisors. The following table presents the Realized and Net Change in Unrealized Gains (Losses) on these investments:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Realized Gains (Losses)	$ (1,962)	$ 6,934
Net Change in Unrealized Gains (Losses)	(27,603)	9,929
	$ (29,565)	$ 16,863

Other Investments

Other Investments consist of equity method investments where Blackstone has elected the fair value option and other proprietary investment securities held by Blackstone, including equity securities carried at fair value, equity investments without readily determinable fair values, and subordinated notes in non-consolidated CLO vehicles. Equity investments without a readily determinable fair value had a carrying value of $2.5 billion as of March 31, 2022, including the investment in American International Group, Inc's Life and Retirement business ("AIG L&R"). In the period of acquisition and upon remeasurement in connection with an observable transaction, such investments are reported at fair value. See Note 8. "Fair Value Measurements of Financial Instruments" for additional detail. The following table presents Blackstone's Realized and Net Change in Unrealized Gains (Losses) in Other Investments:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Realized Gains	$ 101,349	$ 113
Net Change in Unrealized Gains (Losses)	(80,485)	284,502
	$ 20,864	$ 284,615

5. Net Asset Value as Fair Value

A summary of fair value by strategy type and ability to redeem such investments as of March 31, 2022 is presented below:

Strategy (a)	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
Equity	$ 360,965	(b)	(b)
Credit Driven	28,003	(c)	(c)
Commodities	1,007	(d)	(d)
Diversified Instruments	17	(e)	(e)
	$ 389,992		

(a) As of March 31, 2022, Blackstone had no unfunded commitments.

(b) The Equity category includes investments in hedge funds that invest primarily in domestic and international equity securities. Investment representing 100% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date. Investments representing less than 1% of the fair value of the investments in this category are in liquidation. As of the reporting date, the investee fund manager had elected to side-pocket less than 1% of Blackstone's investments in the category.

(c) The Credit Driven category includes investments in hedge funds that invest primarily in domestic and international bonds. Investments representing 83% of the fair value of the investments in this category are in liquidation. The remaining 17% of investments in this category may not be redeemed at, or within three months of, the reporting date.

(d) The Commodities category includes investments in commodities-focused funds that primarily invest in futures and physical-based commodity driven strategies. Investments representing 100% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date.

(e) Diversified Instruments include investments in funds that invest across multiple strategies. Investments representing 100% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date.

6. Derivative Financial Instruments

Blackstone and the consolidated Blackstone Funds enter into derivative contracts in the normal course of business to achieve certain risk management objectives and for general investment purposes. Blackstone may enter into derivative contracts in order to hedge its interest rate risk exposure against the effects of interest rate changes. Additionally, Blackstone may also enter into derivative contracts in order to hedge its foreign currency risk exposure against the effects of a portion of its non-U.S. dollar denominated currency net investments. As a result of the use of derivative contracts, Blackstone and the consolidated Blackstone Funds are exposed to the risk that counterparties will fail to fulfill their contractual obligations. To mitigate such counterparty risk, Blackstone and the consolidated Blackstone Funds enter into contracts with certain major financial institutions, all of which have investment grade ratings. Counterparty credit risk is evaluated in determining the fair value of derivative instruments.

Freestanding Derivatives

Freestanding derivatives are instruments that Blackstone and certain of the consolidated Blackstone Funds have entered into as part of their overall risk management and investment strategies. These derivative contracts are not designated as hedging instruments for accounting purposes. Such contracts may include interest rate swaps, foreign exchange contracts, equity swaps, options, futures and other derivative contracts.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The table below summarizes the aggregate notional amount and fair value of the derivative financial instruments. The notional amount represents the absolute value amount of all outstanding derivative contracts.

	March 31, 2022				December 31, 2021			
	Assets		Liabilities		Assets		Liabilities	
	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value
Freestanding Derivatives								
Blackstone								
Interest Rate Contracts	$ 925,482	$ 41,780	$ 380,869	$ 2,691	$ 609,132	$ 143,349	$ 692,442	$ 138,677
Foreign Currency Contracts	317,996	4,544	510,006	8,512	217,161	1,858	572,643	6,143
Credit Default Swaps	2,007	210	9,803	1,021	2,007	194	9,916	1,055
	1,245,485	46,534	900,678	12,224	828,300	145,401	1,275,001	145,875
Investments of Consolidated Blackstone Funds								
Foreign Currency Contracts	60,371	1,094	15,424	39	20,764	339	54,300	370
Interest Rate Contracts	—	—	14,000	95	—	—	14,000	764
Credit Default Swaps	3,401	365	6,814	801	3,401	321	22,865	799
	63,772	1,459	36,238	935	24,165	660	91,165	1,933
	$ 1,309,257	$ 47,993	$ 936,916	$ 13,159	$ 852,465	$ 146,061	$ 1,366,166	$ 147,808

The table below summarizes the impact to the Condensed Consolidated Statements of Operations from derivative financial instruments:

	Three Months Ended March 31,	
	2022	2021
Freestanding Derivatives		
Realized Gains (Losses)		
Interest Rate Contracts	$ 3,899	$ 1,646
Foreign Currency Contracts	3,992	1,536
Credit Default Swaps	95	(982)
Total Return Swaps	—	(1,350)
Other	—	(40)
	7,986	810
Net Change in Unrealized Gains (Losses)		
Interest Rate Contracts	34,956	5,701
Foreign Currency Contracts	(9,372)	(128)
Credit Default Swaps	13	842
Total Return Swaps	—	2,130
Other	—	(20)
	25,597	8,525
	$ 33,583	$ 9,335

As of March 31, 2022 and December 31, 2021, Blackstone had not designated any derivatives as fair value, cash flow or net investment hedges.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

7. Fair Value Option

The following table summarizes the financial instruments for which the fair value option has been elected:

	March 31, 2022	December 31, 2021
Assets		
Loans and Receivables	$ 286,199	$ 392,732
Equity and Preferred Securities	1,056,017	516,539
Debt Securities	180,153	183,877
	$ 1,522,369	$ 1,093,148
Liabilities		
Corporate Treasury Commitments	$ 1,829	$ 636

The following table presents the Realized and Net Change in Unrealized Gains (Losses) on financial instruments on which the fair value option was elected:

	Three Months Ended March 31,			
	2022		2021	
	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)
Assets				
Loans and Receivables	$ (1,453)	$ 1,446	$ (4,831)	$ (1,929)
Equity and Preferred Securities	(722)	6,836	—	30,871
Debt Securities	(952)	(8,982)	8,667	(6,158)
	$ (3,127)	$ (700)	$ 3,836	$ 22,784
Liabilities				
Corporate Treasury Commitments	$ —	$ (1,193)	$ —	$ (200)

The following table presents information for those financial instruments for which the fair value option was elected:

	March 31, 2022			December 31, 2021		
		For Financial Assets Past Due			For Financial Assets Past Due	
	(Deficiency) of Fair Value Over Principal	Fair Value	Excess of Fair Value Over Principal	(Deficiency) of Fair Value Over Principal	Fair Value	Excess of Fair Value Over Principal
Loans and Receivables	$ (2,483)	$ —	$ —	$ (2,748)	$ —	$ —
Debt Securities	(39,080)	—	—	(29,475)	—	—
	$ (41,563)	$ —	$ —	$ (32,223)	$ —	$ —

As of March 31, 2022 and December 31, 2021, no Loans and Receivables for which the fair value option was elected were past due or in non-accrual status.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

8. Fair Value Measurements of Financial Instruments

The following tables summarize the valuation of Blackstone's financial assets and liabilities by the fair value hierarchy:

	March 31, 2022				
	Level I	Level II	Level III	NAV	Total
Assets					
Cash and Cash Equivalents	$ 1,090,453	$ —	$ —	$ —	$ 1,090,453
Investments					
Investments of Consolidated Blackstone Funds					
Equity Securities, Partnerships and LLC Interests (a)	39,567	180,020	1,179,941	384,195	1,783,723
Debt Instruments	480	231,183	28,311	—	259,974
Freestanding Derivatives	—	1,459	—	—	1,459
Total Investments of Consolidated Blackstone Funds	40,047	412,662	1,208,252	384,195	2,045,156
Corporate Treasury Investments	146,857	766,492	3,161	—	916,510
Other Investments	373,661	710,355	51,762	5,797	1,141,575
Total Investments	560,565	1,889,509	1,263,175	389,992	4,103,241
Accounts Receivable - Loans and Receivables	—	—	286,199	—	286,199
Other Assets - Freestanding Derivatives	4,605	41,929	—	—	46,534
	$ 1,655,623	$ 1,931,438	$ 1,549,374	$ 389,992	$ 5,526,427
Liabilities					
Securities Sold, Not Yet Purchased	$ 4,063	$ 23,215	$ —	$ —	$ 27,278
Accounts Payable, Accrued Expenses and Other Liabilities					
Consolidated Blackstone Funds - Freestanding Derivatives	—	935	—	—	935
Freestanding Derivatives	198	12,026	—	—	12,224
Corporate Treasury Commitments (b)	—	—	1,829	—	1,829
Total Accounts Payable, Accrued Expenses and Other Liabilities	198	12,961	1,829	—	14,988
	$ 4,261	$ 36,176	$ 1,829	$ —	$ 42,266

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	December 31, 2021				
	Level I	**Level II**	**Level III**	**NAV**	**Total**
Assets					
Cash and Cash Equivalents	$ 173,408	$ —	$ —	$ —	$ 173,408
Investments					
Investments of Consolidated Blackstone Funds					
Equity Securities, Partnerships and LLC Interests (a)	70,484	122,068	1,170,362	382,267	1,745,181
Debt Instruments	642	242,393	29,953	—	272,988
Freestanding Derivatives	—	660	—	—	660
Total Investments of Consolidated Blackstone Funds	71,126	365,121	1,200,315	382,267	2,018,829
Corporate Treasury Investments	86,877	570,712	477	—	658,066
Other Investments (c)	478,892	210,752	2,518,032	4,845	3,212,521
Total Investments	636,895	1,146,585	3,718,824	387,112	5,889,416
Accounts Receivable - Loans and Receivables	—	—	392,732	—	392,732
Other Assets - Freestanding Derivatives	113	145,288	—	—	145,401
	$ 810,416	$ 1,291,873	$ 4,111,556	$ 387,112	$ 6,600,957
Liabilities					
Securities Sold, Not Yet Purchased	$ 4,292	$ 23,557	$ —	$ —	$ 27,849
Accounts Payable, Accrued Expenses and Other Liabilities					
Consolidated Blackstone Funds - Freestanding Derivatives	—	1,933	—	—	1,933
Freestanding Derivatives	323	145,552	—	—	145,875
Corporate Treasury Commitments (b)	—	—	636	—	636
Total Accounts Payable, Accrued Expenses and Other Liabilities	323	147,485	636	—	148,444
	$ 4,615	$ 171,042	$ 636	$ —	$ 176,293

LLC Limited Liability Company.

(a) Equity Securities, Partnership and LLC Interest includes investments in investment funds. Prior period amounts have been reclassified to this presentation.

(b) Corporate Treasury Commitments are measured using third party pricing.

(c) Level III Other Investments includes Blackstone's $2.2 billion equity interest in the AIG L&R business and other investments that were remeasured as the result of an observable transaction. These fair value measurements are nonrecurring and are measured as of either the date of acquisition, which was November 2, 2021 for the AIG L&R business, or as of the date of the observable transaction.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of March 31, 2022:

	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted-Average (a)	Impact to Valuation from an Increase in Input
Financial Assets						
Investments of Consolidated Blackstone Funds						
Equity Securities, Partnership and LLC Interests	$ 1,179,941	Discounted Cash Flows	Discount Rate	3.8% - 55.0%	10.9%	Lower
			Exit Multiple - EBITDA	4.0x - 31.4x	14.8x	Higher
			Exit Capitalization Rate	1.4% - 17.3%	4.8%	Lower
Debt Instruments	28,311	Discounted Cash Flows	Discount Rate	6.5% - 19.3%	10.8%	Lower
		Third Party Pricing	n/a			
Total Investments of Consolidated Blackstone Funds	1,208,252					
Corporate Treasury Investments	3,161	Discounted Cash Flows	Discount Rate	12.3%	n/a	Lower
		Third Party Pricing	n/a			
Loans and Receivables	286,199	Discounted Cash Flows	Discount Rate	6.7% - 10.0%	8.4%	Lower
Other Investments	51,762	Third Party Pricing	n/a			
		Transaction Price	n/a			
	$ 1,549,374					

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The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of December 31, 2021:

	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted-Average (a)	Impact to Valuation from an Increase in Input
Financial Assets						
Investments of Consolidated Blackstone Funds						
Equity Securities, Partnership and LLC Interests	$ 1,170,362	Discounted Cash Flows	Discount Rate	1.3% - 43.3%	10.4%	Lower
			Exit Multiple - EBITDA	3.7x - 31.4x	14.7x	Higher
			Exit Capitalization Rate	1.3% - 17.3%	4.9%	Lower
Debt Instruments	29,953	Discounted Cash Flows	Discount Rate	6.5% - 19.3%	9.0%	Lower
		Third Party Pricing	n/a			
Total Investments of Consolidated Blackstone Funds	1,200,315					
Corporate Treasury Investments	477	Discounted Cash Flows	Discount Rate	9.4%	n/a	Lower
		Third Party Pricing	n/a			
Loans and Receivables	392,732	Discounted Cash Flows	Discount Rate	6.5% - 12.2%	7.6%	Lower
Other Investments	2,518,032	Third Party Pricing	n/a			
		Transaction Price	n/a			
	$ 4,111,556					

n/a	Not applicable.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
Exit Multiple	Ranges include the last twelve months EBITDA and forward EBITDA multiples.
Third Party Pricing	Third Party Pricing is generally determined on the basis of unadjusted prices between market participants provided by reputable dealers or pricing services.
Transaction Price	Includes recent acquisitions or transactions.
(a)	Unobservable inputs were weighted based on the fair value of the investments included in the range.

For the three months ended March 31, 2022, there have been no changes in valuation techniques within Level II and Level III that have had a material impact on the valuation of financial instruments.

The following tables summarize the changes in financial assets and liabilities measured at fair value for which Blackstone has used Level III inputs to determine fair value and does not include gains or losses that were reported in Level III in prior years or for instruments that were transferred out of Level III prior to the end of the respective reporting period. These tables also exclude financial assets and liabilities measured at fair value on a non-recurring basis. Total realized and unrealized gains and losses recorded for Level III investments are reported in either Investment Income (Loss) or Net Gains from Fund Investment Activities in the Condensed Consolidated Statements of Operations.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Level III Financial Assets at Fair Value Three Months Ended March 31,							
	2022				2021			
	Investments of Consolidated Funds	Loans and Receivables	Other Investments (a)	Total	Investments of Consolidated Funds	Loans and Receivables	Other Investments (a)	Total
Balance, Beginning of Period	$ 1,200,315	$ 392,732	$ 43,987	$ 1,637,034	$ 858,310	$ 581,079	$ 46,158	$ 1,485,547
Transfer Into Level III (b)	4	—	—	4	880	—	—	880
Transfer Out of Level III (b)	(53,907)	—	—	(53,907)	(77,451)	—	—	(77,451)
Purchases	58,021	3,097	2,746	63,864	87,327	323,329	—	410,656
Sales	(64,312)	(118,493)	(64)	(182,869)	(47,989)	(292,724)	(5,149)	(345,862)
Issuances	—	9,774	—	9,774	—	6,746	—	6,746
Settlements	—	(4,854)	—	(4,854)	—	(17,400)	—	(17,400)
Changes in Gains (Losses) Included in Earnings	68,131	3,943	(3,455)	68,619	64,151	3,581	151	67,883
Balance, End of Period	$ 1,208,252	$ 286,199	$ 43,214	$ 1,537,665	$ 885,228	$ 604,611	$ 41,160	$ 1,530,999
Changes in Unrealized Gains (Losses) Included in Earnings Related to Financial Assets Still Held at the Reporting Date	$ 61,154	$ 215	$ (3,457)	$ 57,912	$ 56,729	$ (3,856)	$ 61	$ 52,934

(a) Represents corporate treasury investments and Other Investments.
(b) Transfers in and out of Level III financial assets and liabilities were due to changes in the observability of inputs used in the valuation of such assets and liabilities.

9. Variable Interest Entities

Pursuant to GAAP consolidation guidance, Blackstone consolidates certain VIEs for which it is the primary beneficiary either directly or indirectly, through a consolidated entity or affiliate. VIEs include certain private equity, real estate, credit-focused or funds of hedge funds entities and CLO vehicles. The purpose of such VIEs is to provide strategy specific investment opportunities for investors in exchange for management and performance-based fees. The investment strategies of the Blackstone Funds differ by product; however, the fundamental risks of the Blackstone Funds are similar, including loss of invested capital and loss of management fees and performance-based fees. In Blackstone’s role as general partner, collateral manager or investment adviser, it generally considers itself the sponsor of the applicable Blackstone Fund. Blackstone does not provide performance guarantees and has no other financial obligation to provide funding to consolidated VIEs other than its own capital commitments.

The assets of consolidated variable interest entities may only be used to settle obligations of these entities. In addition, there is no recourse to Blackstone for the consolidated VIEs’ liabilities.

Blackstone holds variable interests in certain VIEs which are not consolidated as it is determined that Blackstone is not the primary beneficiary. Blackstone’s involvement with such entities is in the form of direct and indirect equity interests and fee arrangements. The maximum exposure to loss represents the loss of assets recognized by Blackstone relating to non-consolidated VIEs and any clawback obligation relating to previously distributed Performance Allocations. Blackstone’s maximum exposure to loss relating to non-consolidated VIEs were as follows:

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	March 31, 2022	December 31, 2021
Investments	$ 3,931,451	$ 3,337,757
Due from Affiliates	172,251	179,939
Potential Clawback Obligation	44,423	44,327
Maximum Exposure to Loss	$ 4,148,125	$ 3,562,023
Amounts Due to Non-Consolidated VIEs	$ 3,710	$ 105

10. Repurchase Agreements

At March 31, 2022 and December 31, 2021, Blackstone pledged securities with a carrying value of $78.4 million and $63.0 million, respectively, and cash to collateralize its repurchase agreements. Such securities can be repledged, delivered or otherwise used by the counterparty.

The following tables provide information regarding Blackstone's Repurchase Agreements obligation by type of collateral pledged:

	March 31, 2022				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 Days	30 - 90 Days	Greater than 90 days	Total
Repurchase Agreements					
Asset-Backed Securities	$ —	$ —	$ —	$5,078	$ 5,078
Loans	—	—	72,211	—	72,211
	$ —	$ —	$72,211	$5,078	$77,289
Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 11. "Offsetting of Assets and Liabilities"					$77,289
Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 11. "Offsetting of Assets and Liabilities"					$ —

	December 31, 2021				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 Days	30 - 90 Days	Greater than 90 days	Total
Repurchase Agreements					
Asset-Backed Securities	$ —	$15,980	$ —	$ —	$15,980
Loans	—	—	42,000	—	42,000
	$ —	$15,980	$42,000	$ —	$57,980
Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 11. "Offsetting of Assets and Liabilities"					$57,980
Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 11. "Offsetting of Assets and Liabilities"					$ —

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

11. Offsetting of Assets and Liabilities

The following tables present the offsetting of assets and liabilities as of March 31, 2022 and December 31, 2021:

	March 31, 2022			
	Gross and Net Amounts of Assets Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Received	
Assets				
Freestanding Derivatives	$ 47,659	$ 5,143	$ 34,701	$ 7,815

	March 31, 2022			
	Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Pledged	
Liabilities				
Freestanding Derivatives	$ 13,159	$ 4,694	$ 2,261	$ 6,204
Repurchase Agreements	77,289	77,289	—	—
Securities Sold, Not Yet Purchased	4,063	4,063	—	—
	$ 94,511	$ 86,046	$ 2,261	$ 6,204

	December 31, 2021			
	Gross and Net Amounts of Assets Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Received	
Assets				
Freestanding Derivatives	$ 146,061	$ 137,265	$ 41	$ 8,755

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	December 31, 2021			
	Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Pledged	
Liabilities				
Freestanding Derivatives	$ 147,666	$ 118,552	$ 1,347	$ 27,767
Repurchase Agreements	57,980	57,980	—	—
	$ 205,646	$ 176,532	$ 1,347	$ 27,767

(a) Amounts presented are inclusive of both legally enforceable master netting agreements, and financial instruments received or pledged as collateral. Financial instruments received or pledged as collateral offset derivative counterparty risk exposure, but do not reduce net balance sheet exposure.

Repurchase Agreements are presented separately in the Condensed Consolidated Statements of Financial Condition. Freestanding Derivative assets are included in Other Assets in the Condensed Consolidated Statements of Financial Condition. The following table presents the components of Other Assets:

	March 31, 2022	December 31, 2021
Furniture, Equipment and Leasehold Improvements, Net	$ 286,615	$ 244,608
Prepaid Expenses	76,119	92,359
Freestanding Derivatives	46,534	145,401
Other	13,518	10,568
	$ 422,786	$ 492,936

Freestanding Derivative liabilities are included in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

Notional Pooling Arrangements

Blackstone has notional cash pooling arrangements with financial institutions for cash management purposes. These arrangements allow for cash withdrawals based upon aggregate cash balances on deposit at the same financial institution. Cash withdrawals cannot exceed aggregate cash balances on deposit. The net balance of cash on deposit and overdrafts is used as a basis for calculating net interest expense or income. As of March 31, 2022, the aggregate cash balance on deposit relating to the cash pooling arrangements was $845.6 million, which was offset and reported net of the accompanying overdraft of $845.6 million.

12. Borrowings

On January 10, 2022, Blackstone through its indirect subsidiary Blackstone Holdings Finance Co. L.L.C. (the "Issuer"), issued $500 million aggregate principal amount of senior notes due March 30, 2032 (the "2032 Notes") and $1.0 billion aggregate principal amount of senior notes due January 30, 2052 (the "2052 Notes"). The 2032 Notes have an interest rate of 2.550% per annum and the 2052 Notes have an interest rate of 3.200% per annum, in each case accruing from January 10, 2022. Interest on the 2032 Notes is payable semi-annually in arrears on March 30 and September 30 of each year commencing on March 30, 2022. Interest on the 2052 Notes is payable semi-annually in arrears on January 30 and July 30 of each year commencing on July 30, 2022.

All of Blackstone's outstanding senior notes as of March 31, 2022 are unsecured and unsubordinated obligations of the Issuer that are fully and unconditionally guaranteed by Blackstone Inc. and its indirect subsidiaries, Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. (the "Guarantors"). The guarantees are unsecured and unsubordinated obligations of the Guarantors. Transaction costs related to senior note issuances have been capitalized and are amortized over the life of each respective note.

The following table presents the general characteristics of each of Blackstone's notes as of March 31, 2022 and December 31, 2021, as well as their carrying value and fair value. The notes are included in Loans Payable within the Condensed Consolidated Statements of Financial Condition. Each of the notes were issued at a discount, accrue interest from the issue date thereof, and pay interest in arrears on a semi-annual basis or annual basis.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	March 31, 2022		December 31, 2021	
Senior Notes	Carrying Value	Fair Value (a)	Carrying Value	Fair Value (a)
4.750%, Due 2/15/2023	$ 398,889	$ 408,280	$ 398,581	$ 415,880
2.000%, Due 5/19/2025	329,309	339,414	338,275	362,078
1.000%, Due 10/5/2026	658,357	649,411	675,867	700,892
3.150%, Due 10/2/2027	297,828	293,400	297,738	317,610
1.625%, Due 8/5/2028	643,754	576,290	643,251	629,265
1.500%, Due 4/10/2029	660,028	644,697	678,085	720,062
2.500%, Due 1/10/2030	491,895	463,950	491,662	507,350
1.600%, Due 3/30/2031	495,652	424,800	495,541	467,750
2.000%, Due 1/30/2032	787,199	696,640	786,690	767,920
2.550%, Due 3/30/2032	494,867	456,650	—	—
6.250%, Due 8/15/2042	238,978	308,200	238,914	361,775
5.000%, Due 6/15/2044	489,509	554,100	489,446	648,500
4.450%, Due 7/15/2045	344,446	363,300	344,412	426,195
4.000%, Due 10/2/2047	290,780	295,140	290,730	347,370
3.500%, Due 9/10/2049	392,131	360,480	392,089	431,240
2.800%, Due 9/30/2050	393,853	322,160	393,818	382,880
2.850%, Due 8/5/2051	543,047	441,045	542,963	531,355
3.200%, Due 1/30/2052	986,934	857,700	—	—
	$8,937,456	$8,455,657	$7,498,062	$8,018,122

(a) Fair value is determined by broker quote and these notes would be classified as Level II within the fair value hierarchy.

Scheduled principal payments for borrowings as of March 31, 2022 were as follows:

	Total Borrowings
2022	$ —
2023	400,000
2024	—
2025	332,010
2026	664,020
Thereafter	7,664,020
	$ 9,060,050

13. Income Taxes

Blackstone's net deferred tax assets relate primarily to basis differences resulting from a step-up in tax basis of certain assets at the time of its conversion to a corporation, as well as ongoing exchanges of units for common shares by founders and partners. As of March 31, 2022, Blackstone had no material valuation allowance recorded against deferred tax assets.

Blackstone is subject to examination by the U.S. Internal Revenue Service and other taxing authorities where Blackstone has significant business operations such as the United Kingdom, and various state and local jurisdictions such as New York State and New York City. The tax years under examination vary by jurisdiction. Blackstone does not expect the completion of these audits to have a material impact on its financial condition, but it may be material to operating results for a particular period, depending on the operating results for that period. Blackstone believes the liability established for unrecognized tax benefits is adequate in relation to the potential for additional assessments. It is reasonably possible that changes in the balance of unrecognized tax benefits may occur within the next 12 months; however, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits and the impact on Blackstone's effective tax rate over the next 12 months.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

As of March 31, 2022, the major jurisdictions and the earliest tax years that remain subject to examination are U.S. federal 2018, New York State 2015, New York City 2009, and the United Kingdom 2011.

14. Earnings Per Share and Stockholders' Equity

Earnings Per Share

Basic and diluted net income per share of common stock for the three months ended March 31, 2022 and March 31, 2021 was calculated as follows:

	Three Months Ended March 31,	
	2022	**2021**
Net Income for Per Share of Common Stock Calculations		
Net Income Attributable to Blackstone Inc., Basic and Diluted	$ 1,216,874	$ 1,747,872
Share/Units Outstanding		
Weighted-Average Shares of Common Stock Outstanding, Basic	734,327,015	709,033,212
Weighted-Average Shares of Unvested Deferred Restricted Common Stock	639,900	879,132
Weighted-Average Shares of Common Stock Outstanding, Diluted	734,966,915	709,912,344
Net Income Per Share of Common Stock		
Basic	$ 1.66	$ 2.47
Diluted	$ 1.66	$ 2.46
Dividends Declared Per Share of Common Stock (a)	$ 1.45	$ 0.96

(a) Dividends declared reflects the calendar date of the declaration for each distribution.

In computing the dilutive effect that the exchange of Blackstone Holdings Partnership Units would have on Net Income Per Share of Common Stock, Blackstone considered that net income available to holders of shares of common stock would increase due to the elimination of non-controlling interests in Blackstone Holdings, inclusive of any tax impact. The hypothetical conversion may be dilutive to the extent there is activity at the Blackstone Inc. level that has not previously been attributed to the non-controlling interests or if there is a change in tax rate as a result of a hypothetical conversion.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table summarizes the anti-dilutive securities for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Weighted-Average Blackstone Holdings Partnership Units	467,794,861	493,170,234

Stockholders' Equity

In connection with the share reclassification, effective February 26, 2021, the Certificate of Incorporation of Blackstone was amended and restated to: (a) rename the Class A common stock as "common stock," which has the same rights and powers (including, without limitation, with respect to voting) that Blackstone's Class A common stock formerly had, (b) reclassify the "Class B common stock" into a new "Series I preferred stock," which has the same rights and powers that the Class B common stock formerly had, and (c) reclassify the Class C common stock into a new "Series II preferred stock," which has the same rights and powers that the Class C common stock formerly had. In connection with such share reclassification, Blackstone authorized 10 billion shares of preferred stock with a par value of $0.00001, of which (a) 999,999,000 shares are designated as Series I preferred stock and (b) 1,000 shares are designated as Series II preferred stock. The remaining 9 billion shares may be designated from time to time in accordance with Blackstone's certificate of incorporation. There was 1 share of Series I preferred stock and 1 share of Series II preferred stock issued and outstanding as of March 31, 2022.

Under Blackstone's certificate of incorporation and Delaware law, holders of Blackstone's common stock are entitled to vote, together with holders of Blackstone's Series I preferred stock, voting as a single class, on a number of significant matters, including certain sales, exchanges or other dispositions of all or substantially all of Blackstone's assets, a merger, consolidation or other business combination, the removal of the Series II Preferred Stockholder and forced transfer by the Series II Preferred Stockholder of its shares of Series II preferred stock and the designation of a successor Series II Preferred Stockholder. The Series II Preferred Stockholder elects Blackstone's directors. Holders of Blackstone's Series I preferred stock and Series II preferred stock are not entitled to dividends from Blackstone, or receipt of any of Blackstone's assets in the event of any dissolution, liquidation or winding up. Blackstone Partners L.L.C. is the sole holder of the Series I preferred stock and Blackstone Group Management L.L.C. is the sole holder of the Series II preferred stock.

Share Repurchase Program

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

During the three months ended March 31, 2022 and 2021, no shares of common stock were repurchased. As of March 31, 2022, the amount remaining available for repurchases under the program was $1.5 billion.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Shares Eligible for Dividends and Distributions

As of March 31, 2022, the total shares of common stock and Blackstone Holdings Partnership Units entitled to participate in dividends and distributions were as follows:

	Shares/Units
Common Stock Outstanding	707,180,830
Unvested Participating Common Stock	27,363,032
Total Participating Common Stock	734,543,862
Participating Blackstone Holdings Partnership Units	467,375,889
	1,201,919,751

15. Equity-Based Compensation

Blackstone has granted equity-based compensation awards to Blackstone's senior managing directors, non-partner professionals, non-professionals and selected external advisers under Blackstone's Amended and Restated 2007 Equity Incentive Plan (the "Equity Plan"). The Equity Plan allows for the granting of options, share appreciation rights or other share-based awards (shares, restricted shares, restricted shares of common stock, deferred restricted shares of common stock, phantom restricted shares of common stock or other share-based awards based in whole or in part on the fair value of shares of common stock or Blackstone Holdings Partnership Units) which may contain certain service or performance requirements. As of January 1, 2022, Blackstone had the ability to grant 171,096,250 shares under the Equity Plan.

For the three months ended March 31, 2022 and March 31, 2021, Blackstone recorded compensation expense of $219.1 million and $163.9 million, respectively, in relation to its equity-based awards with corresponding tax benefits of $60.7 million and $21.9 million, respectively.

As of March 31, 2022, there was $2.2 billion of estimated unrecognized compensation expense related to unvested awards, including compensation with performance conditions where it is probable that the performance condition will be met. This cost is expected to be recognized over a weighted-average period of 3.8 years.

Total vested and unvested outstanding shares, including common stock, Blackstone Holdings Partnership Units and deferred restricted shares of common stock, were 1,202,060,523 as of March 31, 2022. Total outstanding phantom shares were 48,607 as of March 31, 2022.

A summary of the status of Blackstone's unvested equity-based awards as of March 31, 2022 and of changes during the period January 1, 2022 through March 31, 2022 is presented below:

	Blackstone Holdings		Blackstone Inc.			
			Equity Settled Awards		Cash Settled Awards	
Unvested Shares/Units	Partnership Units	Weighted-Average Grant Date Fair Value	Deferred Restricted Shares of Common Stock	Weighted-Average Grant Date Fair Value	Phantom Shares	Weighted-Average Grant Date Fair Value
Balance, December 31, 2021	17,344,328	$ 37.37	26,537,813	$ 58.34	73,581	$ 137.65
Granted	—	—	2,217,601	126.65	14,239	130.22
Vested	(832,336)	34.40	(2,014,590)	65.07	(1,980)	130.22
Forfeited	(116,197)	38.24	(512,616)	66.77	(46,412)	130.22
Balance, March 31, 2022	16,395,795	$ 37.52	26,228,208	$ 63.58	39,428	$ 130.22

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Shares/Units Expected to Vest

The following unvested shares and units, after expected forfeitures, as of March 31, 2022, are expected to vest:

	Shares/Units	Weighted-Average Service Period in Years
Blackstone Holdings Partnership Units	15,537,933	1.8
Deferred Restricted Shares of Common Stock	22,834,418	3.1
Total Equity-Based Awards	38,372,351	2.6
Phantom Shares	30,833	3.3

16. Related Party Transactions

Affiliate Receivables and Payables

Due from Affiliates and Due to Affiliates consisted of the following:

	March 31, 2022	December 31, 2021
Due from Affiliates		
Management Fees, Performance Revenues, Reimbursable Expenses and Other Receivables from Non-Consolidated Entities and Portfolio Companies	$ 3,041,894	$ 3,519,945
Due from Certain Non-Controlling Interest Holders and Blackstone Employees	923,701	1,099,899
Accrual for Potential Clawback of Previously Distributed Performance Allocations	38,764	37,023
	$ 4,004,359	$ 4,656,867

	March 31, 2022	December 31, 2021
Due to Affiliates		
Due to Certain Non-Controlling Interest Holders in Connection with the Tax Receivable Agreements	$ 1,540,633	$ 1,558,393
Due to Non-Consolidated Entities	199,378	181,341
Due to Certain Non-Controlling Interest Holders and Blackstone Employees	50,151	77,664
Accrual for Potential Repayment of Previously Received Performance Allocations	90,892	88,700
	$ 1,881,054	$ 1,906,098

Interests of the Founder, Senior Managing Directors, Employees and Other Related Parties

The Founder, senior managing directors, employees and certain other related parties invest on a discretionary basis in the consolidated Blackstone Funds both directly and through consolidated entities. These investments generally are subject to preferential management fee and performance allocation or incentive fee arrangements. As of March 31, 2022 and December 31, 2021, such investments aggregated $1.6 billion, respectively. Their share of the Net Income Attributable to Redeemable Non-Controlling and Non-Controlling Interests in Consolidated Entities aggregated to $64.4 million and $117.4 million for the three months ended March 31, 2022 and 2021, respectively.

Loans to Affiliates

Loans to affiliates consist of interest bearing advances to certain Blackstone individuals to finance their investments in certain Blackstone Funds. These loans earn interest at Blackstone's cost of borrowing and such interest totaled $2.4 million and $2.2 million for the three months ended March 31, 2022 and 2021, respectively.

Contingent Repayment Guarantee

Blackstone and its personnel who have received Performance Allocation distributions have guaranteed payment on a several basis (subject to a cap) to the carry funds of any clawback obligation with respect to the excess Performance Allocation allocated to the general partners of such funds and indirectly received thereby to the extent that either Blackstone or its personnel fails to fulfill its clawback obligation, if any. The Accrual for Potential Repayment of Previously Received Performance Allocations represents amounts previously paid to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone Funds if the carry funds were to be liquidated based on the fair value of their underlying investments as of March 31, 2022. See Note 17. "Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)."

Tax Receivable Agreements

Blackstone used a portion of the proceeds from the IPO and other sales of shares to purchase interests in the predecessor businesses from the predecessor owners. In addition, holders of Blackstone Holdings Partnership Units may exchange their Blackstone Holdings Partnership Units for shares of Blackstone common stock on a one-for-one basis. The purchase and subsequent exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Blackstone Holdings and therefore reduce the amount of tax that Blackstone would otherwise be required to pay in the future.

Blackstone has entered into tax receivable agreements with each of the predecessor owners and additional tax receivable agreements have been executed, and will continue to be executed, with newly-admitted senior managing directors and others who acquire Blackstone Holdings Partnership Units. The agreements provide for the payment by the corporate taxpayer to such owners of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the corporate taxpayers actually realize as a result of the aforementioned increases in tax basis and of certain other tax benefits related to entering into these tax receivable agreements. For purposes of the tax receivable agreements, cash savings in income tax will be computed by comparing the actual income tax liability of the corporate taxpayers to the amount of such taxes that the corporate taxpayers would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Blackstone Holdings as a result of the exchanges and had the corporate taxpayers not entered into the tax receivable agreements.

Assuming no future material changes in the relevant tax law and that the corporate taxpayers earn sufficient taxable income to realize the full tax benefit of the increased amortization of the assets, the expected future payments under the tax receivable agreements (which are taxable to the recipients) will aggregate $1.5 billion over the next 15 years. The after-tax net present value of these estimated payments totals $418.7 million assuming a 15% discount rate and using Blackstone's most recent projections relating to the estimated timing of the benefit to be received. Future payments under the tax receivable agreements in respect of subsequent exchanges would be in addition to these amounts. The payments under the tax receivable agreements are not conditioned upon continued ownership of Blackstone equity interests by the pre-IPO owners and the others mentioned above.

Amounts related to the deferred tax asset resulting from the increase in tax basis from the exchange of Blackstone Holdings Partnership Units to shares of Blackstone common stock, the resulting remeasurement of net deferred tax assets at the Blackstone ownership percentage at the balance sheet date, the due to affiliates for the future payments resulting from the tax receivable agreements and resulting adjustment to partners' capital are included as Acquisition of Ownership Interests from Non-Controlling Interest Holders in the Supplemental Disclosure of Non-Cash Investing and Financing Activities in the Condensed Consolidated Statements of Cash Flows.

Other

Blackstone does business with and on behalf of some of its Portfolio Companies; all such arrangements are on a negotiated basis.

Additionally, please see Note 17. "Commitments and Contingencies — Contingencies — Guarantees" for information regarding guarantees provided to a lending institution for certain loans held by employees.

17. Commitments and Contingencies

Commitments

Investment Commitments

Blackstone had $3.4 billion of investment commitments as of March 31, 2022 representing general partner capital funding commitments to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments, including loan commitments. The consolidated Blackstone Funds had signed investment commitments of $261.0 million as of March 31, 2022, which includes $144.8 million of signed investment commitments for portfolio company acquisitions in the process of closing.

Contingencies

Guarantees

Certain of Blackstone's consolidated real estate funds guarantee payments to third parties in connection with the ongoing business activities and/or acquisitions of their Portfolio Companies. There is no direct recourse to Blackstone to fulfill such obligations. To the extent that underlying funds are required to fulfill guarantee obligations, Blackstone's invested capital in such funds is at risk. Total investments at risk in respect of guarantees extended by consolidated real estate funds was $18.7 million as of March 31, 2022.

The Blackstone Holdings Partnerships provided guarantees to a lending institution for certain loans held by employees either for investment in Blackstone Funds or for members' capital contributions to The Blackstone Group International Partners LLP. The amount guaranteed as of March 31, 2022 was $84.5 million.

Litigation

Blackstone may from time to time be involved in litigation and claims incidental to the conduct of its business. Blackstone's businesses are also subject to extensive regulation, which may result in regulatory proceedings against Blackstone.

Blackstone accrues a liability for legal proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. Although there can be no assurance of the outcome of such legal actions, based on information known by management, Blackstone does not have a potential liability related to any current legal proceeding or claim that would individually or in the aggregate materially affect its results of operations, financial position or cash flows.

Blackstone continues to believe that the following suits against Blackstone are totally without merit and intends to defend them vigorously.

In December 2017, a purported derivative suit (Mayberry v. KKR & Co., L.P., et al., or “Mayberry Action”) was filed in the Commonwealth of Kentucky Franklin County Circuit Court on behalf of the Kentucky Retirement System (“KRS”) by eight of its members and beneficiaries (the “Mayberry Plaintiffs”) alleging various breaches of fiduciary duty and other violations of Kentucky state law in connection with KRS’s investment in three hedge funds of funds, including a fund managed by Blackstone Alternative Asset Management L.P. (“BLP”). The suit named more than 30 defendants, including, among others, The Blackstone Group L.P.; BLP; Stephen A. Schwarzman, as Chairman and CEO of Blackstone; and J. Tomilson Hill, as then-CEO of BLP (collectively, the “Blackstone Defendants”), as well as entities and individuals that provided services to or were affiliated with KRS.

In November 2018, the Circuit Court denied the motions to dismiss filed by the Blackstone Defendants and other defendants. However, on appeal, the Kentucky Supreme Court unanimously reversed that decision and remanded the case to the trial court with direction to dismiss the complaint because the Mayberry Plaintiffs lacked constitutional standing to bring their claims. The Kentucky Attorney General (the “AG”) subsequently filed a motion to intervene and a proposed intervening complaint in the Mayberry Action on behalf of the Commonwealth of Kentucky. The AG also filed a separate action in Franklin County Circuit Court that is nearly identical to the proposed intervening complaint. Over Defendants’ objections, in December 2020, the Circuit Court granted the AG’s motion to intervene into the former Mayberry Action, now recaptioned as Commonwealth of Kentucky v. KKR & Co. L.P., et al. In May 2021, the AG filed a first amended complaint that generally asserts the same allegations and claims as the original proposed intervening complaint. Defendants filed motions to dismiss that operative complaint, which are currently pending. Discovery is ongoing.

In January 2021, certain derivative plaintiffs who had previously attempted to intervene in the AG’s action filed a separate derivative action (Taylor et al. v. KKR & Co., L.P. et al. or “Taylor I”) in Franklin County Circuit Court that is substantially the same as the amended complaint they had sought to file in the AG’s action. In July 2021, these plaintiffs filed their first amended complaint, which is styled as a purported “class” complaint brought on behalf of certain KRS beneficiaries. The Blackstone Defendants and other defendants removed this purported class action to federal court in the United States District Court for the Eastern District of Kentucky and the plaintiffs moved to remand back to state court. On March 1, 2022, the District Court stayed the Taylor I action pending resolution of the AG’s action and denied plaintiffs’ motion to remand as moot in light of the stay. On May 5, 2022, BLP appealed from the Circuit Court’s decision.

In August 2021, certain KRS beneficiaries (including the derivative plaintiffs whose action was removed to federal court) filed a separate action (Taylor et al. v. KKR & Co., L.P. et al. or "Taylor II") in Franklin County Circuit Court in their capacity as beneficiaries, allegedly suing for the benefit of the pension and insurance trust funds administered by KRS. The Taylor II complaint named the same defendants who were sued in Taylor I, as well as additional current and former KRS officers and trustees. The defendants, including the Blackstone Defendants, moved to dismiss the complaint. Briefing on the motions to dismiss was completed in January 2022.

In April 2021, the AG filed a declaratory judgment action (Commonwealth of Kentucky v. KKR & Co. Inc. or "Declaratory Judgment Action") in Franklin County Circuit Court on behalf of the Commonwealth of Kentucky. The AG's complaint alleges that certain provisions in the subscription agreements between KRS and the managers of the three funds at issue in the Mayberry Action violate the Kentucky Constitution. The suit named as defendants BLP, Blackstone Inc., and others named in the Mayberry Action. In August 2021, the AG filed an amended complaint that no longer stated claims against Blackstone Inc., but added claims against a BLP affiliate and a BLP-managed fund. The parties filed a stipulation dismissing with prejudice claims against these two entities, and withdrawing a separate newly added claim. The AG moved for summary judgment, and the defendants—including BLP—filed motions to dismiss. On March 24, 2022, the Circuit Court granted summary judgment in favor of the Commonwealth of Kentucky and denied the defendants' motions to dismiss. On March 25, 2022, BLP and affiliated entities appealed from the Circuit Court's decision. That appeal is currently pending.

In July 2021, BLP filed a breach of contract action against various defendants affiliated with KRS alleging that KRS's support and prosecution of the Mayberry Action and the Declaratory Judgment Action breach the parties' subscription agreements governing KRS's investment with BLP and seeking damages, including legal fees and expenses incurred in defending against the above actions. The Circuit Court dismissed BLP's complaint without prejudice to refiling, on the grounds that the action was not yet ripe for adjudication.

Contingent Obligations (Clawback)

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceeds the amount due to Blackstone based on cumulative results of that fund. The actual clawback liability, however, generally does not become realized until the end of a fund's life except for certain Blackstone real estate funds, multi-asset class investment funds and credit-focused funds, which may have an interim clawback liability. The lives of the carry funds, including available contemplated extensions, for which a liability for potential clawback obligations has been recorded for financial reporting purposes, are currently anticipated to expire at various points through 2026. Further extensions of such terms may be implemented under given circumstances.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

For financial reporting purposes, when applicable, the general partners record a liability for potential clawback obligations to the limited partners of some of the carry funds due to changes in the unrealized value of a fund's remaining investments and where the fund's general partner has previously received Performance Allocation distributions with respect to such fund's realized investments.

The following table presents the clawback obligations by segment:

	March 31, 2022			December 31, 2021		
Segment	Blackstone Holdings	Current and Former Personnel (a)	Total (b)	Blackstone Holdings	Current and Former Personnel (a)	Total (b)
Real Estate	$ 35,641	$ 20,827	$ 56,468	$ 34,080	$ 20,186	$ 54,266
Private Equity	4,012	3,254	7,266	5,158	2,196	7,354
Credit & Insurance	12,475	14,683	27,158	12,439	14,641	27,080
	$ 52,128	$ 38,764	$ 90,892	$ 51,677	$ 37,023	$ 88,700

(a) The split of clawback between Blackstone Holdings and Current and Former Personnel is based on the performance of individual investments held by a fund rather than on a fund by fund basis.
(b) Total is a component of Due to Affiliates. See Note 16. "Related Party Transactions — Affiliate Receivables and Payables — Due to Affiliates."

For Private Equity, Real Estate, and certain Credit & Insurance Funds, a portion of the Performance Allocations paid to current and former Blackstone personnel is held in segregated accounts in the event of a cash clawback obligation. These segregated accounts are not included in the Condensed Consolidated Financial Statements of Blackstone, except to the extent a portion of the assets held in the segregated accounts may be allocated to a consolidated Blackstone fund of hedge funds. At March 31, 2022, $1.1 billion was held in segregated accounts for the purpose of meeting any clawback obligations of current and former personnel if such payments are required.

In the Credit & Insurance segment, payment of Performance Allocations to Blackstone by the majority of the stressed/distressed, mezzanine and credit alpha strategies funds are substantially deferred under the terms of the partnership agreements. This deferral mitigates the need to hold funds in segregated accounts in the event of a cash clawback obligation.

If, at March 31, 2022, all of the investments held by Blackstone's carry funds were deemed worthless, a possibility that management views as remote, the amount of Performance Allocations subject to potential clawback would be $5.4 billion, on an after-tax basis where applicable, of which Blackstone Holdings is potentially liable for $5.2 billion if current and former Blackstone personnel default on their share of the liability, a possibility that management also views as remote.

18. Segment Reporting

Blackstone conducts its alternative asset management businesses through four segments:

- Real Estate – Blackstone's Real Estate segment primarily comprises its management of opportunistic real estate funds, Core+ real estate funds, high-yield real estate debt funds and liquid real estate debt funds.

- Private Equity – Blackstone's Private Equity segment includes its management of flagship corporate private equity funds, sector and geographically-focused corporate private equity funds, core private equity funds, an opportunistic investment platform, a secondary fund of funds business, infrastructure-focused funds, a life sciences investment platform, a growth equity investment platform, a multi-asset investment program for eligible high net worth investors and a capital markets services business.

- Hedge Fund Solutions – The largest component of Blackstone's Hedge Fund Solutions segment is Blackstone Alternative Asset Management, which manages a broad range of commingled and customized hedge fund of fund solutions. The segment also includes a GP Stakes business and investment platforms that invest directly, as well as investment platforms that seed new hedge fund businesses and create alternative solutions through daily liquidity products.

- Credit & Insurance – Blackstone's Credit & Insurance segment consists principally of Blackstone Credit, which is organized into two overarching strategies: private credit (which includes mezzanine and direct lending funds, private placement strategies and energy strategies, including our sustainable resources platform) and liquid credit (which consists of CLOs, closed-ended funds, open-ended funds and separately managed accounts). In addition, the segment includes an insurer-focused platform, an asset-based finance platform and publicly traded master limited partnership investment platform.

These business segments are differentiated by their various investment strategies. Each of the segments primarily earns its income from management fees and investment returns on assets under management.

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments. Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships, removes the amortization of intangible assets and removes Transaction-Related Charges. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.

For segment reporting purposes, Segment Distributable Earnings is presented along with its major components, Fee Related Earnings and Net Realizations. Fee Related Earnings is used to assess Blackstone's ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. Net Realizations is the sum of Realized Principal Investment Income and Realized Performance Revenues less Realized Performance Compensation. Performance Allocations and Incentive Fees are presented together and referred to collectively as Performance Revenues or Performance Compensation.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Segment Presentation

The following tables present the financial data for Blackstone's four segments as of March 31, 2022 and for the three months ended March 31, 2022 and 2021.

	March 31, 2022 and the Three Months Then Ended				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 580,186	$ 421,472	$ 145,046	$ 292,445	$ 1,439,149
Transaction, Advisory and Other Fees, Net	40,485	12,658	1,469	9,397	64,009
Management Fee Offsets	(960)	(27,142)	(69)	(1,619)	(29,790)
Total Management and Advisory Fees, Net	619,711	406,988	146,446	300,223	1,473,368
Fee Related Performance Revenues	491,517	(648)	—	67,196	558,065
Fee Related Compensation	(344,842)	(151,050)	(47,235)	(127,344)	(670,471)
Other Operating Expenses	(66,003)	(67,744)	(23,184)	(57,167)	(214,098)
Fee Related Earnings	700,383	187,546	76,027	182,908	1,146,864
Realized Performance Revenues	802,916	450,238	28,913	30,743	1,312,810
Realized Performance Compensation	(290,031)	(206,703)	(9,000)	(13,386)	(519,120)
Realized Principal Investment Income	53,975	65,438	14,901	22,781	157,095
Total Net Realizations	566,860	308,973	34,814	40,138	950,785
Total Segment Distributable Earnings	$ 1,267,243	$ 496,519	$ 110,841	$ 223,046	$ 2,097,649
Segment Assets	$ 16,359,454	$15,774,715	$ 2,791,618	$ 6,592,963	$41,518,750

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended March 31, 2021				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 427,186	$ 377,660	$ 150,533	$ 161,911	$ 1,117,290
Transaction, Advisory and Other Fees, Net	26,019	42,707	4,346	5,568	78,640
Management Fee Offsets	(1,623)	(13,919)	(58)	(2,125)	(17,725)
Total Management and Advisory Fees, Net	451,582	406,448	154,821	165,354	1,178,205
Fee Related Performance Revenues	155,392	—	—	13,776	169,168
Fee Related Compensation	(188,492)	(140,597)	(38,850)	(77,171)	(445,110)
Other Operating Expenses	(44,362)	(51,055)	(19,172)	(46,835)	(161,424)
Fee Related Earnings	374,120	214,796	96,799	55,124	740,839
Realized Performance Revenues	88,638	255,845	31,573	25,267	401,323
Realized Performance Compensation	(22,762)	(111,209)	(6,908)	(10,045)	(150,924)
Realized Principal Investment Income	100,820	115,403	35,550	46,383	298,156
Total Net Realizations	166,696	260,039	60,215	61,605	548,555
Total Segment Distributable Earnings	$ 540,816	$ 474,835	$ 157,014	$ 116,729	$ 1,289,394

Reconciliations of Total Segment Amounts

The following tables reconcile the Total Segment Revenues, Expenses and Distributable Earnings to their equivalent GAAP measure for the three months ended March 31, 2022 and 2021 along with Total Assets as of March 31, 2022:

	Three Months Ended March 31,	
	2022	2021
Revenues		
Total GAAP Revenues	$ 5,126,280	$ 5,298,872
Less: Unrealized Performance Revenues (a)	(1,293,050)	(2,464,497)
Less: Unrealized Principal Investment Income (b)	(26,758)	(423,934)
Less: Interest and Dividend Revenue (c)	(54,485)	(31,412)
Less: Other Revenue (d)	(72,819)	(60,273)
Impact of Consolidation (e)	(177,596)	(269,316)
Transaction-Related Charges (f)	(1,213)	(3,623)
Intersegment Eliminations	979	1,035
Total Segment Revenue (g)	$ 3,501,338	$ 2,046,852

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended March 31,	
	2022	2021
Expenses		
Total GAAP Expenses	$ 2,197,022	$ 2,051,447
Less: Unrealized Performance Allocations Compensation (h)	(472,284)	(1,049,969)
Less: Equity-Based Compensation (i)	(201,545)	(144,272)
Less: Interest Expense (j)	(66,602)	(44,340)
Impact of Consolidation (e)	(7,806)	(5,100)
Amortization of Intangibles (k)	(17,044)	(17,124)
Transaction-Related Charges (f)	(26,546)	(31,511)
Administrative Fee Adjustment (l)	(2,485)	(2,708)
Intersegment Eliminations	979	1,035
Total Segment Expenses (m)	$ 1,403,689	$ 757,458

	Three Months Ended March 31,	
	2022	2021
Other Income		
Total GAAP Other Income	$ 51,637	$ 123,263
Impact of Consolidation (e)	(51,637)	(123,263)
Total Segment Other Income	$ —	$ —

	Three Months Ended March 31,	
	2022	2021
Income Before Provision (Benefit) for Taxes		
Total GAAP Income Before Provision (Benefit) for Taxes	$ 2,980,895	$ 3,370,688
Less: Unrealized Performance Revenues (a)	(1,293,050)	(2,464,497)
Less: Unrealized Principal Investment Income (b)	(26,758)	(423,934)
Less: Interest and Dividend Revenue (c)	(54,485)	(31,412)
Less: Other Revenue (d)	(72,819)	(60,273)
Plus: Unrealized Performance Allocations Compensation (h)	472,284	1,049,969
Plus: Equity-Based Compensation (i)	201,545	144,272
Plus: Interest Expense (j)	66,602	44,340
Impact of Consolidation (e)	(221,427)	(387,479)
Amortization of Intangibles (k)	17,044	17,124
Transaction-Related Charges (f)	25,333	27,888
Administrative Fee Adjustment (l)	2,485	2,708
Total Segment Distributable Earnings	$ 2,097,649	$ 1,289,394

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	As of March 31, 2022
Total Assets	
Total GAAP Assets	$ 43,344,078
Impact of Consolidation (e)	(1,825,328)
Total Segment Assets	$ 41,518,750

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles and Transaction-Related Charges.

(a) This adjustment removes Unrealized Performance Revenues on a segment basis.
(b) This adjustment removes Unrealized Principal Investment Income on a segment basis.
(c) This adjustment removes Interest and Dividend Revenue on a segment basis.
(d) This adjustment removes Other Revenue on a segment basis. For the three months ended March 31, 2022 and 2021, Other Revenue on a GAAP basis was $72.9 million and $60.3 million, and included $72.8 million and $59.5 million of foreign exchange gains, respectively.
(e) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds, the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures, and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.
(f) This adjustment removes 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.
(g) Total Segment Revenues is comprised of the following:

	Three Months Ended March 31,	
	2022	2021
Total Segment Management and Advisory Fees, Net	$ 1,473,368	$ 1,178,205
Total Segment Fee Related Performance Revenues	558,065	169,168
Total Segment Realized Performance Revenues	1,312,810	401,323
Total Segment Realized Principal Investment Income	157,095	298,156
Total Segment Revenues	$ 3,501,338	$ 2,046,852

(h) This adjustment removes Unrealized Performance Allocations Compensation.
(i) This adjustment removes Equity-Based Compensation on a segment basis.
(j) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.
(k) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation.
(l) This adjustment adds an amount equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

(m) Total Segment Expenses is comprised of the following:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Total Segment Fee Related Compensation	$ 670,471	$ 445,110
Total Segment Realized Performance Compensation	519,120	150,924
Total Segment Other Operating Expenses	214,098	161,424
Total Segment Expenses	$ 1,403,689	$ 757,458

Reconciliations of Total Segment Components

The following tables reconcile the components of Total Segments to their equivalent GAAP measures, reported on the Condensed Consolidated Statement of Operations for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Management and Advisory Fees, Net		
GAAP	$ 1,475,936	$ 1,177,815
Segment Adjustment (a)	(2,568)	390
Total Segment	$ 1,473,368	$ 1,178,205

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues		
GAAP		
Incentive Fees	$ 104,489	$ 36,124
Investment Income - Realized Performance Allocations	1,766,386	534,367
GAAP	1,870,875	570,491
Total Segment		
Less: Realized Performance Revenues	(1,312,810)	(401,323)
Total Segment	$ 558,065	$ 169,168

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended March 31,	
	2022	2021
GAAP Compensation to Total Segment Fee Related Compensation		
GAAP		
Compensation	$ 656,505	$ 542,638
Incentive Fee Compensation	41,019	13,325
Realized Performance Allocations Compensation	717,601	213,027
GAAP	1,415,125	768,990
Total Segment		
Less: Realized Performance Compensation	(519,120)	(150,924)
Less: Equity-Based Compensation - Fee Related Compensation	(200,387)	(141,674)
Less: Equity-Based Compensation - Performance Compensation	(1,158)	(2,598)
Segment Adjustment (b)	(23,989)	(28,684)
Total Segment	$ 670,471	$ 445,110

	Three Months Ended March 31,	
	2022	2021
GAAP General, Administrative and Other to Total Segment Other Operating Expenses		
GAAP	$ 240,674	$ 185,122
Segment Adjustment (c)	(26,576)	(23,698)
Total Segment	$ 214,098	$ 161,424

	Three Months Ended March 31,	
	2022	2021
Realized Performance Revenues		
GAAP		
Incentive Fees	$ 104,489	$ 36,124
Investment Income - Realized Performance Allocations	1,766,386	534,367
GAAP	1,870,875	570,491
Total Segment		
Less: Fee Related Performance Revenues	(558,065)	(169,168)
Total Segment	$ 1,312,810	$ 401,323

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended March 31,	
	2022	2021
Realized Performance Compensation		
GAAP		
Incentive Fee Compensation	$ 41,019	$ 13,325
Realized Performance Allocation Compensation	717,601	213,027
GAAP	758,620	226,352
Total Segment		
Less: Fee Related Performance Compensation (d)	(238,342)	(72,830)
Less: Equity-Based Compensation - Performance Compensation	(1,158)	(2,598)
Total Segment	$ 519,120	$ 150,924

	Three Months Ended March 31,	
	2022	2021
Realized Principal Investment Income		
GAAP	$ 285,104	$ 355,038
Segment Adjustment (e)	(128,009)	(56,882)
Total Segment	$ 157,095	$ 298,156

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles, the expense of equity-based awards and Transaction-Related Charges.

(a) Represents (1) the add back of net management fees earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures.

(b) Represents the removal of Transaction-Related Charges that are not recorded in the Total Segment measures.

(c) Represents the (1) removal of amortization of transaction-related intangibles, (2) removal of certain expenses reimbursed by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures, and (3) a reduction equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units which is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

(d) Fee related performance compensation may include equity-based compensation based on fee related performance revenues.

(e) 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.

19. Subsequent Events

There have been no events since March 31, 2022 that require recognition or disclosure in the Condensed Consolidated Financial Statements.

Item 1A. Unaudited Supplemental Presentation of Statements of Financial Condition

Blackstone Inc.
Unaudited Consolidating Statements of Financial Condition
(Dollars in Thousands)

	March 31, 2022			
	Consolidated Operating Partnerships	Consolidated Blackstone Funds (a)	Reclasses and Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 3,868,567	$ —	$ —	$ 3,868,567
Cash Held by Blackstone Funds and Other	—	110,648	—	110,648
Investments	28,422,512	2,045,156	(399,194)	30,068,474
Accounts Receivable	466,421	51,044	—	517,465
Due from Affiliates	3,986,925	42,230	(24,796)	4,004,359
Intangible Assets, Net	265,686	—	—	265,686
Goodwill	1,890,202	—	—	1,890,202
Other Assets	422,546	240	—	422,786
Right-of-Use Assets	868,437	—	—	868,437
Deferred Tax Assets	1,327,454	—	—	1,327,454
Total Assets	$ 41,518,750	$ 2,249,318	$ (423,990)	$ 43,344,078
Liabilities and Equity				
Loans Payable	$ 8,937,456	$ —	$ —	$ 8,937,456
Due to Affiliates	1,799,505	106,344	(24,795)	1,881,054
Accrued Compensation and Benefits	8,140,773	—	—	8,140,773
Securities Sold, Not Yet Purchased	4,063	23,215	—	27,278
Repurchase Agreements	72,211	5,078	—	77,289
Operating Lease Liabilities	986,073	—	—	986,073
Accounts Payable, Accrued Expenses and Other Liabilities	1,029,012	24,116	—	1,053,128
Total Liabilities	20,969,093	158,753	(24,795)	21,103,051
Redeemable Non-Controlling Interests in Consolidated Entities	2	41,428	—	41,430
Equity				
Common Stock	7	—	—	7
Series I Preferred Stock	—	—	—	—
Series II Preferred Stock	—	—	—	—
Additional Paid-in-Capital	5,879,796	350,456	(350,456)	5,879,796
Retained Earnings	3,805,918	48,739	(48,739)	3,805,918
Accumulated Other Comprehensive Loss	(25,754)	—	—	(25,754)
Non-Controlling Interests in Consolidated Entities	4,097,756	1,649,942	—	5,747,698
Non-Controlling Interests in Blackstone Holdings	6,791,932	—	—	6,791,932
Total Equity	20,549,655	2,049,137	(399,195)	22,199,597
Total Liabilities and Equity	$ 41,518,750	$ 2,249,318	$ (423,990)	$ 43,344,078

Blackstone Inc.
Unaudited Consolidating Statements of Financial Condition - Continued
(Dollars in Thousands)

	December 31, 2021			
	Consolidated Operating Partnerships	Consolidated Blackstone Funds (a)	Reclasses and Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 2,119,738	$ —	$ —	$ 2,119,738
Cash Held by Blackstone Funds and Other	—	79,994	—	79,994
Investments	27,041,225	2,018,829	(395,011)	28,665,043
Accounts Receivable	571,936	64,680	—	636,616
Due from Affiliates	4,652,295	15,031	(10,459)	4,656,867
Intangible Assets, Net	284,384	—	—	284,384
Goodwill	1,890,202	—	—	1,890,202
Other Assets	492,685	251	—	492,936
Right-of-Use Assets	788,991	—	—	788,991
Deferred Tax Assets	1,581,637	—	—	1,581,637
Total Assets	$ 39,423,093	$ 2,178,785	$ (405,470)	$ 41,196,408
Liabilities and Equity				
Loans Payable	$ 7,748,062	$ 101	$ —	$ 7,748,163
Due to Affiliates	1,812,223	104,334	(10,459)	1,906,098
Accrued Compensation and Benefits	7,905,070	—	—	7,905,070
Securities Sold, Not Yet Purchased	4,292	23,557	—	27,849
Repurchase Agreements	42,000	15,980	—	57,980
Operating Lease Liabilities	908,033	—	—	908,033
Accounts Payable, Accrued Expenses and Other Liabilities	926,749	10,420	—	937,169
Total Liabilities	19,346,429	154,392	(10,459)	19,490,362
Redeemable Non-Controlling Interests in Consolidated Entities	22,002	46,026	—	68,028
Equity				
Common Stock	7	—	—	7
Series I Preferred Stock	—	—	—	—
Series II Preferred Stock	—	—	—	—
Additional Paid-in-Capital	5,794,727	349,822	(349,822)	5,794,727
Retained Earnings	3,647,785	45,189	(45,189)	3,647,785
Accumulated Other Comprehensive Loss	(19,626)	—	—	(19,626)
Non-Controlling Interests in Consolidated Entities	4,017,297	1,583,356	—	5,600,653
Non-Controlling Interests in Blackstone Holdings	6,614,472	—	—	6,614,472
Total Equity	20,054,662	1,978,367	(395,011)	21,638,018
Total Liabilities and Equity	$ 39,423,093	$ 2,178,785	$ (405,470)	$ 41,196,408

(a) The Consolidated Blackstone Funds consisted of the following:

Blackstone / GSO Global Dynamic Credit Feeder Fund (Cayman) LP
Blackstone / GSO Global Dynamic Credit Funding Designated Activity Company
Blackstone / GSO Global Dynamic Credit Master Fund

Blackstone / GSO Global Dynamic Credit USD Feeder Fund (Ireland)
Blackstone Annex Onshore Fund L.P.
Blackstone Horizon Fund L.P.
Blackstone Real Estate Special Situations Holdings L.P.
Blackstone Strategic Alliance Fund L.P.
BTD CP Holdings LP
Mezzanine side-by-side investment vehicles
Private equity side-by-side investment vehicles
Real estate side-by-side investment vehicles
Hedge Fund Solutions side-by-side investment vehicles.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. In this report, references to "Blackstone," the "Company," "we," "us" or "our" refer to Blackstone Inc. and its consolidated subsidiaries.

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as "common stock," and to reclassify its Class B and Class C common stock into a new "Series I preferred stock" and "Series II preferred stock," respectively. Each new stock has the same rights and powers of its predecessor. See "— Organizational Structure."

Our Business

Blackstone is one of the world's leading investment firms. Our business is organized into four segments:

Real Estate

Our real estate business is a global leader in real estate investing. Our Real Estate segment operates as one globally integrated business, with investments in the Americas, Europe and Asia. Our real estate investment teams seek to utilize our global expertise and presence to generate attractive risk-adjusted returns for our investors.

Our Blackstone Real Estate Partners ("BREP") business is geographically diversified and targets a broad range of opportunistic real estate and real estate-related investments. The BREP funds include global funds as well as funds focused specifically on Europe or Asia investments. BREP seeks to invest thematically in high-quality assets, focusing where we see outsized growth potential driven by global economic and demographic trends. BREP has made significant investments in logistics, office, rental housing, hospitality and retail properties around the world, as well as in a variety of real estate operating companies.

Our Core+ strategy invests in substantially stabilized real estate globally with long-term growth potential. Our institutional North America, Europe and Asia Core+ strategies, Blackstone Property Partners ("BPP"), focus on logistics, residential, office, life science office and retail assets in global gateway cities. The Core+ Real Estate business also comprises strategies tailored for income-focused individual investors including, Blackstone Real Estate Income Trust, Inc. ("BREIT"), a U.S. non-listed REIT, and Blackstone European Property Income ("BEPIF") funds.

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

Private Equity

Our Private Equity segment includes our corporate private equity business, which consists of (a) our global private equity funds, Blackstone Capital Partners (“BCP”), (b) our sector-focused funds, including our energy-focused funds, Blackstone Energy Partners (“BEP”), (c) our Asia-focused private equity funds, Blackstone Capital Partners Asia and (d) our core private equity funds, Blackstone Core Equity Partners (“BCEP”). Our Private Equity segment also includes (a) our opportunistic investment platform that invests globally across asset classes, industries and geographies, Blackstone Tactical Opportunities (“Tactical Opportunities”), (b) our secondary fund of funds business, Strategic Partners Fund Solutions (“Strategic Partners”), (c) our infrastructure-focused funds, Blackstone Infrastructure Partners (“BIP”), (d) our life sciences investment platform, Blackstone Life Sciences (“BXLS”), (e) our growth equity investment platform, Blackstone Growth (“BXG”), (f) our multi-asset investment program for eligible high net worth investors offering exposure to certain of Blackstone’s key illiquid investment strategies through a single commitment, Blackstone Total Alternatives Solution (“BTAS”) and (g) our capital markets services business, Blackstone Capital Markets (“BXCM”).

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

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

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

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

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

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

Hedge Fund Solutions

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

Credit & Insurance

Our Credit & Insurance segment includes Blackstone Credit ("BXC"). BXC is one of the largest credit-oriented managers in the world. The investment portfolios of the funds BXC manages or sub-advises consist of loans and securities of non-investment and investment grade companies spread across the capital structure including senior debt, subordinated debt, preferred stock and common equity.

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

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

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

Revenue

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

Our Response to COVID-19

Our primary focus during the COVID-19 pandemic has been the safety and wellbeing of our employees and their families, as well as the seamless functioning of the firm in serving our investors who have entrusted us with their capital, and our shareholders. Where remote work has been appropriate or recommended under local government guidelines, our technology infrastructure has proven to be robust and capable of supporting a remote work model and we have implemented rigorous protocols for remote work across the firm, including increased cadence of group calls and updates, and frequent communication across leadership and working levels. We have also leveraged technology to ensure our teams stay connected and productive, and that our culture remains strong. To the extent we have not been meeting with our clients in person, we have continued to actively communicate with them through videoconference, teleconference and email. Our investment committees convene as needed, and the firm continues to operate across investment, asset management and corporate support functions. Our return to office protocols have been developed and implemented consistent with local government guidelines, with testing, contact-tracing and other safety protocols in place, and we continue to closely monitor applicable public health and government guidance.

Business Environment

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

The first quarter of 2022 was characterized by continued economic growth despite heightened geopolitical uncertainty, competition for labor and rising wages and rising inflation. Global supply chains have also continued to be disrupted, particularly given China's recurrent COVID-19 restrictions. Such disruption has contributed to growing inflationary pressure. In the U.S., annual inflation increased to 8.5% in March, the highest level in 40 years and up from 7.9% in February. In response, the Federal Reserve has begun its cycle of policy tightening, raising its benchmark interest rate for the first time since December 2018.

The Federal Reserve increased the fed funds target range by 25 basis points to 0.25%-0.50% on March 17, 2022 and by an additional 50 basis points to 0.75%-1.00% on May 4, 2022 in response to rising inflation. The Federal Reserve has also reiterated its expectation for further increases going forward. The yield on the ten-year Treasury increased 83 basis points to 2.34% in the first quarter and has since increased to 2.93% as of May 4, 2022. Three-month LIBOR increased 75 basis points in the first quarter to 0.96% and has since climbed to 1.41% as of May 4, 2022.

The S&P 500 declined 4.6% in the quarter on a total return basis, with declines across most sectors. The S&P 500 energy sector was an outlier, increasing 39.0%, due in large part to higher energy prices as a result of pent-up demand as the COVID-19 pandemic recedes and decreased global supply as a result of the war between Russia and Ukraine. The price of West Texas Intermediate crude oil increased 33.3% to $100 per barrel in the first quarter.

Volatility increased in the first quarter of 2022, with the CBOE Volatility Index rising 19%. That volatility contributed to lower equity issuance, with U.S. IPO volumes down 91% compared to the first quarter of 2021. Merger and acquisition activity also softened, with U.S. announced deal volumes down 25% year-over-year.

In credit markets, the S&P leveraged loan index declined by 0.1% and the Credit Suisse high yield bond index declined by 4.2% in the first quarter. High yield spreads expanded 19 basis points in the quarter, while issuance decreased 68% year-over-year.

The U.S. unemployment rate decreased to a post-pandemic low of 3.6% as of March 2022. Wages rose by 6.7% year-over-year in March 2022, tying with June 2020 as the highest wage growth since 1982. Retail sales increased 6.4% in March 2022 compared to December 2021 on a seasonally adjusted basis and increased 6.9% since March 2021. The Institute for Supply Management Purchasing Managers' Index decreased to 57.1 in the first quarter from 58.8 at the end of 2021, still signaling expansion in the U.S. manufacturing sector but the lowest reading since September 2020.

Although economic activity remains generally healthy, high interest rates and energy prices could dampen consumer spending over time, which may negatively impact equity values. Further, the high rate of inflation and expected interest rate increases, supply chain issues and increasing wage and input costs, combined with geopolitical uncertainty as a result of the war between Russia and Ukraine, have increased the risk of recession. This risk will be particularly acute if inflation is higher than the market currently anticipates.

Notable Transactions

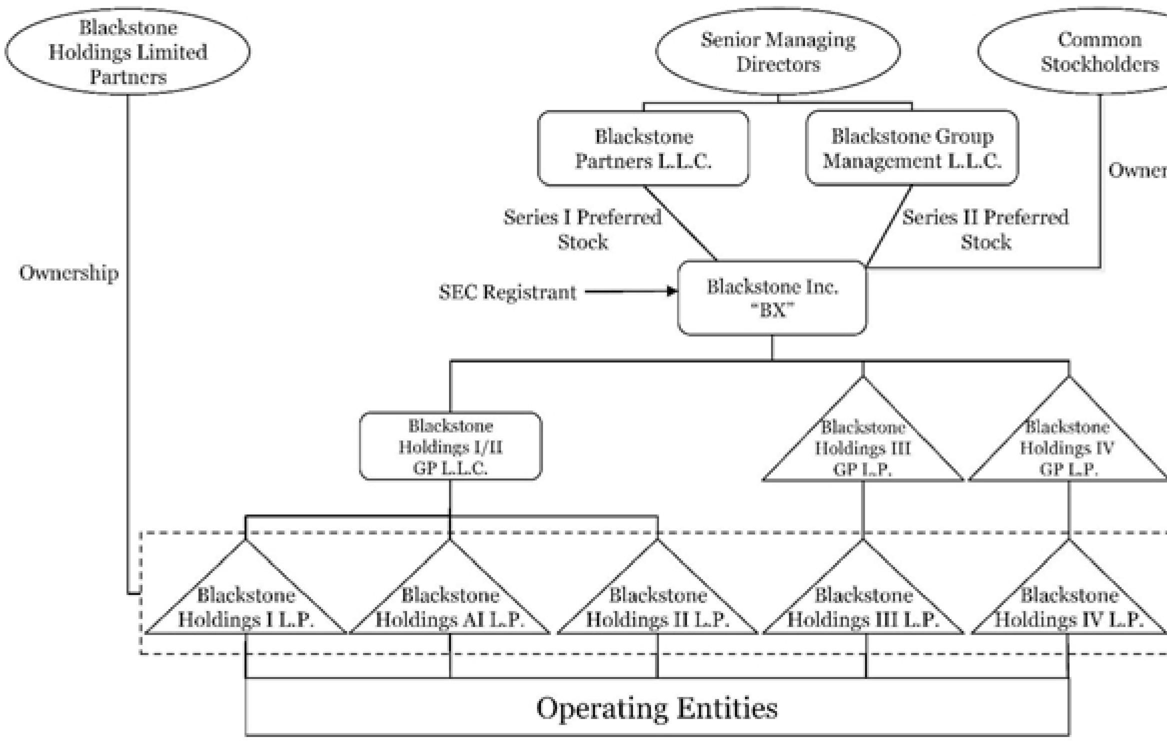
On January 10, 2022, Blackstone issued $500 million aggregate principal amount of 2.550% senior notes due March 30, 2032 and $1.0 billion aggregate principal amount of 3.200% senior notes due January 30, 2052. For additional information see Note 12. "Borrowings" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements." For additional information on Blackstone's senior notes see Note 12. "Borrowings" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements."

Organizational Structure

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as "common stock," and to reclassify its Class B and Class C common stock into a new "Series I preferred stock" and "Series II preferred stock," respectively. Each new stock has the same rights and powers of its predecessor. For additional information, see Note 1. "Organization" and Note 14. "Earnings Per Share and Stockholders' Equity — Stockholders' Equity" in the "Notes to Condensed Consolidated Financial Statements" in "— Item 1. Financial Statements" of this filing.

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

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



Key Financial Measures and Indicators

We manage our business using certain financial measures and key operating metrics since we believe these metrics measure the productivity of our investment activities. We prepare our Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See Note 2. "Summary of Significant Accounting Policies" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" and "— Critical Accounting Policies." Our key non-GAAP financial measures and operating indicators and metrics are discussed below.

Distributable Earnings

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

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

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

Segment Distributable Earnings

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments. Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships, removes the amortization of intangible assets and removes Transaction-Related Charges. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions. Segment Distributable Earnings excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Segment Distributable Earnings.

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

Realized Performance Compensation reflects an increase in the aggregate Realized Performance Compensation paid to certain of our professionals above the amounts allocable to them based upon the percentage participation in the relevant performance plans previously awarded to them as a result of a new compensation program that commenced during the three months ended June 30, 2021. The expectation is that for the full year 2022, Fee Related Compensation will be decreased by the total amount of additional Performance Compensation awarded for the year. In the three months ended March 31, 2022 the increase to Realized Performance Compensation of $15.0 million was less than the decrease to Fee Related Compensation of $20.0 million. These changes to Realized Performance Compensation and Fee Related Compensation reduced Net Realizations, increased Fee Related Earnings and had a favorable impact to Income Before Provision (Benefit) for Taxes and Distributable Earnings in the three months ended March 31, 2022. These changes are not expected to impact Income Before Provision (Benefit) for Taxes and Distributable Earnings for the full year.

Fee Related Earnings

Fee Related Earnings is a performance measure used to assess Blackstone's ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. Fee Related Earnings equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis, and (b) Other Operating Expenses. Fee Related Earnings is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Fee Related Earnings.

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

Fee Related Performance Revenues refers to the realized portion of Performance Revenues from Perpetual Capital that are (a) measured and received on a recurring basis, and (b) not dependent on realization events from the underlying investments.

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

Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization

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

Net Accrued Performance Revenues

Net Accrued Performance Revenues is a financial measure used as an indicator of potential future realized performance revenues based on the current investment portfolio of the funds and vehicles we manage. Net Accrued Performance Revenues represents the accrued performance revenues receivable by Blackstone, net of the related accrued performance compensation payable by Blackstone, excluding Performance Revenues that have been realized but not yet distributed as of the reporting date and clawback amounts, if any. Net Accrued Performance Revenues is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Investments. See "— Non-GAAP Financial Measures" for our reconciliation of Net Accrued Performance Revenues and Note 2. "Summary of Significant Accounting Policies — Equity Method Investments" in the "Notes to Condensed Consolidated Financial Statements" in "— Item 1. Financial Statements" for additional information on the calculation of Investments — Accrued Performance Allocations.

Operating Metrics

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

Total and Fee-Earning Assets Under Management

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

(a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,

(b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds, and our Hedge Fund Solutions drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods), and (2) our funds of hedge funds, our Hedge Fund Solutions registered investment companies, BREIT, and BEPIF,

(c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,

(d) the amount of debt and equity outstanding for our CLOs during the reinvestment period,

(e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,

(f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies,

(g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT, and

(h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

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

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

(a) for our Private Equity segment funds and Real Estate segment carry funds, including certain BREDS and Hedge Fund Solutions funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,

(b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,

(c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,

(d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, BEPIF, and certain of our Hedge Fund Solutions drawdown funds,

(e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,

(f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,

(g) the aggregate par amount of collateral assets, including principal cash, of our CLOs, and

(h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies.

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

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

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

Perpetual Capital

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

Dry Powder

Dry Powder represents the amount of capital available for investment or reinvestment, including general partner and employee capital, and is an indicator of the capital we have available for future investments.

Performance Eligible Assets Under Management

Performance Eligible Assets Under Management represents invested and to be invested capital at fair value, including capital closed for funds whose investment period has not yet commenced, on which performance revenues could be earned if certain hurdles are met.

Consolidated Results of Operations

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

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

	Three Months Ended March 31,		2022 vs. 2021	
	2022	2021	$	%
	(Dollars in Thousands)			
Revenues				
Management and Advisory Fees, Net	$ 1,475,936	$ 1,177,815	$ 298,121	25%
Incentive Fees	104,489	36,124	68,365	189%
Investment Income				
Performance Allocations				
Realized	1,766,386	534,367	1,232,019	231%
Unrealized	1,293,050	2,464,497	(1,171,447)	-48%
Principal Investments				
Realized	285,104	355,038	(69,934)	-20%
Unrealized	73,961	639,315	(565,354)	-88%
Total Investment Income	3,418,501	3,993,217	(574,716)	-14%
Interest and Dividend Revenue	54,485	31,412	23,073	73%
Other	72,869	60,304	12,565	21%
Total Revenues	5,126,280	5,298,872	(172,592)	-3%
Expenses				
Compensation and Benefits				
Compensation	656,505	542,638	113,867	21%
Incentive Fee Compensation	41,019	13,325	27,694	208%
Performance Allocations Compensation				
Realized	717,601	213,027	504,574	237%
Unrealized	472,284	1,049,969	(577,685)	-55%
Total Compensation and Benefits	1,887,409	1,818,959	68,450	4%
General, Administrative and Other	240,674	185,122	55,552	30%
Interest Expense	66,747	44,983	21,764	48%
Fund Expenses	2,192	2,383	(191)	-8%
Total Expenses	2,197,022	2,051,447	145,575	7%
Other Income				
Change in Tax Receivable Agreement Liability	761	2,910	(2,149)	-74%
Net Gains from Fund Investment Activities	50,876	120,353	(69,477)	-58%
Total Other Income	51,637	123,263	(71,626)	-58%
Income Before Provision (Benefit) for Taxes	2,980,895	3,370,688	(389,793)	-12%
Provision (Benefit) for Taxes	483,281	(447)	483,728	n/m
Net Income	2,497,614	3,371,135	(873,521)	-26%
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	5,052	629	4,423	703%
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	216,375	386,850	(170,475)	-44%
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,059,313	1,235,784	(176,471)	-14%
Net Income Attributable to Blackstone Inc.	$ 1,216,874	$ 1,747,872	$ (530,998)	-30%

n/m Not meaningful.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Revenues

Revenues were $5.1 billion for the three months ended March 31, 2022, a decrease of $172.6 million compared to $5.3 billion for the three months ended March 31, 2021. The decrease in Revenues was primarily attributable to a decrease of $574.7 million in Investment Income, which is composed of a decrease of $1.7 billion in Unrealized Investment Income and an increase of $1.2 billion in Realized Investment Income, partially offset by an increase of $298.1 million in Management and Advisory Fees, Net.

The $1.7 billion decrease in Unrealized Investment Income was primarily attributable to lower net unrealized appreciation of investment holdings in the three months ended March 31, 2022 compared to the three months ended March 31, 2021. Principal drivers of the decrease were:

- The decrease of $1.7 billion in our Private Equity segment was primarily attributable to lower net unrealized appreciation of investment holdings in corporate private equity and Tactical Opportunities in the three months ended March 31, 2022 compared to the three months ended March 31, 2021. Corporate private equity and Tactical Opportunities carrying value increased 2.8% and 1.8%, respectively, in the three months ended March 31, 2022 compared to 15.3% and 15.1%, respectively, in the three months ended March 31, 2021.

- The decrease of $238.4 million in our Hedge Fund Solutions segment was primarily attributable to lower net unrealized appreciation of investment holdings in individual investor and specialized solutions, customized solutions and commingled products in the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

- The decrease of $109.4 million in our Credit & Insurance segment was primarily attributable to lower net unrealized appreciation of investments in our private credit strategies in the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

- Partially offset by the increase of $430.1 million in our Real Estate segment which was primarily attributable to higher net unrealized appreciation of investment holdings in our Core+ real estate funds and BREP in the three months ended March 31, 2022 compared to the three months ended March 31, 2021. Core+ real estate and BREP's carrying value increased 7.9% and 10.3%, respectively, in the three months ended March 31, 2022 compared to 3.2% and 5.3%, respectively, in the three months ended March 31, 2021.

The $1.2 billion increase in Realized Investment Income was primarily attributable to higher realized gains in our Real Estate and Private Equity segments, partially offset by the gain recognized in connection with the Pátria Investments Limited and Pátria Investimentos Ltda. (collectively, "Pátria") sale transaction in the first quarter of 2021. On January 26, 2021, Pátria completed its IPO, pursuant to which Blackstone sold a portion of its interests and no longer has representatives or the right to designate representatives on Pátria's board of directors. As a result of Pátria's pre-IPO reorganization transactions (which included Blackstone's sale of 10% of Pátria's pre-IPO shares to Pátria's controlling shareholder) and the consummation of the IPO, Blackstone was deemed to no longer have significant influence over Pátria due to Blackstone's decreased ownership and lack of board representation.

The $298.1 million increase in Management and Advisory Fees, Net was primarily due to increases in our Real Estate and Credit & Insurance segments of $168.1 million and $134.9 million, respectively. The increase in our Real Estate segment was primarily due to Fee-Earning Assets Under Management growth in Core+ real estate and BREDS. The increase in our Credit & Insurance segment was primarily due to an increase in capital deployed in our most recently launched credit vehicles, Fee-Earning Assets Under Management growth in BXSL, and inflows in BCRED and our liquid credit business.

Expenses

Expenses were $2.2 billion for the three months ended March 31, 2022, an increase of $145.6 million compared to $2.1 billion for the three months ended March 31, 2021. The increase was primarily attributable to increases of $68.5 million in Total Compensation and Benefits, which is composed of an increase of $113.9 million in Compensation and a decrease of $73.1 million in Performance Allocations Compensation, and $55.6 million in General, Administrative and Other. The increase in Compensation was primarily due to the increase in Management and Advisory Fees, Net, on which a portion of compensation is based. The decrease in Performance Allocations Compensation was primarily due to the decrease in Investment Income, on which a portion of compensation is based. The increase in General, Administrative and Other was primarily due to occupancy and technology related expenses and professional fees.

Other Income

Other Income was $51.6 million for the three months ended March 31, 2022, a decrease of $71.6 million compared to $123.3 million for the three months ended March 31, 2021. The decrease in Other Income was primarily due to a decrease of $69.5 million in Net Gains from Fund Investment Activities.

The decrease in Other Income — Net Gains from Fund Investment Activities was principally driven by decreases of $70.0 million, $15.8 million and $12.4 million in our Private Equity, Hedge Fund Solutions and Credit & Insurance segments, respectively, partially offset by an increase of $28.8 million in our Real Estate segment. The decreases in our Private Equity and Hedge Fund Solutions segments were primarily due to unrealized depreciation of investments in our consolidated private equity and hedge fund solutions funds, as applicable. The decrease in our Credit & Insurance segment was primarily due to realized net losses and unrealized depreciation of investments in our consolidated credit funds. The increase in our Real Estate segment was primarily due to unrealized appreciation of investments, partially offset by realized net losses of investments in our consolidated real estate funds.

Provision (Benefit) for Taxes

Blackstone's Provision (Benefit) for Taxes for the three months ended March 31, 2022 and 2021 was $483.3 million and $(0.4) million, respectively. This resulted in an effective tax rate of 16.2% and 0.0%, respectively, based on our Income Before Provision (Benefit) for Taxes of $3.0 billion and $3.4 billion. The increase in Blackstone's effective tax rate for the three months ended March 31, 2022, compared to the three months ended March 31, 2021, resulted primarily from the reduction of valuation allowances previously recorded against deferred tax assets during 2021, and an increase in state tax provision due to recent developments affecting the allocation of income among multiple tax jurisdictions.

Additional information regarding our income taxes can be found in Note 13. "Income Taxes" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Non-Controlling Interests in Consolidated Entities

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

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

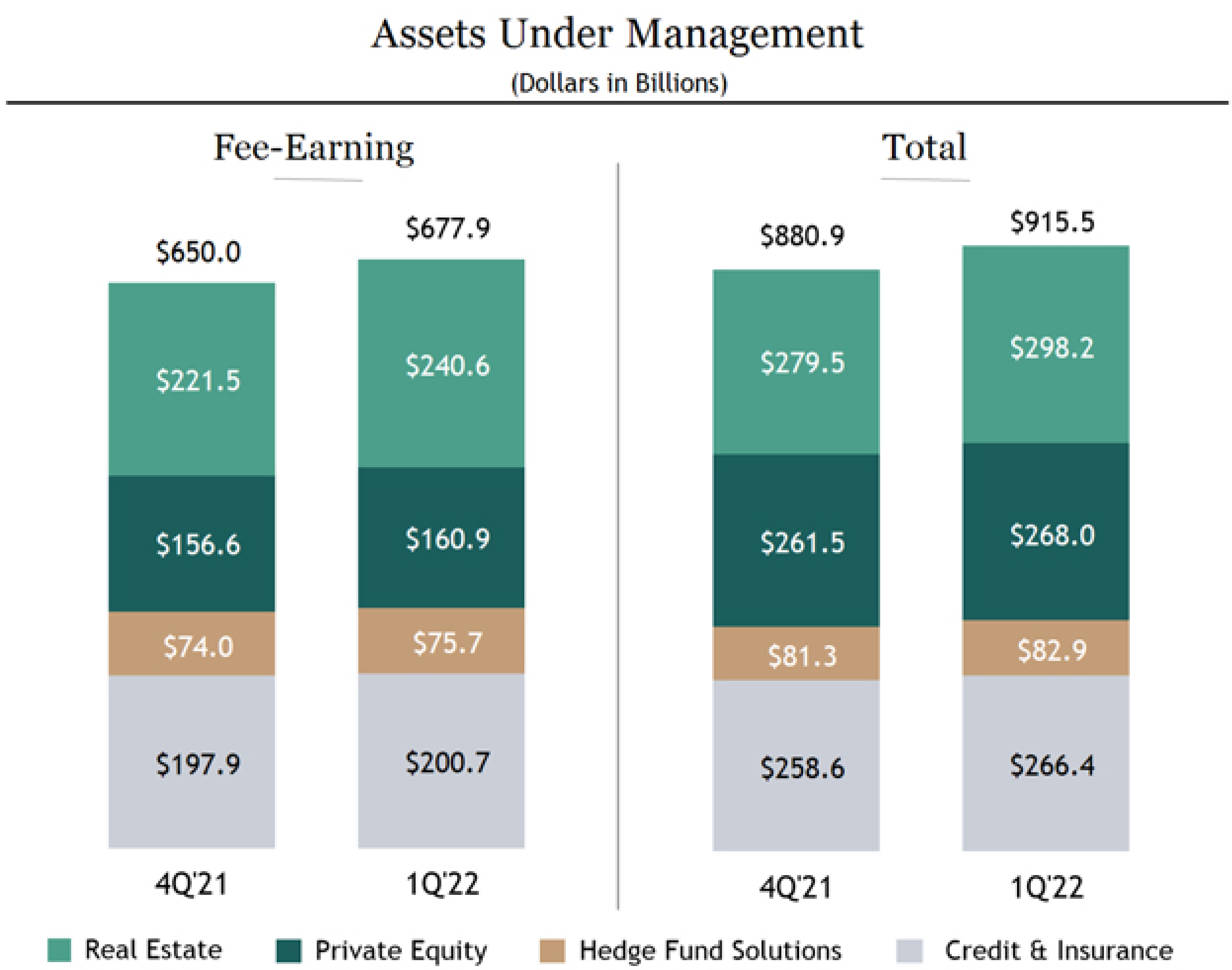
For the three months ended March 31, 2022 and 2021, the Net Income Before Taxes allocated to Blackstone personnel and others who are limited partners of Blackstone Holdings was 39.8% and 41.8%, respectively. The decrease of 2.0% was primarily due to the conversion of Blackstone Holdings Partnership Units to shares of common stock and the vesting of shares of common stock.

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

Operating Metrics

Total and Fee-Earning Assets Under Management

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



Note: Totals may not add due to rounding.

	Three Months Ended									
	March 31, 2022					March 31, 2021				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
	(Dollars in Thousands)									
Fee-Earning Assets Under Management										
Balance, Beginning of Period	$221,476,699	$156,556,959	$74,034,568	$197,900,832	$649,969,058	$149,121,461	$129,539,630	$74,126,610	$116,645,413	$469,433,114
Inflows (a)	22,791,041	5,449,946	4,170,080	12,949,112	45,360,179	8,561,177	4,468,621	2,005,986	8,186,651	23,222,435
Outflows (b)	(4,289,575)	(872,597)	(2,582,444)	(3,072,247)	(10,816,863)	(843,560)	(608,021)	(1,346,251)	(5,115,877)	(7,913,709)
Net Inflows	18,501,466	4,577,349	1,587,636	9,876,865	34,543,316	7,717,617	3,860,600	659,735	3,070,774	15,308,726
Realizations (c)	(5,292,057)	(2,688,240)	(362,867)	(3,495,939)	(11,839,103)	(1,855,302)	(3,071,179)	(188,436)	(3,247,204)	(8,362,121)
Market Activity (d)(g)	5,935,345	2,500,128	426,491	(3,591,933)	5,270,031	868,018	1,574,296	2,016,297	387,077	4,845,688
Balance, End of Period (e)	$240,621,453	$160,946,196	$75,685,828	$200,689,825	$677,943,302	$155,851,794	$131,903,347	$76,614,206	$116,856,060	$481,225,407
Increase	$ 19,144,754	$ 4,389,237	$ 1,651,260	$ 2,788,993	$ 27,974,244	$ 6,730,333	$ 2,363,717	$ 2,487,596	$ 210,647	$ 11,792,293
Increase	9%	3%	2%	1%	4%	5%	2%	3%	—	3%
Annualized Base Management Fee Rate (f)	1.00%	1.06%	0.78%	0.59%	0.87%	1.12%	1.16%	0.80%	0.55%	0.94%

	Three Months Ended									
	March 31, 2022					March 31, 2021				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
	(Dollars in Thousands)									
Total Assets Under Management										
Balance, Beginning of Period	$279,474,105	$261,471,007	$81,334,141	$258,622,467	$880,901,720	$187,191,247	$197,549,222	$79,422,869	$154,393,590	$618,556,928
Inflows (a)	17,043,319	9,233,637	4,015,331	19,582,685	49,874,972	8,581,463	7,831,642	2,066,958	13,124,022	31,604,085
Outflows (b)	(2,295,695)	(1,420,463)	(2,768,093)	(3,519,958)	(10,004,209)	(1,809,101)	(750,972)	(1,623,328)	(5,791,889)	(9,975,290)
Net Inflows	14,747,624	7,813,174	1,247,238	16,062,727	39,870,763	6,772,362	7,080,670	443,630	7,332,133	21,628,795
Realizations (c)	(9,537,783)	(7,725,833)	(438,445)	(5,533,849)	(23,235,910)	(1,953,532)	(8,093,375)	(194,347)	(4,626,773)	(14,868,027)
Market Activity (d)(h)	13,512,837	6,398,003	753,893	(2,709,564)	17,955,169	4,266,955	15,264,568	2,147,068	1,806,720	23,485,311
Balance, End of Period (e)	$298,196,783	$267,956,351	$82,896,827	$266,441,781	$915,491,742	$196,277,032	$211,801,085	$81,819,220	$158,905,670	$648,803,007
Increase	$ 18,722,678	$ 6,485,344	$ 1,562,686	$ 7,819,314	$ 34,590,022	$ 9,085,785	$ 14,251,863	$ 2,396,351	$ 4,512,080	$ 30,246,079
Increase	7%	2%	2%	3%	4%	5%	7%	3%	3%	5%

(a) Inflows include contributions, capital raised, other increases in available capital (recallable capital and increased side-by-side commitments), purchases, inter-segment allocations and acquisitions.
(b) Outflows represent redemptions, client withdrawals and decreases in available capital (expired capital, expense drawdowns and decreased side-by-side commitments).
(c) Realizations represent realization proceeds from the disposition or other monetization of assets, current income or capital returned to investors from CLOs.
(d) Market activity includes realized and unrealized gains (losses) on portfolio investments and the impact of foreign exchange rate fluctuations.
(e) Total and Fee-Earning Assets Under Management are reported in the segment where the assets are managed.
(f) Annualized Base Management Fee Rate represents annualized year to date Base Management Fee divided by the average of the beginning of year and each quarter end's Fee-Earning Assets Under Management in the reporting period.
(g) For the three months ended March 31, 2022, the impact to Fee-Earning Assets Under Management due to foreign exchange rate fluctuations was $(977.5) million, $(359.5) million and $(1.4) billion for the Real Estate, Credit & Insurance and Total segments, respectively. For the three months ended March 31, 2021, such impact was $(1.1) billion, $(131.5) million and $(1.3) billion for the Real Estate, Credit & Insurance and Total segments, respectively.
(h) For the three months ended March 31, 2022, the impact to Total Assets Under Management due to foreign exchange rate fluctuations was $(1.8) billion, $(517.4) million, $(423.9) million and $(2.8) billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively. For the three months ended March 31, 2021, such impact was $(1.6) billion, $(330.6) million, $(246.3) million and $(2.2) billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively.

Fee-Earning Assets Under Management

Fee-Earning Assets Under Management were $677.9 billion at March 31, 2022, an increase of $28.0 billion, compared to $650.0 billion at December 31, 2021. The net increase was due to:

- Inflows of $45.4 billion related to:
  - $22.8 billion in our Real Estate segment driven by $9.8 billion from BREIT, $7.9 billion from BREP and co-investment, $3.4 billion from BREDS, $1.2 billion from BPP and co-investment and $541.0 million from BEPIF,
  - $12.9 billion in our Credit & Insurance segment driven by $6.4 billion from direct lending, $1.8 billion from CLOs, $1.3 billion from BIS, $1.3 billion from certain liquid credit strategies, $880.0 million from asset-based finance and $495.7 million from private placements credit,
  - $5.4 billion in our Private Equity segment driven by $2.4 billion from BIP, $1.2 billion from Tactical Opportunities and $963.9 million from Strategic Partners, and
  - $4.2 billion in our Hedge Fund Solutions segment driven by $3.5 billion from individual investor and specialized solutions, $451.4 million from customized solutions and $197.8 million from commingled products.

  Fee-Earning Assets Under Management inflows in BREP exceeds the Total Assets Under Management inflows due to the commencement of BREP Asia III's investment period in March 2022. Fee-Earning Assets Under Management inflows are reported when a fund's investment period commences, whereas Total Assets Under Management inflows are reported at each fund closing.

- Market activity of $5.3 billion primarily attributable to:
  - $5.9 billion of market appreciation in our Real Estate segment driven by appreciation of $7.6 billion from Core+ real estate (which included $651.0 million of foreign exchange depreciation), partially offset by depreciation of $1.3 billion from BREDS and foreign exchange depreciation of $302.8 million from BREP and co-investment,

- $2.5 billion of market appreciation in our Private Equity segment driven by $2.0 billion from BIP and $447.5 million from Strategic Partners, and
- Partially offset by $3.6 billion of market depreciation in our Credit & Insurance segment driven by depreciation of $3.2 billion from certain liquid credit strategies, $1.2 billion from private placement credit, $543.9 million from asset-based finance and $234.0 million from CLOs, partially offset by market appreciation of $1.6 billion from MLP strategies and $250.0 million from direct lending, all of which included $359.5 million of foreign exchange depreciation across the segment.

Offsetting these increases were:

- Realizations of $11.8 billion primarily driven by:
  - $5.3 billion in our Real Estate segment driven by $2.7 billion from Core+ real estate, $1.3 billion from BREDS and $1.3 billion from BREP and co-investment,
  - $3.5 billion in our Credit & Insurance segment driven by $1.4 billion from direct lending, $1.3 billion from CLOs, $256.9 million from stressed/distressed strategies, $194.5 million from mezzanine funds, $163.5 million from certain liquid credit strategies, and $148.4 million from our energy strategies, and
  - $2.7 billion in our Private Equity segment driven by $1.2 billion from Strategic Partners, $792.8 million from corporate private equity, $352.3 million from Tactical Opportunities and $299.3 million from BIP.
- Outflows of $10.8 billion primarily attributable to:
  - $4.3 billion in our Real Estate segment driven by $2.1 billion of uninvested reserves at the end of BREP Asia II's investment period, $1.3 billion from BREIT and $842.0 million from BPP and co-investment,
  - $3.1 billion in our Credit & Insurance segment driven by $1.3 billion from certain liquid credit strategies, $962.6 million from MLP strategies, $320.5 million from BIS, $246.2 million from direct lending and $115.9 million from asset-based finance,
  - $2.6 billion in our Hedge Fund Solutions segment driven by $2.0 billion from customized solutions and $577.7 million from individual investor and specialized solutions, and
  - $872.6 million in our Private Equity segment driven by $566.6 million from multi-asset products, $159.2 million from Strategic Partners and $102.8 million from Tactical Opportunities.

Total Assets Under Management

Total Assets Under Management were $915.5 billion at March 31, 2022, an increase of $34.6 billion, compared to $880.9 billion at December 31, 2021. The net increase was due to:

- Inflows of $49.9 billion related to:
  - $19.6 billion in our Credit & Insurance segment driven by $13.6 billion from direct lending, $1.9 billion from CLOs, $1.3 billion from BIS, $1.3 billion from certain liquid credit strategies, $793.3 million from asset-based finance, and $495.7 million from private placements credit,
  - $17.0 billion in our Real Estate segment driven by $9.8 billion from BREIT, $2.5 billion from BREDS, $2.4 billion from BREP and co-investment, $1.9 billion from BPP and co-investment and $541.0 million from BEPIF,

- $9.2 billion in our Private Equity segment driven by $2.8 billion from Strategic Partners, $2.5 billion from BIP, $1.5 billion from corporate private equity and $1.2 billion from Tactical Opportunities, and
- $4.0 billion in our Hedge Fund Solutions segment driven by $3.4 billion from individual investor and specialized solutions, $403.4 million from customized solutions and $180.8 million from commingled products.

Total Assets Under Management inflows in our direct lending funds exceed the Fee-Earning Assets Under Management because Total Assets Under Management inflows are reported at their gross value while, for certain funds, Fee-Earning Assets Under Management are reported as net assets, which is the basis on which fees are charged.

- Market activity of $18.0 billion primarily driven by:

  - $13.5 billion of market appreciation in our Real Estate segment driven by carrying value increases in Core+ real estate and BREP of 7.9% and 10.3%, respectively, which included $1.8 billion of foreign exchange depreciation across the segment,
  - $6.4 billion of market appreciation in our Private Equity segment driven by carrying value increases in Strategic Partners, BIP, corporate private equity, and Tactical Opportunities of 8.5%, 13.8%, 2.8% and 1.8%, respectively, which included $517.4 million of foreign exchange depreciation across the segment,
  - Partially offset by $2.7 billion of market depreciation in our Credit & Insurance segment driven by depreciation of $3.2 billion from certain liquid credit strategies, $1.2 billion from private placement credit, $543.9 million from asset-based finance and $199.6 million from CLOs, partially offset by market appreciation of $1.7 billion from MLP strategies, $377.9 million from direct lending, $277.5 million from BIS and $216.2 million from our energy strategies, all of which included $423.9 million of foreign exchange depreciation across the segment.

Total Assets Under Management market activity in our BREP and co-investment funds and our Private Equity segment generally represents the change in fair value of the investments held and typically exceeds the Fee-Earning Assets Under Management market activity.

Offsetting these increases were:

- Realizations of $23.2 billion primarily driven by:

  - $9.5 billion in our Real Estate segment driven by $5.8 billion from BREP and co-investment, $2.8 billion from Core+ real estate and $996.6 million from BREDS,
  - $7.7 billion in our Private Equity segment driven by $4.1 billion from corporate private equity, $2.4 billion from Strategic Partners, $869.5 million from Tactical Opportunities and $316.5 million from BIP, and
  - $5.5 billion in our Credit & Insurance segment driven by $2.8 billion from direct lending, $1.3 billion from CLOs, $495.2 million from stressed/distressed strategies and $418.1 million from our energy strategies.

Total Assets Under Management realizations in our BREP and co-investment funds and our Private Equity segment generally represents the total proceeds and typically exceeds the Fee-Earning Assets Under Management realizations which generally represents only the invested capital.

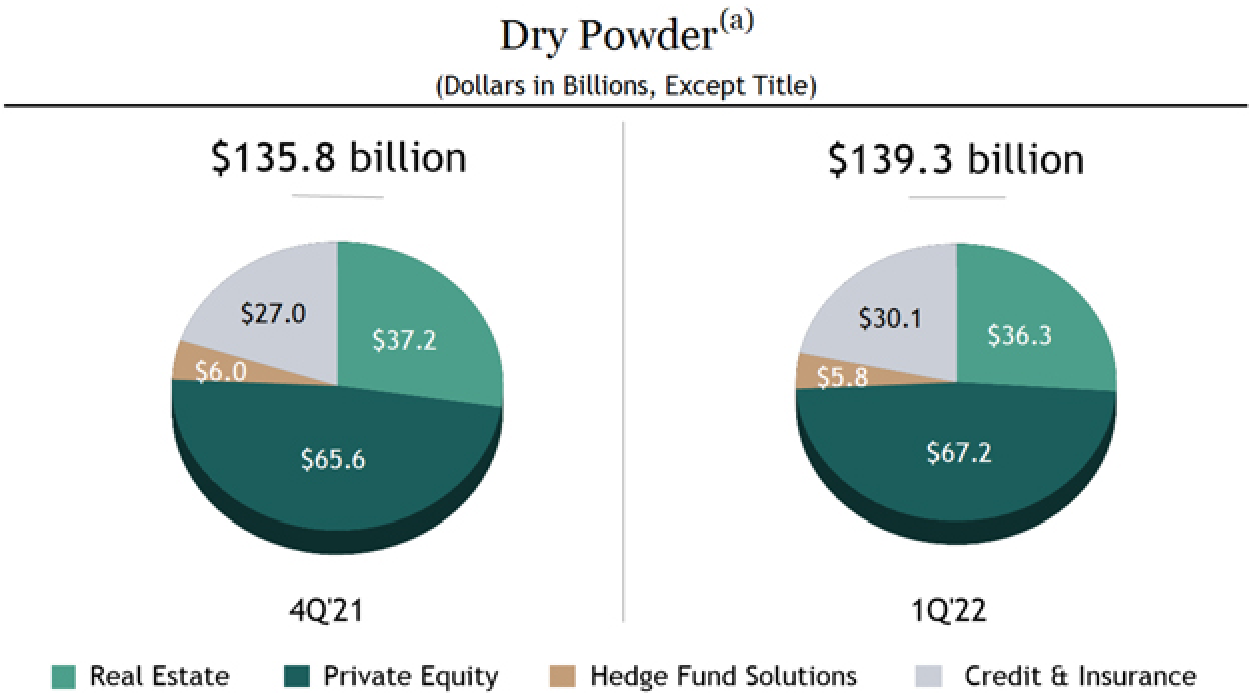
- Outflows of $10.0 billion primarily attributable to:

  - $3.5 billion in our Credit & Insurance segment driven by $1.4 billion from certain liquid credit strategies, $1.0 billion from MLP strategies, $408.2 million from direct lending and $321.2 million from BIS,

- $2.8 billion in our Hedge Fund Solutions segment driven by $2.1 billion from customized solutions and $616.2 million from individual investor and specialized solutions,
- $2.3 billion in our Real Estate segment driven by $1.3 billion from BREIT and $842.1 million from BPP and co-investment, and
- $1.4 billion in our Private Equity segment driven by $422.7 million from Tactical Opportunities, $370.7 million from Strategic Partners, $277.9 million from multi-asset products and $230.6 million from corporate private equity.

Dry Powder

The following presents our Dry Powder as of quarter end of each period:



Note: Totals may not add due to rounding.

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

Net Accrued Performance Revenues

The following table presents the Accrued Performance Revenues, net of performance compensation, of the Blackstone Funds as of March 31, 2022 and 2021. Net Accrued Performance Revenues presented do not include clawback amounts, if any, which are disclosed in Note 17. "Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing. See "— Non-GAAP Financial Measures" for our reconciliation of Net Accrued Performance Revenues.

	March 31, 2022	March 31, 2021
	(Dollars in Millions)	
Real Estate		
BREP IV	$ 6	$ 18
BREP V	1	18
BREP VI	38	39
BREP VII	527	253
BREP VIII	990	519
BREP IX	1,139	198
BREP Europe IV	93	92
BREP Europe V	548	244
BREP Europe VI	301	—
BREP Asia I	126	179
BREP Asia II	189	78
BPP	734	189
BREIT	—	82
BEPIF	6	—
BREDS	37	31
BTAS	83	1
Total Real Estate (a)	4,817	1,941
Private Equity		
BCP IV	8	9
BCP V	—	37
BCP VI	475	746
BCP VII	1,257	987
BCP VIII	315	41
BCP Asia I	330	105
BEP I	27	52
BEP III	93	34
BCEP I	222	147
Tactical Opportunities	378	320
BXG	12	39
Strategic Partners	570	157
BIP	106	43
BXLS	22	19
BTAS/Other	255	93
Total Private Equity (a)	4,070	2,831
Hedge Fund Solutions	342	214
Credit & Insurance	318	216
Total Blackstone Net Accrued Performance Revenues	$ 9,546	$ 5,202

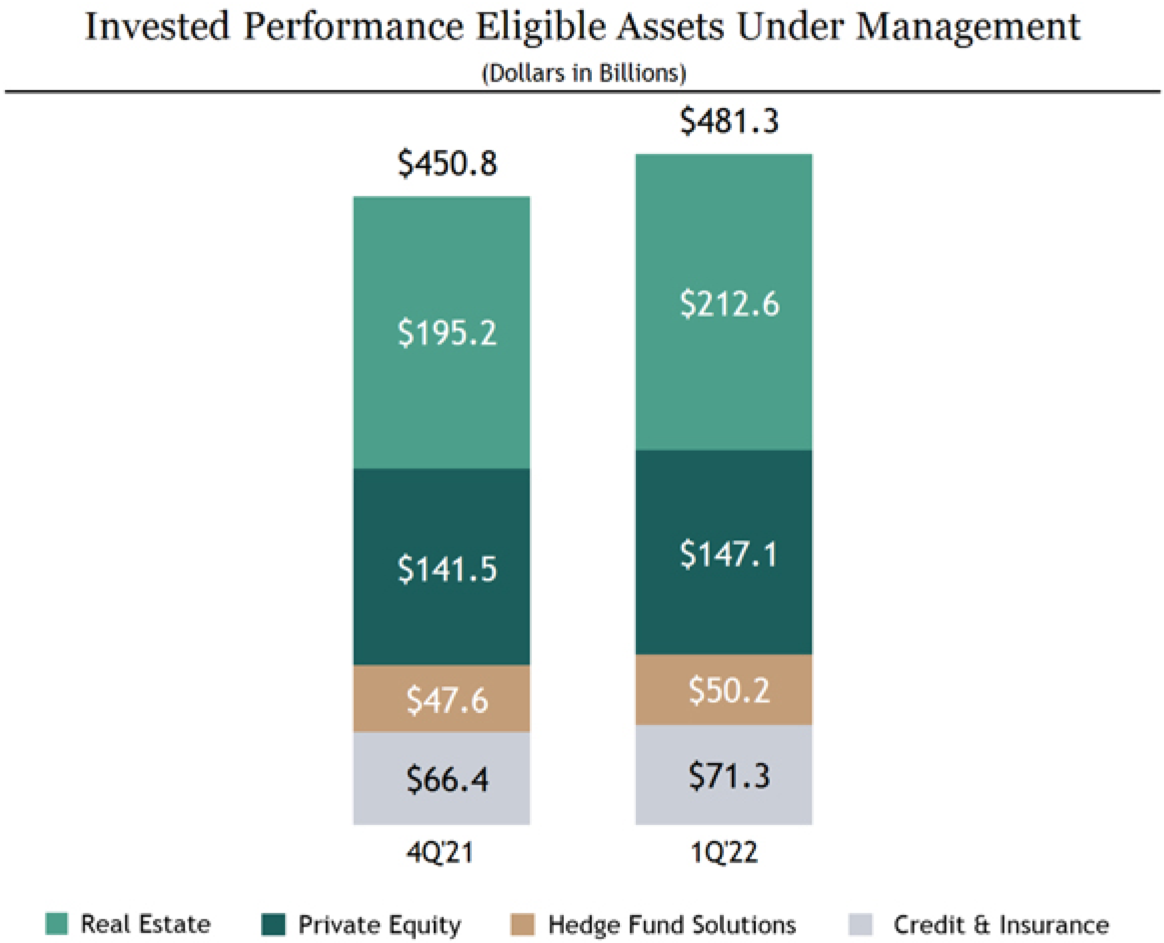
Note: Totals may not add due to rounding.

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

For the twelve months ended March 31, 2022, Net Accrued Performance Revenues receivable increased due to Net Performance Revenues of $8.6 billion offset by net realized distributions of $4.3 billion.

Invested Performance Eligible Assets Under Management

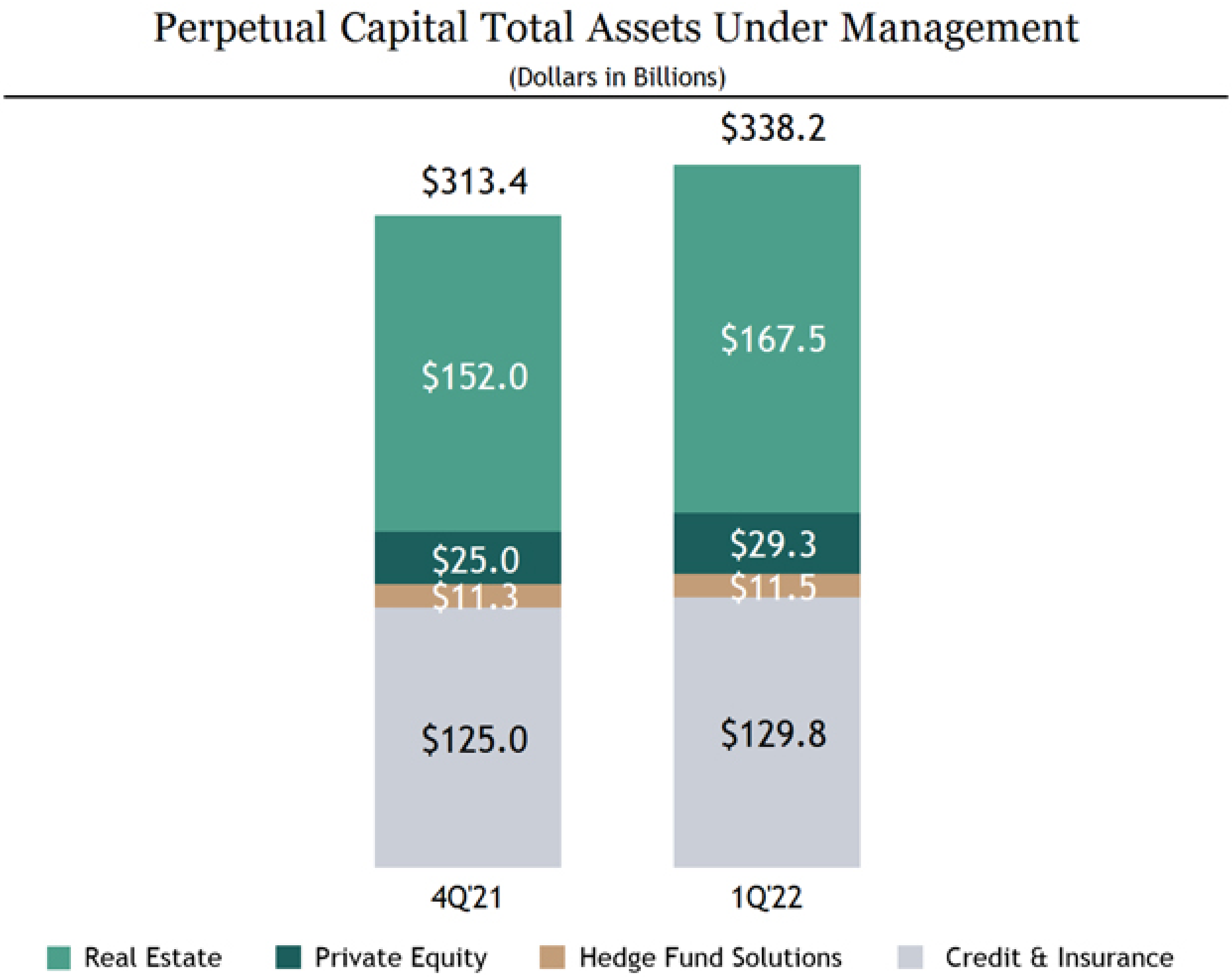
The following presents our Invested Performance Eligible Assets Under Management as of quarter end for each period:



Note: Totals may not add due to rounding.

Perpetual Capital

The following presents our Perpetual Capital Total Assets Under Management as of quarter end for each period:



Note: Totals may not add due to rounding.

Perpetual Capital Total Assets Under Management were $338.2 billion as of March 31, 2022, an increase of $24.8 billion, compared to $313.4 billion as of December 31, 2021. Perpetual Capital Total Assets Under Management in our Real Estate, Credit & Insurance and Private Equity segments increased $15.5 billion, $4.8 billion and $4.3 billion, respectively. Principal drivers of these increases were:

- In our Real Estate segment, net Total Assets Under Management growth in BREIT and BPP and co-investment resulted in increases of $9.2 billion and $5.1 billion, respectively.
- In our Credit & Insurance segment, net Total Assets Under Management growth in direct lending resulted in an increase of $9.3 billion, partially offset by a decrease of $4.5 billion related to BIS.
- In our Private Equity segment, net Total Assets Under Management growth in BIP resulted in an increase of $4.3 billion.

Investment Records

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

The following table presents the investment record of our significant carry/drawdown funds and selected perpetual capital strategies from inception through March 31, 2022:

Fund (Investment Period Beginning Date / Ending Date) (a)	Committed Capital	Available Capital (b)	Unrealized Investments Value	Unrealized Investments MOIC (c)	Unrealized Investments % Public	Realized Investments Value	Realized Investments MOIC (c)	Total Investments Value	Total Investments MOIC (c)	Net IRRs (d) Realized	Net IRRs (d) Total
	(Dollars/Euros in Thousands, Except Where Noted)										
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	—	23,471	n/a	—	4,640,501	1.7x	4,663,972	1.7x	12%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	—	8,546	n/a	—	13,444,906	2.3x	13,453,452	2.3x	11%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	550,452	408,815	2.2x	80%	27,407,685	2.5x	27,816,500	2.5x	13%	13%
BREP VII (Aug 2011 / Apr 2015)	13,501,376	1,513,361	7,589,097	1.7x	4%	23,864,256	2.1x	31,453,353	2.0x	22%	15%
BREP VIII (Apr 2015 / Jun 2019)	16,591,084	2,281,492	17,009,035	1.8x	—	19,609,674	2.5x	36,618,709	2.1x	29%	19%
*BREP IX (Jun 2019 / Dec 2024)	21,321,251	9,461,862	22,133,179	1.9x	2%	6,024,086	2.1x	28,157,265	1.9x	66%	47%
Total Global BREP	$ 73,454,736	$ 13,807,167	$ 47,172,143	1.8x	2%	$ 102,526,026	2.3x	$ 149,698,169	2.1x	18%	17%
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ —	€ —	n/a	—	€ 1,373,170	2.1x	€ 1,373,170	2.1x	23%	23%
BREP Int'l II (Sep 2005 / Jun 2008) (e)	1,629,748	—	—	n/a	—	2,583,032	1.8x	2,583,032	1.8x	8%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	421,732	280,829	0.5x	—	5,792,215	2.4x	6,073,044	2.0x	19%	14%
BREP Europe IV (Sep 2013 / Dec 2016)	6,673,049	1,378,153	1,883,356	1.3x	—	9,699,087	2.0x	11,582,443	1.8x	20%	14%
BREP Europe V (Dec 2016 / Oct 2019)	7,965,079	1,338,957	10,018,509	1.7x	—	2,336,451	2.7x	12,354,960	1.8x	39%	15%
*BREP Europe VI (Oct 2019 / Apr 2025)	9,901,655	5,670,276	6,911,549	1.6x	—	471,010	2.0x	7,382,559	1.7x	60%	32%
Total BREP Europe	€ 30,198,870	€ 8,809,118	€ 19,094,243	1.6x	—	€ 22,254,965	2.1x	€ 41,349,208	1.8x	16%	13%

continued...

Fund (Investment Period Beginning Date / Ending Date) (a)	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
	(Dollars/Euros in Thousands, Except Where Noted)										
Real Estate (continued)											
BREP Asia I (Jun 2013 / Dec 2017)	$ 4,261,983	$ 917,144	$ 2,435,276	1.5x	13%	$ 6,206,034	2.1x	$ 8,641,310	1.9x	20%	13%
BREP Asia II (Dec 2017 / Mar 2022)	7,338,909	2,007,555	7,252,702	1.4x	4%	761,817	1.8x	8,014,519	1.4x	42%	13%
*BREP Asia III (Mar 2022 / Sep 2027)	7,502,256	7,502,256	—	n/a	—	—	n/a	—	n/a	n/a	n/a
BREP Co-Investment (f)	7,131,383	37,934	973,293	2.3x	—	15,029,656	2.2x	16,002,949	2.2x	16%	16%
Total BREP	$ 135,148,753	$ 34,021,106	$ 79,856,621	1.7x	2%	$ 152,235,747	2.2x	$ 232,092,368	2.0x	17%	16%
*BREDS High-Yield (Various) (g)	19,986,312	5,702,368	5,721,393	1.1x	—	15,438,412	1.3x	21,159,805	1.2x	11%	10%
Private Equity											
Corporate 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	15,928	n/a	—	2,953,649	1.4x	2,969,577	1.4x	6%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	169,884	127,159	1.3x	—	21,479,599	2.9x	21,606,758	2.8x	36%	36%
BCP V (Dec 2005 / Jan 2011)	21,009,112	1,035,259	110,390	7.5x	92%	38,427,169	1.9x	38,537,559	1.9x	8%	8%
BCP VI (Jan 2011 / May 2016)	15,202,513	1,378,295	7,754,859	1.8x	43%	23,846,668	2.3x	31,601,527	2.1x	17%	13%
BCP VII (May 2016 / Feb 2020)	18,852,880	1,931,935	25,281,125	1.9x	35%	10,049,608	2.4x	35,330,733	2.0x	35%	19%
*BCP VIII (Feb 2020 / Feb 2026)	25,424,279	17,027,500	12,308,856	1.5x	16%	514,942	2.9x	12,823,798	1.5x	125%	45%
Energy I (Aug 2011 / Feb 2015)	2,441,558	174,492	705,759	1.5x	60%	3,869,928	2.0x	4,575,687	1.9x	15%	12%
Energy II (Feb 2015 / Feb 2020)	4,933,284	1,030,529	4,954,452	1.6x	58%	1,588,019	1.1x	6,542,471	1.4x	2%	7%
*Energy III (Feb 2020 / Feb 2026)	4,329,863	3,067,781	2,117,059	1.9x	52%	320,742	2.7x	2,437,801	2.0x	113%	57%
BCP Asia I (Dec 2017 / Sep 2021)	2,452,754	869,042	4,636,769	3.0x	64%	995,878	4.9x	5,632,647	3.2x	115%	61%
*BCP Asia II (Sep 2021 / Sep 2027)	6,554,832	6,529,852	9,373	n/a	—	—	n/a	9,373	n/a	n/a	n/a
Core Private Equity I (Jan 2017 / Mar 2021) (h)	4,764,447	1,149,384	8,022,079	2.1x	—	2,020,771	3.6x	10,042,850	2.3x	52%	26%
*Core Private Equity II (Mar 2021 / Mar 2026) (h)	8,191,582	6,750,467	1,493,095	1.1x	—	—	n/a	1,493,095	1.1x	n/a	n/m
Total Corporate Private Equity	$ 129,255,219	$ 41,138,995	$ 67,536,903	1.8x	32%	$ 120,250,218	2.2x	$ 187,787,121	2.0x	16%	16%

continued...

Fund (Investment Period Beginning Date / Ending Date) (a)	Committed Capital	Available Capital (b)	Unrealized Investments Value	Unrealized Investments MOIC (c)	Unrealized Investments % Public	Realized Investments Value	Realized Investments MOIC (c)	Total Investments Value	Total Investments MOIC (c)	Net IRRs (d) Realized	Net IRRs (d) Total
	(Dollars/Euros in Thousands, Except Where Noted)										
Private Equity (continued)											
Tactical Opportunities											
*Tactical Opportunities (Various)	$ 22,736,825	$ 6,769,836	$ 14,405,782	1.4x	11%	$ 18,216,793	1.9x	$ 32,622,575	1.6x	18%	13%
*Tactical Opportunities Co-Investment and Other (Various)	14,348,123	5,975,749	5,852,894	1.8x	7%	6,734,373	1.6x	12,587,267	1.7x	19%	19%
Total Tactical Opportunities	$ 37,084,948	$ 12,745,585	$ 20,258,676	1.5x	10%	$ 24,951,166	1.8x	$ 45,209,842	1.6x	19%	14%
*Growth (Jul 2020 / Jul 2025)	$ 5,046,626	$ 1,914,667	$ 3,472,702	1.1x	8%	$ 337,102	3.2x	$ 3,809,804	1.2x	n/m	17%
Strategic Partners (Secondaries)											
Strategic Partners I-V (Various) (i)	11,447,898	842,769	460,940	n/a	—	16,871,169	n/a	17,332,109	1.7x	n/a	13%
Strategic Partners VI (Apr 2014 / Apr 2016) (i)	4,362,750	1,451,461	1,236,940	n/a	—	3,941,301	n/a	5,178,241	1.7x	n/a	15%
Strategic Partners VII (May 2016 / Mar 2019) (i)	7,489,970	1,871,515	5,544,959	n/a	—	5,089,030	n/a	10,633,989	2.1x	n/a	23%
Strategic Partners Real Assets II (May 2017 / Jun 2020) (i)	1,749,807	493,169	999,444	n/a	—	968,153	n/a	1,967,597	1.5x	n/a	15%
Strategic Partners VIII (Mar 2019 / Oct 2021) (i)	10,763,600	5,085,423	10,069,319	n/a	—	3,956,714	n/a	14,026,033	1.9x	n/a	57%
*Strategic Partners Real Estate, SMA and Other (Various) (i)	7,878,498	2,346,047	3,389,313	n/a	—	2,875,142	n/a	6,264,455	1.6x	n/a	20%
*Strategic Partners Infra III (Jun 2020 / Jul 2024) (i)	3,250,100	2,084,092	565,067	n/a	—	124,956	n/a	690,023	1.6x	n/a	67%
*Strategic Partners IX (Oct 2021 / Jul 2026) (i)	13,536,771	10,111,164	2,502,428	n/a	—	—	n/a	2,502,428	1.3x	n/a	n/m
Total Strategic Partners (Secondaries)	$ 60,479,394	$ 24,285,640	$ 24,768,410	n/a	—	$ 33,826,465	n/a	$ 58,594,875	1.8x	n/a	16%
Life Sciences											
Clarus IV (Jan 2018 / Jan 2020)	910,000	13,755	815,050	1.5x	3%	232,776	1.9x	1,047,826	1.6x	25%	15%
*BXLS V (Jan 2020 / Jan 2025)	4,775,203	1,952,326	1,137,803	1.2x	6%	—	n/a	1,137,803	1.2x	n/a	-2%

continued...

Fund (Investment Period Beginning Date / Ending Date) (a)	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
	(Dollars/Euros in Thousands, Except Where Noted)										
Credit											
Mezzanine / Opportunistic I (Jul 2007 / Oct 2011)	$ 2,000,000	$ 97,114	$ 20,241	1.6x	—	$ 4,785,527	1.6x	$ 4,805,768	1.6x	n/a	17%
Mezzanine / Opportunistic II (Nov 2011 / Nov 2016)	4,120,000	1,007,436	436,872	0.5x	—	6,338,457	1.6x	6,775,329	1.4x	n/a	10%
Mezzanine / Opportunistic III (Sep 2016 / Jan 2021)	6,639,133	915,252	4,321,060	1.1x	1%	5,013,903	1.6x	9,334,963	1.3x	n/a	11%
*Mezzanine / Opportunistic IV (Jan 2021 / Jan 2026)	5,016,771	3,904,772	1,248,665	1.0x	—	31,378	n/m	1,280,043	1.1x	n/a	11%
Stressed / Distressed I (Sep 2009 / May 2013)	3,253,143	76,000	—	n/a	—	5,776,181	1.3x	5,776,181	1.3x	n/a	9%
Stressed / Distressed II (Jun 2013 / Jun 2018)	5,125,000	547,430	430,963	0.5x	—	5,213,790	1.2x	5,644,753	1.1x	n/a	2%
*Stressed / Distressed III (Dec 2017 / Dec 2022)	7,356,380	3,477,014	2,066,718	0.9x	—	2,382,486	1.4x	4,449,204	1.1x	n/a	8%
Energy I (Nov 2015 / Nov 2018)	2,856,867	1,057,174	959,388	1.0x	—	2,307,898	1.6x	3,267,286	1.4x	n/a	9%
*Energy II (Feb 2019 / Feb 2024)	3,616,081	2,193,068	1,672,130	1.2x	—	745,850	1.5x	2,417,980	1.3x	n/a	27%
European Senior Debt I (Feb 2015 / Feb 2019)	€ 1,964,689	€ 341,823	€ 1,002,526	0.9x	—	€ 2,262,946	1.4x	€ 3,265,472	1.2x	n/a	5%
*European Senior Debt II (Jun 2019 / Jun 2024)	€ 4,088,344	€ 2,037,066	€ 3,203,147	1.0x	—	€ 1,009,298	1.4x	€ 4,212,445	1.1x	n/a	16%
Total Credit Drawdown Funds (j)	$ 46,889,033	$ 15,922,149	$ 15,835,479	1.0x	—	$ 36,351,249	1.4x	$ 52,186,728	1.3x	n/a	10%

Selected Perpetual Capital Strategies (k)

Fund (Inception Year) (a)	Investment Strategy	Total AUM	Total Net Return (l)
	(Dollars in Thousands, Except Where Noted)		
Real Estate			
BPP - Blackstone Property Partners (2013) (m)	Core+ Real Estate	$ 66,264,521	13%
BREIT - Blackstone Real Estate Income Trust (2017) (n)	Core+ Real Estate	63,312,062	13%
BXMT - Blackstone Mortgage Trust (2013) (o)	Real Estate Debt	7,982,810	11%
Private Equity			
BIP - Blackstone Infrastructure Partners (2019) (p)	Infrastructure	23,363,335	25%
Hedge Fund Solutions			
BSCH - Blackstone Strategic Capital Holdings (2014) (q)	GP Stakes	10,641,112	18%
Credit			
BXSL - Blackstone Secured Lending Fund (2018) (r)	U.S. Direct Lending	10,708,046	10%
BCRED - Blackstone Private Credit Fund (2021) (s)	U.S. Direct Lending	44,569,626	11%

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

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

n/a Not applicable.

SMA Separately managed account.

* Represents funds that are currently in their investment period.

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

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

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

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

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

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

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

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

(i) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not applicable. Returns are calculated from results that are reported on a three month lag from Strategic Partners' fund financial statements and therefore do not include the impact of economic and market activities in the current quarter. Effective March 31, 2022, Strategic Partners I-V Committed Capital, Available Capital, Unrealized Investment Value, Realized Investment Value and Total Investment Value were updated to exclude funds not managed by Strategic Partners.

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

(k) Represents the performance for select Perpetual Capital Strategies; strategies excluded consist primarily of (1) investment strategies that have been investing for less than one year, (2) most perpetual capital assets managed for insurance clients, and (3) investment vehicles where Blackstone does not earn fees.

(l) Unless otherwise indicated, Total Net Return represents the annualized inception to March 31, 2022 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of investor cash flows. Initial inception date of cash flows occurred during the Inception Year.

(m) BPP includes certain vehicles managed as part of the BPP Platform but not classified as Perpetual Capital. As of March 31, 2022, these vehicles represented $3.3 billion of Total Assets Under Management.

(n) The BREIT Total Net Return reflects a per share blended return, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Total Net Returns are presented on an annualized basis and are from January 1, 2017.

(o) The BXMT return reflects annualized market return of a shareholder invested in BXMT since inception through March 31, 2022, assuming reinvestment of all dividends received during the period. Return incorporates the closing NYSE stock price as of March 31, 2022. Total Net Return is from May 22, 2013.

(p) Including co-investment vehicles that do not pay fees, BIP Total Assets Under Management is $27.3 billion.

(q) BSCH represents the aggregate Total Assets Under Management and Total Net Return of BSCH I and BSCH II funds that invest as part of the GP Stakes strategy, which targets minority investments in the general partners of private equity and other private-market alternative asset management firms globally. Including co-investment vehicles that do not pay fees, BSCH Total Assets Under Management is $11.5 billion.

(r) The BXSL Total Assets Under Management and Total Net Return are presented as of December 31, 2021. BXSL Total Net Return reflects the change in NAV per share, plus distributions per share (assuming dividends and distributions are reinvested in accordance with BXSL's dividend reinvestment plan) divided by the beginning NAV per share. Total Net Returns are presented on an annualized basis and are from November 20, 2018.

(s) The BCRED Total Net Return reflects a per share blended return, assuming BCRED had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BCRED. These returns are not representative of the returns experienced by any particular investor or share class. Total Net Returns are presented on an annualized basis and are from January 7, 2021. Total Assets Under Management reflects gross asset value plus amounts borrowed or available to be borrowed under certain credit facilities. BCRED net asset value as of March 31, 2022 was $17.9 billion.

Segment Analysis

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

Real Estate

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

	Three Months Ended March 31,		2022 vs. 2021	
	2022	**2021**	**$**	**%**
	(Dollars in Thousands)			
Management Fees, Net				
Base Management Fees	$ 580,186	$ 427,186	$ 153,000	36%
Transaction and Other Fees, Net	40,485	26,019	14,466	56%
Management Fee Offsets	(960)	(1,623)	663	-41%
Total Management Fees, Net	619,711	451,582	168,129	37%
Fee Related Performance Revenues	491,517	155,392	336,125	216%
Fee Related Compensation	(344,842)	(188,492)	(156,350)	83%
Other Operating Expenses	(66,003)	(44,362)	(21,641)	49%
Fee Related Earnings	700,383	374,120	326,263	87%
Realized Performance Revenues	802,916	88,638	714,278	806%
Realized Performance Compensation	(290,031)	(22,762)	(267,269)	n/m
Realized Principal Investment Income	53,975	100,820	(46,845)	-46%
Net Realizations	566,860	166,696	400,164	240%
Segment Distributable Earnings	$ 1,267,243	$ 540,816	$ 726,427	134%

n/m Not meaningful.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Segment Distributable Earnings were $1.3 billion for the three months ended March 31, 2022, an increase of $726.4 million, or 134%, compared to $540.8 million, for the three months ended March 31, 2021. The increase in Segment Distributable Earnings was attributable to increases of $326.3 million in Fee Related Earnings and $400.2 million in Net Realizations.

Segment Distributable Earnings in our Real Estate segment in the first quarter of 2022 were higher compared to the first quarter of 2021. This was primarily driven by increased Fee Related Earnings due to the quarterly crystallization of BREIT performance revenues and growth in Fee-Earning Assets Under Management in Core+ real estate and BREDS, as well as increased Net Realizations due to higher Realized Performance Revenues in BREP. In the first quarter, the Real Estate segment benefited from meaningful fundraising momentum in our perpetual capital strategies, which represent an increasing percentage of our Total Assets Under Management.

Our real estate business is demonstrating fundamental strength although selected areas are to some extent seeing challenges from macroeconomic factors. In particular, in the U.S., the economic environment has been characterized by a high rate of inflation and increasing interest rates. Our real estate strategies have, however, generally oriented their portfolios in sectors and markets that are better insulated from inflation pressure because of opportunities for stronger relative cash flow growth. Moreover, our real estate strategies have focused on assets with shorter duration leases, which provide more opportunity to capture growth in an inflationary environment, and as a result, such investments have largely been able to offset the pressure of rising inflation and interest rates. Nonetheless, portions of our real estate portfolio have exposure to long-term leases which may be more exposed to rising inflation and interest rates. The hospitality sector, while benefitting from recovery in travel and the inflationary environment with increased revenues, has also experienced material growth in expenses, including wage increases. There is a risk that inflation in 2022 and beyond could be higher than generally anticipated. This, in combination with potentially more severe interest rate hikes to rein in such inflation, could lead to downward pressure on the value of our real estate portfolio and make it more difficult to realize value from our real estate investments.

See "Part I. Item 1A. Risk Factors — Risks Related to Our Business — Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition" and "— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows" in our Annual Report on Form 10-K for the year ended December 31, 2021.

Fee Related Earnings

Fee Related Earnings were $700.4 million for the three months ended March 31, 2022, an increase of $326.3 million, or 87%, compared to $374.1 million for the three months ended March 31, 2021. The increase in Fee Related Earnings was primarily attributable to increases of $336.1 million in Fee Related Performance Revenues and $168.1 million in Management Fees, Net, partially offset by increases of $156.4 million in Fee Related Compensation and $21.6 million in Other Operating Expenses. Effective during the three months ended March 31, 2022, BREIT performance revenues crystallized and were paid quarterly instead of annually, although still subject to the same annual hurdle. The change decreases unrealized performance allocations and unrealized performance allocations compensation, which is offset by increases in realized fee related performance revenues and realized fee related performance compensation. If quarterly crystallizations had been in effect for the three months ended March 31, 2021, Real Estate segment Fee Related Earnings for the quarter ended March 31, 2021 would have been $455.8 million and there would have been no impact to Income Before Provision (Benefit) for Taxes.

Fee Related Performance Revenues were $491.5 million for the three months ended March 31, 2022, an increase of $336.1 million, compared to $155.4 million for the three months ended March 31, 2021. The increase was primarily due to the crystallization of BREIT performance revenues, as noted in the paragraph above.

Management Fees, Net were $619.7 million for the three months ended March 31, 2022, an increase of $168.1 million, compared to $451.6 million for the three months ended March 31, 2021, primarily driven by an increase in Base Management Fees. Base Management Fees increased $153.0 million primarily due to Fee-Earning Assets Under Management growth in Core+ real estate and BREDS.

The annualized Base Management Fee Rate decreased from 1.12% at March 31, 2021 to 1.00% at March 31, 2022. The decrease was primarily due to growth in BREDS insurance vehicles, which have a lower management fee rate.

Fee Related Compensation was $344.8 million for the three months ended March 31, 2022, an increase of $156.4 million, compared to $188.5 million for the three months ended March 31, 2021. The increase was primarily due to an increase in Fee Related Performance Revenues and Management Fees, Net, on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $66.0 million for three months ended March 31, 2022, an increase of $21.6 million, compared to $44.4 million for three months ended March 31, 2021. The increase was primarily due to occupancy and technology related expenses.

Net Realizations

Net Realizations were $566.9 million for the three months ended March 31, 2022, an increase of $400.2 million, or 240%, compared to $166.7 million for the three months ended March 31, 2021. The increase in Net Realizations was primarily attributable to an increase of $714.3 million in Realized Performance Revenues, partially offset by an increase of $267.3 million in Realized Performance Compensation and a decrease of $46.8 million in Realized Principal Investment Income.

Realized Performance Revenues were $802.9 million for the three months ended March 31, 2022, an increase of $714.3 million, compared to $88.6 million for the three months ended March 31, 2021. The increase was primarily due to higher Realized Performance Revenues in BREP.

Realized Performance Compensation was $290.0 million for the three months ended March 31, 2022, an increase of $267.3 million, compared to $22.8 million for the three months ended March 31, 2021. The increase was primarily due to the increase in Realized Performance Revenues.

Realized Principal Investment Income was $54.0 million for the three months ended March 31, 2022, a decrease of $46.8 million, compared to $100.8 million for the three months ended March 31, 2021. The decrease was primarily due to the segment's allocation of the gain recognized in connection with the Pátria Sale Transaction in the first quarter of 2021. For additional information, see "— Consolidated Results of Operations — Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021 — Revenues."

Fund Returns

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

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

	Three Months Ended March 31,				March 31, 2022 Inception to Date			
	2022		2021		Realized		Total	
Fund (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
BREP VII	7%	6%	3%	2%	30%	22%	22%	15%
BREP VIII	13%	11%	4%	3%	36%	29%	25%	19%
BREP IX	18%	15%	8%	6%	100%	66%	65%	47%
BREP Europe IV (b)	3%	2%	-	-	28%	20%	20%	14%
BREP Europe V (b)	5%	4%	4%	3%	48%	39%	20%	15%
BREP Europe VI (b)	8%	7%	6%	5%	100%	60%	47%	32%
BREP Asia I	3%	2%	7%	6%	27%	20%	19%	13%
BREP Asia II	4%	3%	8%	8%	61%	42%	21%	13%
BREP Co-Investment (c)	22%	22%	4%	3%	18%	16%	18%	16%
BPP (d)	10%	9%	2%	2%	n/a	n/a	15%	13%
BREIT (e)	n/a	5%	n/a	4%	n/a	n/a	n/a	13%
BREDS High-Yield (f)	1%	-	5%	4%	15%	11%	14%	10%
BXMT (g)	n/a	6%	n/a	15%	n/a	n/a	n/a	11%

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

n/m Not meaningful generally due to the limited time since initial investment.
n/a Not applicable.
(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Revenues.
(b) Euro-based internal rates of return.
(c) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment's realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.
(d) BPP represents the Core+ real estate funds which invest with a more modest risk profile and lower leverage.
(e) Reflects a per share blended return for each respective period, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Inception to date returns are presented on an annualized basis and are from January 1, 2017.
(f) BREDS High-Yield represents the flagship real estate debt drawdown funds only. Inception to date returns are from July 1, 2009.
(g) Reflects annualized return of a shareholder invested in BXMT as of the beginning of each period presented, assuming reinvestment of all dividends received during the period, and net of all fees and expenses incurred by BXMT. Return incorporates the closing NYSE stock price as of each period end. Inception to date returns are from May 22, 2013.

Funds With Closed Investment Periods

The Real Estate segment has eleven funds with closed investment periods as of March 31, 2022: BREP VIII, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe V, BREP Europe IV, BREP Europe III, BREP Asia II, BREP Asia I and BREDS III. As of March 31, 2022, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe IV and BREP Europe III were above their carried interest thresholds (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would have been above their carried interest thresholds even if all remaining investments were valued at zero. BREP VIII, BREP Europe V, BREP Asia II, BREP Asia I and BREDS III were above their carried interest thresholds.

Private Equity

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

	Three Months Ended March 31,		2022 vs. 2021	
	2022	2021	$	%
	(Dollars in Thousands)			
Management and Advisory Fees, Net				
Base Management Fees	$ 421,472	$ 377,660	$ 43,812	12%
Transaction, Advisory and Other Fees, Net	12,658	42,707	(30,049)	-70%
Management Fee Offsets	(27,142)	(13,919)	(13,223)	95%
Total Management and Advisory Fees, Net	406,988	406,448	540	-
Fee Related Performance Revenues	(648)	-	(648)	n/m
Fee Related Compensation	(151,050)	(140,597)	(10,453)	7%
Other Operating Expenses	(67,744)	(51,055)	(16,689)	33%
Fee Related Earnings	187,546	214,796	(27,250)	-13%
Realized Performance Revenues	450,238	255,845	194,393	76%
Realized Performance Compensation	(206,703)	(111,209)	(95,494)	86%
Realized Principal Investment Income	65,438	115,403	(49,965)	-43%
Net Realizations	308,973	260,039	48,934	19%
Segment Distributable Earnings	$ 496,519	$ 474,835	$ 21,684	5%

n/m Not meaningful.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Segment Distributable Earnings were $496.5 million for the three months ended March 31, 2022, an increase of $21.7 million, compared to $474.8 million for the three months ended March 31, 2021. The increase in Segment Distributable Earnings was attributable to an increase in $48.9 million in Net Realizations, partially offset by a decrease of $27.3 million in Fee Related Earnings.

Segment Distributable Earnings in our Private Equity segment in the first quarter of 2022 were higher compared to the first quarter of 2021. This was primarily driven by an increase in Net Realizations, partially offset by a decrease in Fee Related Earnings.

The impact to our private equity portfolio of the high rate of inflation, supply chain issues and heightened energy prices and input costs, including wages and materials, has been mitigated by its concentration in sectors that have been less impacted by rising input costs or benefit from pricing power. In some of our companies, however, rising costs are creating profit margin pressure, with the manufacturing and industrial sectors particularly vulnerable to these trends. In addition, the expectation of significant interest rate increases in 2022, combined with geopolitical uncertainty, including as a result of the war between Russia and Ukraine, have contributed to declines in valuation multiples in the equity markets. Such factors, particularly if not stabilized, may make it more difficult to realize value from our investments and negatively impact Segment Distributable Earnings in our Private Equity segment. In addition, in private equity, we are facing an increasingly competitive fundraising environment, as well as certain limited partners being subject to allocation constraints due to private equity’s strong performance.

In energy, oil and gas prices increased meaningfully in the first quarter of 2022, in large part due to decreased supply as a result of the ongoing war between Russia and Ukraine and heightened global demand as the COVID-19 pandemic recedes. This short-term trend has had a positive impact on our energy portfolio. However, increased scrutiny from regulators, investors and other market participants on the climate impact of oil and gas energy investments has weakened long term market fundamentals for traditional energy. The persistence of these weakened market fundamentals could negatively impact the performance of certain investments in our energy and corporate private equity funds. See “Part I. Item 1A. Risk Factors — Risks Related to Our Business —An increase in interest rates and other changes in the financial markets could negatively impact the values of certain assets or investments and the ability of our funds and their portfolio companies to access the capital markets on attractive terms, which could adversely affect investment and realization opportunities, lead to lower-yielding investments and potentially decrease our net income,” “— Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition” and “— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds’ investments, which would adversely affect our operating results and cash flows” in our Annual Report on Form 10-K for the year ended December 31, 2021.

Fee Related Earnings

Fee Related Earnings were $187.5 million for the three months ended March 31, 2022, a decrease of $27.3 million, compared to $214.8 million for the three months ended March 31, 2021. The decrease in Fee Related Earnings was primarily attributable to increases of $16.7 million in Other Operating Expenses and $10.5 million in Fee Related Compensation, partially offset by an increase of $0.5 million in Management and Advisory Fees, Net.

Other Operating Expenses were $67.7 million for the three months ended March 31, 2022, an increase of $16.7 million, compared to $51.1 million for the three months ended March 31, 2021. The increase was primarily due to technology related expenses and professional fees.

Fee Related Compensation was $151.1 million for the three months ended March 31, 2022, an increase of $10.5 million, compared to $140.6 million for the three months ended March 31, 2021. The increase was primarily due to an increase in Base Management Fees on which a portion of Fee Related Compensation is based.

Management and Advisory Fees, Net were $407.0 million for the three months ended March 31, 2022, an increase of $0.5 million, compared to $406.4 million for the three months ended March 31, 2021, primarily driven by an increase in Base Management Fees, partially offset by a decrease in Transaction, Advisory and Other Fees, Net. Base Management Fees increased $43.8 million primarily due to (a) the commencement of Strategic Partners GP Solutions and Strategic Partners IX’s investment periods in the second and fourth quarter of 2021, respectively, and (b) Fee-Earning Assets Under Management Growth in BIP, partially offset by (c) the end of BXG’s fee holiday during the first quarter of 2021. Transaction, Advisory and Other Fees, Net decreased $30.0 million primarily due to deal activity in BXCM.

The annualized Base Management Fee Rate decreased from 1.16% at March 31, 2021 to 1.06% at March 31, 2022. The decrease was primarily due to BXG’s final closing in the first quarter of 2021 and a fee holiday for Tactical Opportunities’ fourth vintage in the first quarter of 2022.

Net Realizations

Net Realizations were $309.0 million for the three months ended March 31, 2022, an increase of $48.9 million, or 19%, compared to $260.0 million for the three months ended March 31, 2021. The increase in Net Realizations was primarily attributable to an increase of $194.4 million in Realized Performance Revenues, partially offset by an increase of $95.5 million in Realized Performance Compensation and a decrease of $50.0 million in Realized Principal Investment Income.

Realized Performance Revenues were $450.2 million for the three months ended March 31, 2022, an increase of $194.4 million, compared to $255.8 million for the three months ended March 31, 2021. The increase was primarily due to higher Realized Performance Revenues in corporate private equity and Strategic Partners, partially offset by lower Realized Performance Revenues in Tactical Opportunities.

Realized Performance Compensation was $206.7 million for the three months ended March 31, 2022, an increase of $95.5 million, compared to $111.2 million for the three months ended March 31, 2021. The increase was primarily due to the increase in Realized Performance Revenues.

Realized Principal Investment Income was $65.4 million for the three months ended March 31, 2022, a decrease of $50.0 million, compared to $115.4 million for the three months ended March 31, 2021. The decrease was primarily due to the segment's allocation of the gain recognized in connection with the Pátria Sale Transaction in the first quarter of 2021. For additional information, see "— Consolidated Results of Operations — Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021 — Revenues."

Fund Returns

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

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

Fund (a)	Three Months Ended March 31, 2022 Gross	Net	2021 Gross	Net	March 31, 2022 Inception to Date Realized Gross	Net	Total Gross	Net
BCP V	10%	9%	118%	54%	10%	8%	10%	8%
BCP VI	3%	3%	10%	9%	21%	17%	17%	13%
BCP VII	1%	-	13%	10%	44%	35%	27%	19%
BCP VIII	4%	3%	n/m	n/m	292%	125%	79%	45%
BEP I	24%	19%	32%	28%	18%	15%	15%	12%
BEP II	17%	16%	21%	21%	4%	2%	10%	7%
BEP III	10%	7%	28%	23%	165%	113%	94%	57%
BCP Asia I	-9%	-9%	17%	15%	150%	115%	82%	61%
BCEP I (b)	4%	4%	16%	15%	58%	52%	30%	26%
Tactical Opportunities	2%	2%	17%	14%	22%	18%	17%	13%
Tactical Opportunities Co-Investment and Other	1%	3%	13%	11%	20%	19%	22%	19%
BXG	-6%	-5%	n/m	n/m	n/m	n/m	34%	17%
Strategic Partners VI (c)	5%	5%	9%	8%	n/a	n/a	20%	15%
Strategic Partners VII (c)	4%	4%	12%	11%	n/a	n/a	27%	23%
Strategic Partners Real Assets II (c)	3%	2%	2%	2%	n/a	n/a	19%	15%
Strategic Partners VIII (c)	7%	5%	19%	15%	n/a	n/a	70%	57%
Strategic Partners Real Estate, SMA and Other (c)	11%	10%	6%	6%	n/a	n/a	22%	20%
Strategic Partners Infra III (c)	17%	6%	n/m	n/m	n/a	n/a	151%	67%
BIP	15%	12%	25%	19%	n/a	n/a	32%	25%
Clarus IV	-	-1%	12%	10%	30%	25%	25%	15%
BXLS V	-4%	-6%	n/m	n/m	n/a	n/a	16%	-2%

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

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

n/a Not applicable.

SMA Separately managed account.

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

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

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

Funds With Closed Investment Periods

The corporate private equity funds within the Private Equity segment have nine funds with closed investment periods: BCP IV, BCP V, BCP VI, BCP VII, BCOM, BEP I, BEP II, BCEP I and BCP Asia I. As of March 31, 2022, BCP IV was above its carried interest threshold (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would still be above its carried interest threshold even if all remaining investments were valued at zero. BCP V is comprised of two fund classes, the BCP V "main fund" and

BCP V-AC fund. Within these fund classes, the general partner is subject to equalization such that (a) the general partner accrues carried interest when the respective carried interest for either fund class is positive and (b) the general partner realizes carried interest so long as clawback obligations, if any, for either of the respective fund classes are fully satisfied. BCP V, BCP VI, BCP VII, BCOM, BEP I, BCEP I and BCP Asia I were above their respective carried interest thresholds. We are entitled to retain previously realized carried interest up to 20% of BCOM's net gains. As a result, Performance Revenues are recognized from BCOM on current period gains and losses. BEP II was below its carried interest threshold.

Hedge Fund Solutions

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

	Three Months Ended March 31,		2022 vs. 2021	
	2022	2021	$	%
	(Dollars in Thousands)			
Management Fees, Net				
Base Management Fees	$ 145,046	$ 150,533	$ (5,487)	-4%
Transaction and Other Fees, Net	1,469	4,346	(2,877)	-66%
Management Fee Offsets	(69)	(58)	(11)	19%
Total Management Fees, Net	146,446	154,821	(8,375)	-5%
Fee Related Compensation	(47,235)	(38,850)	(8,385)	22%
Other Operating Expenses	(23,184)	(19,172)	(4,012)	21%
Fee Related Earnings	76,027	96,799	(20,772)	-21%
Realized Performance Revenues	28,913	31,573	(2,660)	-8%
Realized Performance Compensation	(9,000)	(6,908)	(2,092)	30%
Realized Principal Investment Income	14,901	35,550	(20,649)	-58%
Net Realizations	34,814	60,215	(25,401)	-42%
Segment Distributable Earnings	$ 110,841	$ 157,014	$ (46,173)	-29%

n/m Not meaningful.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Segment Distributable Earnings were $110.8 million for the three months ended March 31, 2022, a decrease of $46.2 million, compared to $157.0 million for the three months ended March 31, 2021. The decrease in Segment Distributable Earnings was attributable to decreases of $20.8 million in Fee Related Earnings and $25.4 million in Net Realizations.

Segment Distributable Earnings in our Hedge Fund Solutions segment in the first quarter of 2022 were lower compared to the first quarter of 2021. This decrease was primarily driven by decreases in Fee Related Earnings and Net Realizations. Equity market volatility in the U.S. and globally, including as a result of the war between Russia and Ukraine, adversely impacted the performance of some of the underlying managers in our Hedge Fund Solutions segment despite positive performance across a variety of strategies. Nonetheless, our Hedge Fund Solutions segment has successfully navigated the current environment with significantly less volatility than the broader markets and in line with its capital preservation focus. Segment Distributable Earnings in the Hedge Fund Solutions segment would likely be negatively impacted by a significant or sustained weak market environment or decline in asset prices, including as a result of concerns over macroeconomic and geopolitical factors such as the war between Russia and Ukraine, or by withdrawal of assets by investors as a result of liquidity needs, performance or other reasons.

Despite volatility early in 2022, the equity market environment has in recent years generally been characterized by relatively low volatility, which could result in investors continuing to seek to reallocate capital away from traditional hedge fund strategies. Our Hedge Fund Solutions segment operates multiple business lines, manages strategies that are both long and short asset classes and generates a majority of its revenue through management fees. In that regard, the segment's revenues depend in part on our ability to successfully grow such existing diverse business lines and strategies and to identify and scale new ones to meet evolving investor appetites. In recent years we have shifted the mix of our product offerings to include more products whose performance-based fees represent a more significant proportion of the fees earned from such products than has historically been the case. See "Part I. Item 1A. Risk Factors — Risks Related to Our Business — Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition" and "— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows" in our Annual Report on Form 10-K for the year ended December 31, 2021.

Fee Related Earnings

Fee Related Earnings were $76.0 million for the three months ended March 31, 2022, a decrease of $20.8 million, compared to $96.8 million for the three months ended March 31, 2021. The decrease in Fee Related Earnings was primarily attributable to an increase of $8.4 million in Fee Related Compensation and a decrease of $8.4 million in Management Fees, Net.

Fee Related Compensation was $47.2 million for the three months ended March 31, 2022, an increase of $8.4 million, compared to $38.9 million for the three months ended March 31, 2021. The increase was primarily due to changes in compensation accruals.

Management Fees, Net were $146.4 million for the three months ended March 31, 2022, a decrease of $8.4 million, compared to $154.8 million for the three months ended March 31, 2021, primarily due to a decrease in Base Management Fees. Base Management Fees decreased $5.5 million primarily driven by a decrease in Fee-Earning Assets Under Management in customized solutions and commingled products.

Net Realizations

Net Realizations were $34.8 million for the three months ended March 31, 2022, a decrease of $25.4 million, compared to $60.2 million for the three months ended March 31, 2021. The decrease in Net Realizations was primarily attributable to a decrease of $20.6 million in Realized Principal Investment Income.

Realized Principal Investment Income was $14.9 million for the three months ended March 31, 2022, a decrease of $20.6 million, compared to $35.6 million for the three months ended March 31, 2021. The decrease was primarily due to the segment's allocation of the gain recognized in connection with the Pátria Sale Transaction in the first quarter of 2021. For additional information, see "— Consolidated Results of Operations — Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021 — Revenues."

Composite Returns

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

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

	Three Months Ended March 31,				Average Annual Returns (a) Periods Ended March 31, 2022							
	2022		2021		One Year		Three Year		Five Year		Historical	
Composite	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
BAAM Principal Solutions Composite (b)	1%	1%	2%	2%	7%	6%	7%	6%	6%	5%	7%	6%

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

(a) Composite returns present a summarized asset-weighted return measure to evaluate the overall performance of the applicable class of Blackstone Funds.

(b) BAAM's Principal Solutions ("BPS") Composite covers the period from January 2000 to present, although BAAM's inception date is September 1990. The BPS Composite includes only BAAM-managed commingled and customized multi-manager funds and accounts and does not include BAAM's individual investor solutions (liquid alternatives), strategic capital (seeding and GP minority stakes), strategic opportunities (co-invests), and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms. BAAM-managed funds in liquidation and, in the case of net returns, non-fee-paying assets are also excluded. The funds/accounts that comprise the BPS Composite are not managed within a single fund or account and are managed with different mandates. There is no guarantee that BAAM would have made the same mix of investments in a stand-alone fund/account. The BPS Composite is not an investible product and, as such, the performance of the BPS Composite does not represent the performance of an actual fund or account. The historical return is from January 1, 2000.

Operating Metrics

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

	Invested Performance Eligible Assets Under Management As of March 31,		Estimated % Above High Water Mark/ Benchmark (a) As of March 31,	
	2022	**2021**	**2022**	**2021**
	(Dollars in Thousands)			
Hedge Fund Solutions Managed Funds (b)	$ 50,175,772	$ 49,017,154	77%	91%

(a) Estimated % Above High Water Mark/Benchmark represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Hedge Fund Solutions managed fund has positive investment performance relative to a benchmark, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a benchmark return, thereby resulting in an increase in Estimated % Above High Water Mark/Benchmark.

(b) For the Hedge Fund Solutions managed funds, at March 31, 2022, the incremental appreciation needed for the 23% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks to reach their respective High Water Marks/Benchmarks was $502.4 million, an increase of $127.4 million, compared to $375.0 million at March 31, 2021. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks as of March 31, 2022, 75% were within 5% of reaching their respective High Water Mark.

Credit & Insurance

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

	Three Months Ended March 31,		2022 vs. 2021	
	2022	2021	$	%
	(Dollars in Thousands)			
Management Fees, Net				
Base Management Fees	$ 292,445	$ 161,911	$ 130,534	81%
Transaction and Other Fees, Net	9,397	5,568	3,829	69%
Management Fee Offsets	(1,619)	(2,125)	506	-24%
Total Management Fees, Net	300,223	165,354	134,869	82%
Fee Related Performance Revenues	67,196	13,776	53,420	388%
Fee Related Compensation	(127,344)	(77,171)	(50,173)	65%
Other Operating Expenses	(57,167)	(46,835)	(10,332)	22%
Fee Related Earnings	182,908	55,124	127,784	232%
Realized Performance Revenues	30,743	25,267	5,476	22%
Realized Performance Compensation	(13,386)	(10,045)	(3,341)	33%
Realized Principal Investment Income	22,781	46,383	(23,602)	-51%
Net Realizations	40,138	61,605	(21,467)	-35%
Segment Distributable Earnings	$ 223,046	$ 116,729	$ 106,317	91%

n/m Not meaningful.

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Segment Distributable Earnings were $223.0 million for the three months ended March 31, 2022, an increase of $106.3 million, or 91%, compared to $116.7 million for the three months ended March 31, 2021. The increase in Segment Distributable Earnings was attributable to an increase of $127.8 million in Fee Related Earnings, partially offset by a decrease of $21.5 million in Net Realizations.

Segment Distributable Earnings in our Credit & Insurance segment in the first quarter of 2022 were higher compared to the first quarter of 2021, driven by an increase in Fee Related Earnings, partially offset by a decrease in Net Realizations. While public spreads widened amid market volatility and heightened uncertainty in early 2022, generally healthy economic activity and solid underlying company performance positively impacted returns in our private credit strategies.

In the U.S., while to date inflation has not been a material negative factor in our Credit & Insurance segment, certain investments in our Credit & Insurance segment would potentially be negatively impacted by a high rate of inflation if such companies are unable to mitigate margin pressures, especially if concurrent with an increase in their debt service costs. In addition, if expected significant interest rate increases in 2022 occur concurrently with a period of economic weakness or a slowdown in growth, capital deployment in our Credit & Insurance segment may be negatively impacted. Although rising interest rates have the potential to negatively impact the financial performance of certain borrowers, we believe our current debt portfolio is more insulated from increased interest rates because a substantial majority of the portfolio is floating rate and/or short duration. In the first quarter, we also benefitted from strong fundraising momentum in our perpetual capital strategies, which represent an increasing percentage of our Total Assets Under Management.

In energy, oil and gas prices increased meaningfully in the first quarter of 2022, in large part due to decreased supply as a result of the ongoing war between Russia and Ukraine and heightened global demand as the COVID-19 pandemic recedes. This short-term trend has had a positive impact on our energy portfolio. However, increased scrutiny from regulators, investors and other market participants on the climate impact of oil and gas energy investments has weakened long-term market fundamentals for traditional energy. The persistence of these weakened market fundamentals could negatively impact the performance of certain investments in our credit funds, although our funds actively managed exposure to upstream energy through exits of certain investments in 2021. See "Part I. Item 1A. Risk Factors — Risks Related to Our Business— Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition" and "— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows." in our Annual Report on Form 10-K for the year ended December 31, 2021.

Fee Related Earnings

Fee Related Earnings were $182.9 million for the three months ended March 31, 2022, an increase of $127.8 million, or 232%, compared to $55.1 million for the three months ended March 31, 2021. The increase in Fee Related Earnings was primarily attributable to increases of $134.9 million in Management Fees, Net and $53.4 million in Fee Related Performance Revenues, partially offset by increases of $50.2 million in Fee Related Compensation and $10.3 million in Other Operating Expenses.

Management Fees, Net were $300.2 million for the three months ended March 31, 2022, an increase of $134.9 million, compared to $165.4 million for the three months ended March 31, 2021, primarily driven by an increase in Base Management Fees. Base Management Fees increased $130.5 million primarily due to an increase in capital deployed in our most recently launched credit vehicles, Fee-Earning Assets Under Management growth in BXSL, and inflows in BCRED and our liquid credit business.

Fee Related Performance Revenues were $67.2 million for the three months ended March 31, 2022, an increase of $53.4 million, compared to $13.8 million for the three months ended March 31, 2021. The increase was primarily due to performance and growth in assets in BXSL and the end of BCRED's fee holiday in the third quarter of 2021.

Fee Related Compensation was $127.3 million for the three months ended March 31, 2022, an increase of $50.2 million, compared to $77.2 million for the three months ended March 31, 2021. The increase was primarily due to increases in Management Fees, Net and Fee Related Performance Revenues, on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $57.2 million for the three months ended March 31, 2022, an increase of $10.3 million, compared to $46.8 million for the three months ended March 31, 2021. The increase was primarily due to technology related expenses and professional fees.

Net Realizations

Net Realizations were $40.1 million for the three months ended March 31, 2022, a decrease of $21.5 million, compared to $61.6 million for the three months ended March 31, 2021. The decrease in Net Realizations was primarily attributable to a decrease of $23.6 million in Realized Principal Investment Income.

Realized Principal Investment Income was $22.8 million for the three months ended March 31, 2022, a decrease of $23.6 million, compared to $46.4 million for the three months ended March 31, 2021. The decrease was primarily due to the segment's allocation of the gain recognized in connection with the Pátria Sale Transaction in the first quarter of 2021. For additional information, see "— Consolidated Results of Operations — Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021 — Revenues."

Composite Returns

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

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

	Three Months Ended March 31,				**March 31, 2022 Inception to Date**	
	2022		**2021**			
Composite (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Private Credit (b)	2%	1%	7%	6%	12%	7%
Liquid Credit (b)	-1%	-1%	2%	2%	5%	4%

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

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Allocations, net of tax advances.

(b) Private Credit returns include mezzanine lending funds and middle market direct lending funds (including BXSL and BCRED), stressed/distressed strategies (including stressed/distressed funds and credit alpha strategies) and energy strategies. Liquid Credit returns include CLOs, closed-ended funds, open-ended funds and separately managed accounts. Only fee-earning funds exceeding $100 million of fair value at the beginning of each respective quarter-end are included. Funds in liquidation, funds investing primarily in investment grade corporate credit and asset-based finance are excluded. Blackstone Funds that were contributed to BXC as part of Blackstone's acquisition of BXC in March 2008 and the pre-acquisition date performance for funds and vehicles acquired by BXC subsequent to March 2008, are also excluded. Private Credit and Liquid Credit's inception to date returns are from December 31, 2005.

Operating Metrics

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

	Invested Performance Eligible Assets Under Management		Estimated % Above High Water Mark/ Hurdle (a)	
	As of March 31,		As of March 31,	
	2022	2021	2022	2021
	(Dollars in Thousands)			
Credit & Insurance (b)	$ 71,336,513	$ 34,794,664	93%	66%

(a) Estimated % Above High Water Mark/Hurdle represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Credit & Insurance managed fund has positive investment performance relative to a hurdle, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a hurdle return, thereby resulting in an increase in Estimated % Above High Water Mark/Hurdle.

(b) For the Credit & Insurance managed funds, at March 31, 2022, the incremental appreciation needed for the 7% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles to reach their respective High Water Marks/Hurdles was $1.8 billion, a decrease of $(811.6) million, compared to $2.6 billion at March 31, 2021. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles as of March 31, 2022, 30% were within 5% of reaching their respective High Water Mark.

Non-GAAP Financial Measures

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

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

	Three Months Ended March 31,	
	2022	**2021**
	(Dollars in Thousands)	
Net Income Attributable to Blackstone Inc.	$ 1,216,874	$ 1,747,872
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,059,313	1,235,784
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	216,375	386,850
Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	5,052	629
Net Income	2,497,614	3,371,135
Provision (Benefit) for Taxes	483,281	(447)
Net Income Before Provision (Benefit) for Taxes	2,980,895	3,370,688
Transaction-Related Charges (a)	25,333	27,888
Amortization of Intangibles (b)	17,044	17,124
Impact of Consolidation (c)	(221,427)	(387,479)
Unrealized Performance Revenues (d)	(1,293,050)	(2,464,497)
Unrealized Performance Allocations Compensation (e)	472,284	1,049,969
Unrealized Principal Investment Income (f)	(26,758)	(423,934)
Other Revenues (g)	(72,819)	(60,273)
Equity-Based Compensation (h)	201,545	144,272
Administrative Fee Adjustment (i)	2,485	2,708
Taxes and Related Payables (j)	(147,652)	(84,222)
Distributable Earnings	1,937,880	1,192,244
Taxes and Related Payables (j)	147,652	84,222
Net Interest and Dividend Loss (k)	12,117	12,928
Total Segment Distributable Earnings	2,097,649	1,289,394
Realized Performance Revenues (l)	(1,312,810)	(401,323)
Realized Performance Compensation (m)	519,120	150,924
Realized Principal Investment Income (n)	(157,095)	(298,156)
Fee Related Earnings	$ 1,146,864	$ 740,839
Adjusted EBITDA Reconciliation		
Distributable Earnings	$ 1,937,880	$ 1,192,244
Interest Expense (o)	66,602	44,340
Taxes and Related Payables (j)	147,652	84,222
Depreciation and Amortization (p)	14,316	12,293
Adjusted EBITDA	$ 2,166,450	$ 1,333,099

(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.

(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 Allocations.

(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.

	Three Months Ended March 31,	
	2022	2021
	(Dollars in Thousands)	
GAAP Unrealized Principal Investment Income	$ 73,961	$ 639,315
Segment Adjustment	(47,203)	(215,381)
Unrealized Principal Investment Income	$ 26,758	$ 423,934

(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.

	Three Months Ended March 31,	
	2022	2021
	(Dollars in Thousands)	
GAAP Other Revenue	$ 72,869	$ 60,304
Segment Adjustment	(50)	(31)
Other Revenues	$ 72,819	$ 60,273

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

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

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

	Three Months Ended March 31,	
	2022	2021
	(Dollars in Thousands)	
Taxes	$ 124,645	$ 69,609
Related Payables	23,007	14,613
Taxes and Related Payables	$ 147,652	$ 84,222

(k) This adjustment removes Interest and Dividend Revenue less Interest Expense on a segment basis. The Segment Adjustment represents the removal of interest expense associated with the Tax Receivable Agreement.

	Three Months Ended March 31,	
	2022	2021
	(Dollars in Thousands)	
GAAP Interest and Dividend Revenue	$ 54,485	$ 31,412
GAAP Interest Expense	66,747	44,983
Segment Adjustment	(145)	(643)
Interest Expense	66,602	44,340
Net Interest and Dividend Loss	$ (12,117)	$ (12,928)

(l) This adjustment removes the total segment amount of Realized Performance Revenues.

(m) This adjustment removes the total segment amount of Realized Performance Compensation.

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

(o) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.

(p) This adjustment adds back Depreciation and Amortization on a segment basis.

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

	March 31, 2022	March 31, 2021
	(Dollars in Thousands)	
Investments of Consolidated Blackstone Funds	$ 2,045,156	$ 1,459,804
Equity Method Investments		
Partnership Investments	5,858,926	4,676,341
Accrued Performance Allocations	17,661,244	9,367,251
Corporate Treasury Investments	916,510	1,726,285
Other Investments	3,586,638	713,628
Total GAAP Investments	$ 30,068,474	$ 17,943,309
Accrued Performance Allocations - GAAP	$ 17,661,244	$ 9,367,251
Impact of Consolidation (a)	1	1
Due from Affiliates - GAAP (b)	112,194	56,274
Less: Net Realized Performance Revenues (c)	(743,772)	(269,426)
Less: Accrued Performance Compensation - GAAP (d)	(7,483,337)	(3,952,253)
Net Accrued Performance Revenues	$ 9,546,330	$ 5,201,847

(a) This adjustment adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.
(b) Represents GAAP accrued performance revenue recorded within Due from Affiliates.
(c) Represents Performance Revenues realized but not yet distributed as of the reporting date and are included in Distributable Earnings in the period they are realized.
(d) Represents GAAP accrued performance compensation associated with Accrued Performance Allocations and is recorded within Accrued Compensation and Benefits and Due to Affiliates.

Liquidity and Capital Resources

General

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

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

Total Assets were $43.3 billion as of March 31, 2022, an increase of $2.1 billion, from December 31, 2021. The increase in Total Assets was principally due to an increase of $2.1 billion in total assets attributable to consolidated operating partnerships. The increase in total assets attributable to consolidated operating partnerships was primarily due to increases of $1.7 billion in Cash and Cash Equivalents and $1.4 billion in Investments, partially offset by a decrease of $665.4 million in Due from Affiliates. The increase in Cash and Cash Equivalents was primarily due to the issuance of $1.5 billion of notes on January 10, 2022. The increase in Investments was primarily due to appreciation in the value of Blackstone's interests in its real estate investments. The decrease in Due from Affiliates was primarily due to a decrease in the receivable due from non-consolidated entities and portfolio companies. The other net variances of the assets attributable to the consolidated operating partnerships were relatively unchanged.

Total Liabilities were $21.1 billion as of March 31, 2022, an increase of $1.6 billion, from December 31, 2021. The increase in Total Liabilities was principally due to an increase of $1.6 billion in total liabilities attributable to consolidated operating partnerships. The increase in total liabilities attributable to the consolidated operating partnerships was primarily due to increases of $1.2 billion in Loans Payable and $235.7 million in Accrued Compensation and Benefits. The increase in Loans Payable was primarily due to the issuance of $1.5 billion of notes on January 10, 2022. The increase in Accrued Compensation and Benefits was primarily due to an increase in performance compensation. The other net variances of the liabilities attributable to the consolidated operating partnerships were relatively unchanged.

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

Sources and Uses of Liquidity

We have multiple sources of liquidity to meet our capital needs, including annual cash flows, accumulated earnings in our businesses, the proceeds from our issuances of senior notes, liquid investments we hold on our balance sheet and access to our $2.25 billion committed revolving credit facility. As of March 31, 2022, Blackstone had $3.9 billion in Cash and Cash Equivalents, $916.5 million invested in Corporate Treasury Investments and $3.6 billion in Other Investments (which included $1.1 billion of liquid investments), against $9.1 billion in borrowings from our bond issuances, and no borrowings outstanding under our revolving credit facility.

On January 10, 2022, Blackstone issued $500 million aggregate principal amount of 2.550% senior notes due March 30, 2032 and $1.0 billion aggregate principal amount of 3.200% senior notes due January 30, 2052. For additional information on Blackstone's senior notes see Note 12. "Borrowings" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing and "— Notable Transactions."

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

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

Capital Commitments

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

Fund	Blackstone and General Partner		Senior Managing Directors and Certain Other Professionals (a)	
	Original Commitment	Remaining Commitment	Original Commitment	Remaining Commitment
	(Dollars in Thousands)			
Real Estate				
BREP VI	$ 750,000	$ 36,809	$ 150,000	$ 12,270
BREP VII	300,000	33,394	100,000	11,131
BREP VIII	300,000	42,743	100,000	14,248
BREP IX	300,000	132,894	100,000	44,298
BREP Europe III	100,000	11,989	35,000	3,996
BREP Europe IV	130,000	24,074	43,333	8,025
BREP Europe V	150,000	26,480	43,333	7,650
BREP Europe VI	130,000	74,740	43,333	24,913
BREP Asia I	50,000	10,141	16,667	3,380
BREP Asia II	70,707	19,771	23,569	6,590
BREP Asia III	74,185	74,185	24,728	24,728
BREDS II	50,000	623	16,667	208
BREDS III	50,000	13,499	16,667	4,500
BREDS IV	50,000	26,474	—	—
BPP	181,527	31,038	—	—
Other (b)	25,747	7,022	—	—
Total Real Estate	2,712,166	565,876	713,297	165,937

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Fund	Blackstone and General Partner		Senior Managing Directors and Certain Other Professionals (a)	
	Original Commitment	Remaining Commitment	Original Commitment	Remaining Commitment
	(Dollars in Thousands)			
Private Equity				
BCP V	$ 629,356	$ 30,642	$ —	$ —
BCP VI	719,718	82,829	250,000	28,771
BCP VII	500,000	42,579	225,000	19,161
BCP VIII	500,000	334,207	225,000	150,393
BEP I	50,000	4,728	—	—
BEP II	80,000	14,620	26,667	4,873
BEP III	80,000	58,553	26,667	19,518
BCEP I	120,000	27,202	18,992	4,305
BCEP II	160,000	132,048	32,640	26,938
BCP Asia I	40,000	13,132	13,333	4,377
BCP Asia II	100,000	100,000	33,333	33,333
Tactical Opportunities	450,487	206,993	150,162	68,998
Strategic Partners	918,542	547,467	148,447	89,043
BIP	244,605	87,355	—	—
BXLS	142,057	103,225	37,353	31,543
BXG	81,006	31,231	26,667	10,227
Other (b)	290,209	32,563	—	—
Total Private Equity	5,105,980	1,849,374	1,214,261	491,480
Hedge Fund Solutions				
Strategic Alliance I	50,000	2,033	—	—
Strategic Alliance II	50,000	1,482	—	—
Strategic Alliance III	22,000	6,376	—	—
Strategic Alliance IV	15,000	15,000	—	—
Strategic Holdings I	154,610	33,378	—	—
Strategic Holdings II	50,000	30,992	—	—
Horizon	100,000	44,358	—	—
Other (b)	17,206	8,280	—	—
Total Hedge Fund Solutions	458,816	141,899	—	—

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Fund	Blackstone and General Partner		Senior Managing Directors and Certain Other Professionals (a)	
	Original Commitment	Remaining Commitment	Original Commitment	Remaining Commitment
	(Dollars in Thousands)			
Credit & Insurance				
Mezzanine / Opportunistic II	$ 120,000	$ 29,470	$ 110,101	$ 27,039
Mezzanine / Opportunistic III	130,783	40,489	31,546	9,766
Mezzanine / Opportunistic IV	122,000	104,316	33,640	28,764
European Senior Debt I	63,000	16,508	56,882	14,905
European Senior Debt II	92,714	61,700	25,262	16,812
Stressed / Distressed I	50,000	4,869	27,666	2,694
Stressed / Distressed II	125,000	51,695	119,878	49,576
Stressed / Distressed III	151,000	110,417	32,489	23,757
Energy I	80,000	37,630	75,445	35,487
Energy II	150,000	113,961	26,469	20,110
Credit Alpha Fund	52,102	19,752	50,670	19,209
Credit Alpha Fund II	25,500	14,119	6,289	3,482
Other (b)	146,792	52,512	20,262	3,911
Total Credit & Insurance	1,308,891	657,438	616,599	255,512
Other				
Treasury (c)	356,530	231,386	—	—
	$ 9,942,383	$ 3,445,973	$ 2,544,157	$ 912,929

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

(b) Represents capital commitments to a number of other funds in each respective segment.

(c) Represents loan origination commitments, revolver commitments and capital market commitments.

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

Borrowings

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

Senior Notes (a)		Aggregate Principal Amount (Dollars/Euros in Thousands)
4.750%, Due 2/15/2023	$	400,000
2.000%, Due 5/19/2025	€	300,000
1.000%, Due 10/5/2026	€	600,000
3.150%, Due 10/2/2027	$	300,000
1.625%, Due 8/5/2028	$	650,000
1.500%, Due 4/10/2029	€	600,000
2.500%, Due 1/10/2030	$	500,000
1.600%, Due 3/30/2031	$	500,000
2.000%, Due 1/30/2032	$	800,000
2.550%, Due 3/30/2032	$	500,000
6.250%, Due 8/15/2042	$	250,000
5.000%, Due 6/15/2044	$	500,000
4.450%, Due 7/15/2045	$	350,000
4.000%, Due 10/2/2047	$	300,000
3.500%, Due 9/10/2049	$	400,000
2.800%, Due 9/30/2050	$	400,000
2.850%, Due 8/5/2051	$	550,000
3.200%, Due 1/30/2052	$	1,000,000
	$	9,060,050

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

Blackstone, through its indirect subsidiary Blackstone Holdings Finance Co. L.L.C., has a $2.25 billion unsecured revolving credit facility (the "Credit Facility") with Citibank, N.A., as administrative agent with a maturity date of November 24, 2025. Borrowings may also be made in U.K. sterling, euros, Swiss francs, Japanese yen or Canadian dollars, in each case subject to certain sub-limits. The Credit Facility contains customary representations, covenants and events of default. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee-earning assets under management, each tested quarterly.

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

Contractual Obligations

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

Contractual Obligations	**April 1, 2022 to December 31, 2022**	**2023-2024**	**2025-2026**	**Thereafter**	**Total**
			(Dollars in Thousands)		
Operating Lease Obligations (a)	$ 100,676	$ 293,563	$ 301,531	$ 328,067	$ 1,023,837
Purchase Obligations	88,139	66,803	8,219	—	163,161
Blackstone Issued Notes and Revolving Credit Facility (b)	—	400,000	996,030	7,664,020	9,060,050
Interest on Blackstone Issued Notes and Revolving Credit Facility (c)	164,021	479,398	462,091	3,332,431	4,437,941
Blackstone Funds Capital Commitments to Investee Funds (d)	261,002	—	—	—	261,002
Due to Certain Non-Controlling Interest Holders in Connection with Tax Receivable Agreements (e)	—	155,432	212,705	1,172,971	1,541,108
Unrecognized Tax Benefits, Including Interest and Penalties (f)	—	—	—	—	—
Blackstone Operating Entities Capital Commitments to Blackstone Funds and Other (g)	3,445,973	—	—	—	3,445,973
Consolidated Contractual Obligations	4,059,811	1,395,196	1,980,576	12,497,489	19,933,072
Blackstone Funds Capital Commitments to Investee Funds (d)	(261,002)	—	—	—	(261,002)
Blackstone Operating Entities Contractual Obligations	$ 3,798,809	$ 1,395,196	$ 1,980,576	$ 12,497,489	$ 19,672,070

(a) We lease our primary office space and certain office equipment under agreements that expire through 2032. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as building expenses, and utilities. To the extent these are fixed or determinable they are included in the table above. The table above includes operating leases that are recognized as Operating Lease Liabilities, short-term leases that are not recorded as Operating Lease Liabilities and leases that have been signed but not yet commenced which are not recorded as Operating Lease Liabilities. The amounts in this table are presented net of contractual sublease commitments and tenant improvement allowances.

(b) Represents the principal amount due on the senior notes we issued assuming no pre-payments are made and the notes are held until their final maturity. As of March 31, 2022, we had no outstanding borrowings under our revolver.
(c) Represents interest to be paid over the maturity of our senior notes which has been calculated assuming no pre-payments are made and debt is held until its final maturity date. These amounts include commitment fees for unutilized borrowings under our revolver.
(d) These obligations represent commitments of the consolidated Blackstone Funds to make capital contributions to investee funds and portfolio companies. These amounts are generally due on demand and are therefore presented in the less than one year category.
(e) Represents obligations by Blackstone's corporate subsidiary to make payments under the Tax Receivable Agreements to certain non-controlling interest holders for the tax savings realized from the taxable purchases of their interests in connection with the reorganization at the time of Blackstone's IPO in 2007 and subsequent purchases. The obligation represents the amount of the payments currently expected to be made, which are dependent on the tax savings actually realized as determined annually without discounting for the timing of the payments. As required by GAAP, the amount of the obligation included in the Condensed Consolidated Financial Statements and shown in Note 16. "Related Party Transactions" (see "Part I. Item 1. Financial Statements") differs to reflect the net present value of the payments due to certain non-controlling interest holders.
(f) As of March 31, 2022, there were no Unrecognized Tax Benefits, Including Interest and Penalties. In addition, Blackstone is not able to make a reasonably reliable estimate of the timing of payments in individual years in connection with gross unrecognized benefits of $95.5 million and interest of $27.8 million, therefore, such amounts are not included in the above contractual obligations table.
(g) These obligations represent commitments by us to provide general partner capital funding to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments. These amounts are generally due on demand and are therefore presented in the less than one year category; however, a substantial amount of the capital commitments are expected to be called over the next three years. We expect to continue to make these general partner capital commitments as we raise additional amounts for our investment funds over time.

Guarantees

Blackstone and certain of its consolidated funds provide financial guarantees. The amounts and nature of these guarantees are described in Note 17. "Commitments and Contingencies — Contingencies — Guarantees" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Indemnifications

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

Clawback Obligations

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceeds the amount due to Blackstone based on cumulative results of that fund. The amounts and nature of Blackstone's clawback obligations are described in Note 17. "Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Share Repurchase Program

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

During the three months ended March 31, 2022, no shares of common stock were repurchased. As of March 31, 2022, the amount remaining available for repurchases under the program was $1.5 billion.

Dividends

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

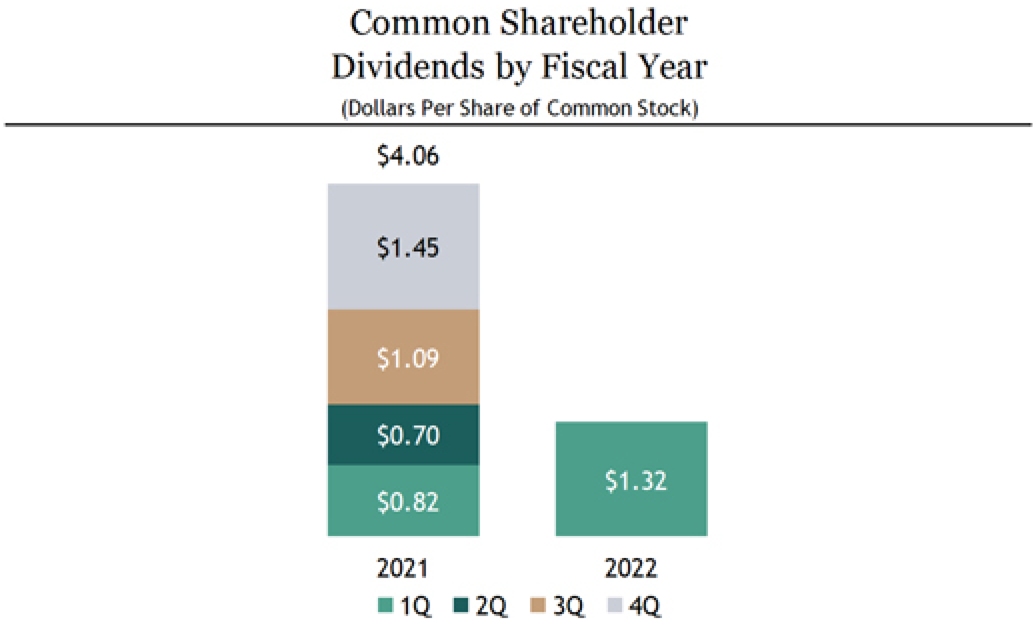
For Blackstone's definition of Distributable Earnings, see "— Key Financial Measures and Indicators."

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

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

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

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



With respect to the first quarter of fiscal year 2022, we paid to shareholders of our common stock a dividend of $1.32 per share. With respect to fiscal year 2021, we paid shareholders aggregate dividends of $4.06 per share.

Leverage

We may under certain circumstances use leverage opportunistically and over time to create the most efficient capital structure for Blackstone and our shareholders. In addition to the borrowings from our notes issuances and our revolving credit facility, we may use reverse repurchase agreements, repurchase agreements and securities sold, not yet purchased. Reverse repurchase agreements are entered into primarily to take advantage of opportunistic yields otherwise absent in the overnight markets and also to use the collateral received to cover securities sold, not yet purchased. Repurchase agreements are entered into primarily to opportunistically yield higher spreads on purchased securities. The balances held in these financial instruments fluctuate based on Blackstone’s liquidity needs, market conditions and investment risk profiles.

The following table presents information regarding these financial instruments in our Condensed Consolidated Statements of Financial Condition:

	Repurchase Agreements		Securities Sold, Not Yet Purchased	
	(Dollars in Millions)			
Balance, March 31, 2022	$	77.3	$	27.3
Balance, December 31, 2021	$	58.0	$	27.8
Three Months Ended March 31, 2022				
Average Daily Balance	$	71.8	$	27.6
Maximum Daily Balance	$	130.2	$	27.8

Critical Accounting Policies

We prepare our Condensed Consolidated Financial Statements in accordance with GAAP. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our Condensed Consolidated Financial Statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. Actual results may be affected negatively based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. We believe the following critical accounting policies could potentially produce materially different results if we were to change underlying assumptions, estimates and/or judgments. For a description of our accounting policies, see Note 2. "Summary of Significant Accounting Policies" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Principles of Consolidation

For a description of our accounting policy on consolidation, see Note 2. "Summary of Significant Accounting Policies — Consolidation" and Note 9. "Variable Interest Entities" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing for detailed information on Blackstone's involvement with VIEs. The following discussion is intended to provide supplemental information about how the application of consolidation principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

The determination that Blackstone holds a controlling financial interest in a Blackstone Fund or investment vehicle significantly changes the presentation of our condensed consolidated financial statements. In our Condensed Consolidated Statements of Financial Position included in this filing, we present 100% of the assets and liabilities of consolidated VIEs along with a non-controlling interest which represents the portion of the consolidated vehicle's interests held by third parties. However, assets of our consolidated VIEs can only be used to settle obligations of the consolidated VIE and are not available for general use by Blackstone. Further, the liabilities of our consolidated VIEs do not have recourse to the general credit of Blackstone. In the Condensed Consolidated Statements of Operations, we eliminate any management fees, Incentive Fees, or Performance Allocations received or accrued from consolidated VIEs as they are considered intercompany transactions. We recognize 100% of the consolidated VIE's investment income (loss) and allocate the portion of that income (loss) attributable to third party ownership to non-controlling interests in arriving at Net Income Attributable to Blackstone Inc.

The assessment of whether we consolidate a Blackstone Fund or investment vehicle we manage requires the application of significant judgment. These judgments are applied both at the time we become involved with the VIE and on an ongoing basis and include, but are not limited to:

- Determining whether our management fees, Incentive Fees or Performance Allocations represent variable interests – We make judgments as to whether the fees we earn are commensurate with the level of effort required for those fees and at market rates. In making this judgment, we consider, among other things, the extent of third party investment in the entity and the terms of any other interests we hold in the VIE.

- Determining whether kick-out rights are substantive – We make judgments as to whether the third party investors in a partnership entity have the ability to remove the general partner, the investment manager or its equivalent, or to dissolve (liquidate) the partnership entity, through a simple majority vote. This includes an evaluation of whether barriers to exercise these rights exist.

- Concluding whether Blackstone has an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE – As there is no explicit threshold in GAAP to define "potentially significant," management must apply judgment and evaluate both quantitative and qualitative factors to conclude whether this threshold is met.

Revenue Recognition

For a description of our accounting policy on revenue recognition, see Note 2. "Summary of Significant Accounting Policies — Revenue Recognition" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements." For an additional description of the nature of our revenue arrangements, including how management fees, Incentive Fees, and Performance Allocations are generated, please refer to "Part I. Item 1. Business — Fee Structure/Incentive Arrangements" in our Annual Report on Form 10-K for the year ended December 31, 2021. The following discussion is intended to provide supplemental information about how the application of revenue recognition principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

Management and Advisory Fees, Net — Blackstone earns base management fees from its customers at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross asset value, total assets, committed capital or invested capital. The range of management fee rates and the calculation base from which they are earned, generally, are as follows:

On private equity, real estate, and certain of our hedge fund solutions and credit-focused funds:

- 0.25% to 1.75% of committed capital or invested capital during the investment period,

- 0.25% to 1.50% of invested capital, committed capital or investment fair value subsequent to the investment period for private equity and real estate funds, and

- 1.00% to 1.50% of invested capital or net asset value subsequent to the investment period for certain of our hedge fund solutions and credit-focused funds.

On real estate and credit-focused funds structured like hedge funds:

- 0.50% to 1.00% of net asset value.

On credit separately managed accounts:

- 0.20% to 1.35% of net asset value or total assets.

On real estate separately managed accounts:

- 0.65% to 2.00% of invested capital, net operating income or net asset value.

On Insurance separately managed accounts and investment vehicles:

- 0.25% to 1.00% of net asset value.

On funds of hedge funds, certain hedge funds and separately managed accounts invested in hedge funds:

- 0.20% to 1.50% of net asset value.

On CLO vehicles:

- 0.20% to 0.50% of the aggregate par amount of collateral assets, including principal cash.

On credit-focused registered and non-registered investment companies:

- 0.25% to 1.25% of total assets or net asset value.

The investment adviser of BXMT receives annual management fees based on 1.50% of BXMT's net proceeds received from equity offerings and accumulated "distributable earnings" (which is generally equal to its GAAP net income excluding certain non-cash and other items), subject to certain adjustments. The investment adviser of BREIT and BEPIF receive a management fee of 1.25% per annum of net asset value, payable monthly.

Management fee calculations based on committed capital or invested capital are mechanical in nature and therefore do not require the use of significant estimates or judgments. Management fee calculations based on net asset value, total assets, or investment fair value depend on the fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used as well as economic conditions. See "— Fair Value" below for further discussion of the judgment required for determining the fair value of the underlying investments.

Investment Income (Loss) — Performance Allocations are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. Blackstone has concluded that investments made alongside its limited partners in a partnership which entitle Blackstone to a Performance Allocation represent equity method investments that are not in the scope of the GAAP guidance on accounting for revenues from contracts with customers. Blackstone accounts for these arrangements under the equity method of accounting. Under the equity method, Blackstone's share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, at the end of each reporting period Blackstone calculates the accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. Performance Allocations are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results.

The change in the fair value of the investments held by certain Blackstone Funds is a significant input into the accrued Performance Allocation calculation and accrual for potential repayment of previously received Performance Allocations. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds. See "— Fair Value" below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments.

Fair Value

Blackstone uses fair value throughout the reporting process. For a description of our accounting policies related to valuation, see Note 2. "Summary of Significant Accounting Policies — Fair Value of Financial Instruments" and "Summary of Significant Accounting Policies — Investments, at Fair Value" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing. The following discussion is intended to provide supplemental information about how the application of fair value principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

The fair value of the investments held by Blackstone Funds is the primary input to the calculation of certain of our management fees, Incentive Fees, Performance Allocations and the related Compensation we recognize. The Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Accounting and Auditing Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority owned and controlled investments (the "Portfolio Companies"), at fair value. In the absence of observable market prices, we utilize valuation methodologies applied on a consistent basis and assumptions that we believe market participants would use to determine the fair value of the investments. For investments where little market activity exists management's determination of fair value is based on the best information available in the circumstances, which may incorporate management's own assumptions and involves a significant degree of judgment, and the consideration of a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks.

Blackstone has also elected the fair value option for certain instruments it owns directly, including loans and receivables and investments in private debt securities, the assets of consolidated CLO vehicles and other proprietary investments. Blackstone is required to measure certain financial instruments at fair value, including debt instruments, equity securities and freestanding derivatives.

Fair Value of Investments or Instruments that are Publicly Traded

Securities that are publicly traded and for which a quoted market exists will be valued at the closing price of such securities in the principal market in which the security trades, or in the absence of a principal market, in the most advantageous market on the valuation date. When a quoted price in an active market exists, no block discounts or control premiums are permitted regardless of the size of the public security held. In some cases, securities will include legal and contractual restrictions limiting their purchase and sale for a period of time, such as may be required under SEC Rule 144. A discount to publicly traded price may be appropriate in those cases; the amount of the discount, if taken, shall be determined based on the time period that must pass before the restricted security becomes unrestricted or otherwise available for sale.

Fair Value of Investments or Instruments that are not Publicly Traded

Investments for which market prices are not observable include private investments in the equity or debt of operating companies or real estate properties. Our primary methodology for determining the fair values of such investments is generally the income approach which provides an indication of fair value based on the present value of cash flows that a business, security, or property is expected to generate in the future. The most widely used methodology under the income approach is the discounted cash flow method which includes significant assumptions about the underlying investment's projected net earnings or cash flows, discount rate, capitalization rate and exit multiple. Our secondary methodology, generally used to corroborate the results of the income approach, is typically the market approach. The most widely used methodology under the market approach relies upon valuations for comparable public companies, transactions, or assets, and includes making judgments about which companies, transactions, or assets are comparable. Depending on the facts and circumstances associated with the investment, different primary and secondary methodologies may be used including option value, contingent claims or scenario analysis, yield analysis, projected cash flow-through maturity or expiration, probability weighted methods or recent round of financing.

In certain cases debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments.

Management Process on Fair Value

Due to the importance of fair value throughout the condensed consolidated financial statements and the significant judgment required to be applied in arriving at those fair values, we have developed a process around valuation that incorporates several levels of approval and review from both internal and external sources. Investments held by Blackstone Funds and investment vehicles are valued on at least a quarterly basis by our internal valuation or asset management teams, which are independent from our investment teams.

For investments valued utilizing the income method, and where Blackstone has information rights, we generally have a direct line of communication with each of the portfolio company finance teams and collect financial data used to support projections used in a discounted cash flow analysis. The respective business unit's valuation team then analyzes the data received and updates the valuation models reflecting any changes in the underlying cash flow projections, weighted-average cost of capital, exit multiple, and any other valuation input relevant economic conditions.

The results of all valuations of investments held by Blackstone Fund and investment vehicles are reviewed and approved by the relevant business unit's valuation sub-committee, which is comprised of key personnel from the business unit, typically the chief investment officer, chief operating officer, chief financial officer, chief compliance officer (or their respective equivalents where applicable) and other senior managing directors in the business. To further corroborate results, each business unit also generally obtains either a positive assurance opinion or a range of value from an independent valuation party, at least annually for internally prepared valuations for investments that have been held by Blackstone Funds and investment vehicles for greater than a year and quarterly for certain investments. Our firmwide valuation committee, chaired by our Chief Financial Officer and comprised of senior members of our businesses and representatives from corporate functions, including legal and finance, reviews the valuation process for investments held by us and our investment vehicles, including the application of appropriate valuation standards on a consistent basis. Each quarter, the valuation process is also reviewed by the audit committee of our board of directors, which is comprised of our employee directors.

The global outbreak of COVID-19 required management to make significant judgments about the ultimate adverse impact of COVID-19 on financial markets and economic conditions. These judgments and estimates were incorporated into the valuation process outlined herein. Management's policies were unchanged and certain critical processes were executed in a remote working environment.

Income Tax

For a description of our accounting policy on taxes and additional information on taxes see Note 2. "Summary of Significant Accounting Policies" in "Part II. Item 8. Financial Statements and Supplementary Data" in our Annual Report on Form 10-K for the year ended December 31, 2021. For additional information on taxes see Note 13. "Income Taxes" in the "Notes to Condensed Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" of this filing and Note 15. "Income Taxes" in "Part II. Item 8. Financial Statements and Supplementary Data" in our Annual Report on Form 10-K for the year ended December 31, 2021.

Our provision for income taxes is composed of current and deferred taxes. Current income taxes approximate taxes to be paid or refunded for the current period. Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the applicable enacted tax rates and laws that will be in effect when such differences are expected to reverse. Blackstone's conversion from a limited partnership to a corporation resulted in a step-up in the tax basis of certain assets that will be recovered as those assets are sold or the basis is amortized.

Additionally, significant judgment is required in estimating the provision for (benefit from) income taxes, current and deferred tax balances (including valuation allowance), accrued interest or penalties and uncertain tax positions. In evaluating these judgments, we consider, among other items, projections of taxable income (including the character of such income), beginning with historic results and incorporating assumptions of the amount of future pretax operating income. These assumptions about future taxable income require significant judgment and are consistent with the plans and estimates that Blackstone uses to manage its business. A portion of the deferred tax assets are not considered to be more likely than not to be realized due to the character of income necessary for recovery. For that portion of the deferred tax assets, a valuation allowance has been recorded.

Revisions in estimates and/or actual costs of a tax assessment may ultimately be materially different from the recorded accruals and unrecognized tax benefits, if any.

Recent Accounting Developments

Information regarding recent accounting developments and their impact on Blackstone, if any, can be found in Note 2. “Summary of Significant Accounting Policies” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements” of this filing.

Interbank Offered Rates Transition

Certain jurisdictions are currently reforming or phasing out their benchmark interest rates, most notably the London Interbank Offered Rates (“LIBOR”) across multiple currencies. Many such reforms and phase outs became effective at the end calendar year 2021 with select U.S. dollar LIBOR tenors persisting through June 2023. Blackstone has taken steps to prepare for and mitigate the impact of changing base rates and continues to evaluate the impact of prospective changes on existing transactions and contractual arrangements and manage transition efforts. See “Part I. Item 1A. Risk Factors — Risks Related to Our Business — Interest rates on our and our portfolio companies’ outstanding financial instruments might be subject to change based on regulatory developments, which could adversely affect our revenue, expenses and the value of those financial instruments.” in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our predominant exposure to market risk is related to our role as general partner or investment adviser to the Blackstone Funds and the sensitivities to movements in the fair value of their investments, including the effect on management fees, performance revenues and investment income.

Our management fees are based on (a) third parties’ capital commitments to a Blackstone Fund, (b) third parties’ capital invested in a Blackstone Fund or (c) the net asset value (“NAV”) or gross asset value (“GAV”) of a Blackstone Fund, vehicle or separately managed account, as described in our Condensed Consolidated Financial Statements. Management fees will only be directly affected by short-term changes in market conditions to the extent they are based on NAV, GAV or represent permanent impairments of value. These management fees will be increased (or reduced) in direct proportion to the effect of changes in the fair value of our investments in the related funds. The proportion of our management fees that are based on NAV or GAV is dependent on the number and types of Blackstone Funds, vehicles, or separately managed accounts in existence and the current stage of each fund’s life cycle. For the three months ended March 31, 2022, the percentage of our fund management fees based on the NAV or GAV of the applicable funds, vehicles or separately managed accounts was 49%. Based on the fair value as of March 31, 2022, we estimate that a 10% decline in the fair value of investments would result in a decline of $293.3 million in Management and Advisory Fees on an annualized basis.

There were no other material changes in our market risks as of March 31, 2022 as compared to December 31, 2021. For additional information, refer to our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 4. Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

No change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during our most recent quarter, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. See "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021. We are not currently subject to any pending legal (including judicial, regulatory, administrative or arbitration) proceedings that we expect to have a material impact on our condensed consolidated financial statements. However, given the inherent unpredictability of these types of proceedings and the potentially large and/or indeterminate amounts that could be sought, an adverse outcome in certain matters could have a material effect on Blackstone's financial results in any particular period. See "Part I. Item 1. Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 17. Commitments and Contingencies — Contingencies — Litigation."

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 and in our subsequently filed periodic reports as such factors may be updated from time to time, all of which are accessible on the Securities and Exchange Commission's website at www.sec.gov.

See “Part I. Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Business Environment” in this report for a discussion of the conditions in the financial markets and economic conditions affecting our businesses. This discussion updates, and should be read together with, the risk factor entitled “Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition.” in our Annual Report on Form 10-K for the year ended December 31, 2021.

The risks described in our Annual Report on Form 10-K and in our subsequently filed periodic reports are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On December 7, 2021, Blackstone’s board of directors authorized the repurchase of up to $2.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date. During the three months ended March 31, 2022, no shares of common stock were repurchased. As of March 31, 2022, the amount remaining available for repurchases under the program was $1.5 billion. See “Part I. Item 1. Financial Statements – Notes to Condensed Consolidated Financial Statements – Note 14. Earnings Per Share and Stockholders’ Equity — Share Repurchase Program” and “Part I. Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Share Repurchase Program” for further information regarding this repurchase program.

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

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

In connection with the previously disclosed retirement of Hamilton E. James on January 31, 2022 (the “Effective Date”), Blackstone and Mr. James entered into a withdrawal agreement dated as of May 3, 2022, pursuant to which Mr. James and Blackstone clarified certain agreements and understandings regarding his retirement from his positions as a director and Executive Vice Chairman of Blackstone as of the Effective Date.

Under the terms of the withdrawal agreement, Mr. James agreed to enter into a general release of claims in favor of Blackstone and its related parties and affirmed his non-competition, non-solicitation, non-disparagement and confidentiality covenants contained in his Non-Competition and Non-Solicitation Agreement subject to certain limited exceptions and clarifications. Payments and benefits provided under the withdrawal agreement are generally subject to Mr. James’ timely execution and non-revocation of the release and compliance with these restrictive covenants.

The withdrawal agreement provides that Mr. James will receive certain transitional period benefits and services generally for up to six months following his resignation, which include, among other items, technology and operational support, as mutually agreed with Blackstone.

In addition, the withdrawal agreement specifies that Mr. James' Blackstone Holdings Partnership Units and shares of common stock in Blackstone will not continue to vest following the Effective Date. Mr. James is vested in and will retain (a) any carried interest awards that relate to portfolio company investments that closed prior to the Effective Date, (b) any carried interest awards that relate to the tranches of certain "life of fund" investments covering periods that commenced prior to the Effective Date and (c) any allocations of incentive fees that crystalized prior to the Effective Date. Per the withdrawal agreement, Mr. James will also be eligible to participate in an annual side-by-side election program to invest up to a specified cap per each election period in 2022 and 2023 across all funds with respect to which an investment opportunity is offered generally to senior managing directors during such election periods. Mr. James' investments will be subject to certain fees as further described in the withdrawal agreement.

The foregoing summary of the withdrawal is qualified in its entirety by reference to the full text of the withdrawal agreement, which is filed herewith as Exhibit 10.2.

Item 6. Exhibits

Exhibit Number	**Exhibit Description**
4.1	Twentieth Supplemental Indenture dated as of January 10, 2022 among Blackstone Holdings Finance Co. L.L.C., Blackstone Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 10, 2022).
4.2	Form of 2.550% Senior Note due 2032 (included in Exhibit 4.1 hereto).
4.3	Twenty-First Supplemental Indenture dated as of January 10, 2022 among Blackstone Holdings Finance Co. L.L.C., Blackstone Inc., Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., Blackstone Holdings IV L.P. and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.4 to the Registrant's Current report on Form 8-K filed with the SEC on January 10, 2022).
4.4	Form of 3.200% Senior Note due 2052 (included in Exhibit 4.3 hereto).
10.1*	Form of Amended & Restated Aircraft Dry Lease Agreement (N113CS) between 113CS LLC and Blackstone Administrative Services Partnership L.P.
10.2*+	Withdrawal Agreement between Blackstone Holdings I L.P. and Hamilton E. James dated May 3, 2022.
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).

32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104.	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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* Filed herewith.

\+ Management contract or compensatory plan or arrangement in which directors or executive officers are eligible to participate.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 5, 2022

Blackstone Inc.

/s/ Michael S. Chae

Name: Michael S. Chae
Title: Chief Financial Officer
(Principal Financial Officer and
Authorized Signatory)

Exhibit 10.1

AMENDED AND RESTATED AIRCRAFT DRY LEASE AGREEMENT

THIS AMENDED AND RESTATED AIRCRAFT DRY LEASE AGREEMENT (this "**Agreement**") is made and entered into this (the "**Effective Date**") between 113CS LLC, a Delaware limited liability company, ("**Lessor**") and Blackstone Administrative Services Partnership L.P., a Delaware limited partnership ("**Lessee**") (collectively the "**Parties**").

W I T N E S S E T H:

WHEREAS, Lessor owns a 2014 Gulfstream Aerospace Corp. model GVI (G650), as described more fully in Section 1.1 below (the "**Aircraft**");

WHEREAS, Lessor desires to dry lease the Aircraft to Lessee from time to time on a non-exclusive periodic basis; and Lessee desires to dry lease the Aircraft from Lessor from time to time; and

NOW, THEREFORE, in consideration of the promises and the mutual covenants and undertakings herein contained, the Parties hereto do hereby agree as follows:

ARTICLE 1: LEASE AND TERM

1.1 Lease. Lessor hereby agrees to dry lease to Lessee, from time to time, and Lessee hereby agrees to dry lease from Lessor, from time to time, one (1) 2014 Gulfstream Aerospace Corp. model GVI (G650) aircraft currently bearing U.S. registration mark N113CS, and manufacturer's serial number 6090 (the "**Airframe**"), equipped with two (2) installed Rolls Royce Deutschland Ld. & Co KG aircraft engines, model BR700-725A1-12, bearing manufacturer's serial numbers 25293 and 25292 (the "**Engines**") and one (1) Honeywell model RE220 (GVI) auxiliary power unit bearing manufacturer's serial number P-192 (the "**APU**"), together with, all loose equipment, systems, all appliances, parts, instruments, appurtenances, avionics, accessories and equipment (including, without limitation, communication and radar equipment) now or hereafter installed in or attached to the aircraft, and all substitutions, replacements, and renewals and all other property that shall hereafter become physically incorporated or installed in or attached to the Aircraft (the "**Aircraft**") to Lessee hereunder. Changes to the U.S. registration mark of the Aircraft shall have no effect on this Agreement.

1.2. Term and Rental Periods. The Term of this Agreement ("**Term**") shall commence upon , for a period of . Thereafter, this Agreement shall renew on a month-to-month basis. Either Party may terminate this Agreement at any time upon five (5) days written notice to the other Party. Lessee may dry lease the Aircraft pursuant to this Agreement for specific periods of time during the Term ("**Rental Periods**"). No Rental Period shall be for more than Thirty (30) days.

ARTICLE 2: RENTAL AND EXPENSES

2.1. Rental Payment. Lessee agrees to pay to Lessor an hourly rental fee at the rental rate of ($) per flight hour (pro-rated for fractions) of operation during each Rental Period, and this rate shall apply . The hourly rental fee may be adjusted by mutual agreement during the Term based on fair market pricing. Such hourly rental fees include delays, detours, cancellations caused by weather, routing, maintenance or other similar occurrences during each Rental Period, except that Lessor, at its sole discretion, may reduce the rental fees in the event of such occurrences. In addition, Lessee shall pay for a minimum of two hours of Rental Payment on any day during the Rental Period.

2.2. Positioning, Repositioning Charges. Lessee shall be responsible for accepting the Aircraft from Lessor, and returning the Aircraft to Lessor at Waterbury-Oxford Airport ("**Home Base**"), or other airport agreed between the Parties. If Lessee commences or ends its Rental Period at a point other than Home Base, Lessee shall, in Lessor's sole discretion, be assessed an additional charge equivalent to Lessor's costs in positioning the Aircraft from Home Base to the delivery point, or repositioning the Aircraft back to Home Base from the point of return.

2.3. Lessee Reimbursement for Incidental Charges. Lessee shall be responsible for all incidental charges for any flight during the Rental Period, including but not limited to, hangaring and tie down charges away from the Aircraft's base of operation, landing fees, federal excise taxes, airport taxes or similar charges, customs, immigration or similar charges related to international flight; and any additional insurance premiums required for specific flights during the Rental Period. In the event any such charges are made to Lessor by service providers, Lessee shall promptly reimburse Lessor for such costs.

2.4. Lessor Reimbursement for Certain Charges. Lessor has incorporated the cost for maintenance and repairs, and fuel costs into the Rental Payment. In the event any charges for fuel or maintenance are paid directly by Lessee, Lessor shall promptly reimburse Lessee for such cost, or deduct as an offset against Rental Payments such costs.

2.5. Invoicing and Payment. Lessor will send Lessee invoices for such payments as are due under this Article for each Rental Period, using the form attached as Appendix A or other form at Lessor's discretion. Lessee shall make payment by check or money order payable to "113CS, LLC" payable upon receipt, or shall wire transfer funds to the address specified on the invoice.

2.6. Calculation of Hours of Operation. For purposes of Rental Payments, hours of operation for each Rental Period shall be calculated (a) from the time the Aircraft takes off to the time it lands, and (b) hours of operation shall include flights to return the Aircraft to Lessor at the end of Rental Period.

2.7. Taxes. All payments, including specifically Rental Payments made by Lessee hereunder, shall be made free and clear of, and without deduction for, any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, restrictions or conditions now or hereafter imposed by any governmental or taxing authority. Taxes which the Lessee may incur while operating the Aircraft include, but are not limited to: fuel excise taxes, airport taxes, sales and use taxes, over flight fees or taxes, and customs duties, or other foreign taxes relating to international travel.

2.8. Procedure to Request Rental of Aircraft. Lessee shall make requests for rental of the Aircraft to Lessor either orally or in writing. Requests should be made as far in advance as possible before the intended commencement of the Rental Period.

2.9. Availability. Lessor is making the Aircraft available to Lessee for dry lease on an "as available" basis only, and makes no guarantee or warranty with regard to Aircraft availability. Lessor will, in good faith, attempt to make the Aircraft available when it is not otherwise being used by Lessor, another lessee, or is unavailable for maintenance or other reasons.

2.10. Non-availability or Delay Due to Unanticipated Causes. Lessor shall promptly notify Lessee if the Aircraft cannot be delivered for a Rental Period due to an unanticipated delay, such as weather or mechanical related delays. Lessor shall not be responsible for any loss, injury, damage, delay, or cancellation, or any consequential or incidental damages or costs incurred by Lessee caused by such delay or cancellation.

ARTICLE 3: OPERATION OF AIRCRAFT BY LESSEE

3.1. Operational Control. During each Rental Period, Lessee is and shall be the sole operator of the Aircraft and has sole operational control of the Aircraft. During each Rental Period, Lessee is responsible for operating the Aircraft in accordance and compliance with all laws, ordinances and regulations relating to the possession, use, operation, or maintenance of the Aircraft, including, but not limited to, the Federal Aviation Regulations, Title 14 Code of Federal Regulations ("FAR").

3.2. Selection of Flight Crew. Lessee shall select and hire its own flight crew provided that the pilots shall be professionally trained and qualified, shall be familiar with and licensed to operate the Aircraft, and shall have current medical certificates, and recurrent training.

3.3. Care and Use. Lessee shall use and operate the Aircraft in a careful and proper manner. Lessee shall operate the Aircraft in accordance with the flight manual and all manufacturer's suggested operating procedures. Lessee shall not operate, use, or maintain the Aircraft in violation of any airworthiness certificate, license, or registration relating to the Aircraft, or contrary to any law or regulation.

3.4. Limits of Operations. Lessee expressly warrants and agrees that it shall not operate the Aircraft outside the geographic limits set forth in the Insurance Policies, or otherwise operate the Aircraft in a way that would violate or compromise the Insurance Policies. Lessee shall use the Aircraft only for and on account of its business, and will not use the Aircraft for the purpose of providing transportation of passengers or cargo in air commerce for compensation or hire (except in accordance with the provisions of FAR § 91.501), or for any illegal purpose.

3.5. Documentation. Lessee shall complete required flight logs, maintenance logs, or other recording entries required by the FARs during any Rental Period.

3.6. Maintenance and Repair. Lessor, at its own cost and expense, will promptly repair or replace all parts, appliances, components, instruments, accessories, and furnishings that are installed in or attached to the Aircraft (herein called "**Parts**") that may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair, or permanently rendered unfit for use for any reason whatsoever during a Rental Period. Further, Lessor shall reimburse Lessee for any mechanics liens or other costs incurred by Lessee associated with non-routine repairs or maintenance made during a Rental Period, provided that: (1) such repairs shall be made by an FAA approved repair facility; and (2) Lessor shall approve in advance such repairs or maintenance. Lessee covenants to repair any damage beyond ordinary wear and tear caused by Lessee's use of the Aircraft.

3.7. Right to Inspect. Lessor and its authorized representatives shall, at all reasonable times, have the right to enter the premises where the Aircraft may be located for the purpose of inspecting and examining the Aircraft, its condition, use and operation, and the books and records of Lessee relating thereto to ensure Lessee's compliance with its obligations under this Lease. Notwithstanding the foregoing rights, Lessor has no duty to inspect and shall not incur any liability or obligation by reason of not making any such inspection.

ARTICLE 4: INSURANCE AND LIABILITY

4.1. Primary Liability and Property Damage Insurance. Lessor shall maintain in effect, at its own expense, third party Aircraft liability insurance, passenger legal liability insurance, and property damage liability insurance during the Term in such amounts as are customary for similarly situated aircraft. Each liability policy shall be primary without right of contribution from any other insurance that is carried by Lessee, and expressly provide that all the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured.

4.2. Insurance Against Physical Damage. Lessor shall maintain in effect, at its own expense, all-risk ground and flight Aircraft hull insurance covering the Aircraft. Any such insurance shall be during the Term for an amount customary for a similar aircraft.

4.3. Lessee As Named Insured. All Insurance Policies carried by Lessor in accordance with this Article shall name Lessee as a named insured.

4.4. Deductible. Any Insurance Policy carried by Lessor in accordance with this Article may be subject to a deductible amount which is customary under policies insuring similar aircraft similarly situated. Lessor warrants and agrees that in the event of an insurable claim, Lessor will bear the costs up to the deductible amount.

4.5. Additional Insurance for Lessee. Lessee may, at its discretion, obtain additional insurance covering its operation of the Aircraft.

4.6. Certificate of Insurance. Upon request, Lessor shall deliver to Lessee a certificate of insurance evidencing the insurance required to be maintained by Lessor under this Article.

4.7. Mutual Waiver of Liability Claims. Except as specifically set forth in this Agreement, Lessor and Lessee (the "**Parties**") each hereby agree that each shall hold harmless the other Party, and the other Party's respective officers, directors, agents, employees, servants, attorneys, insurers, coinsurers, reinsurers, indemnitors, parents, subsidiaries, affiliates, predecessors, successors, and assigns from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses, including reasonable legal fees and expenses, of whatsoever kind and nature including, without limitation, personal injury or death ("**Liabilities**"), that could be asserted by that Party against the other Party directly or indirectly (including but not limited to claims raised against that Party by any third-party, employee, agent, or other person or entity not a party to the Agreement) arising out of the lease, sublease, possession, rental, use, condition, operation, transportation, return, storage or disposition of the Aircraft or any part thereof (including, without limitation, Liabilities in any way relating to or arising out of latent or other defects, whether or not discoverable by a Party or any other person, injury to persons or property, or strict liability in tort), provided, however, that neither Party shall be required to hold harmless the other Party for Liabilities resulting from the gross negligence or willful misconduct of the other Party.

ARTICLE 5: WARRANTIES AND DISCLAIMERS

5.1. Lessor's Warranty. Lessor warrants that (1) the Aircraft is properly registered in accordance with U.S. law; and (2) Lessor is a citizen of the United States of America as set forth in Section 40102(16) of the Transportation Laws and the regulations thereunder.

5.2. Lessor's Disclaimer of Warranties. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, LESSOR NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE AND HEREBY EXPRESSLY DISCLAIMS, AND LESSEE EXPRESSLY WAIVES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, WORKMANSHIP, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE AIRCRAFT, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY PART THEREOF.

5.3. Lessee's Representation Regarding Selection. Lessee represents and warrants that: (1) it has selected the Aircraft based on its own judgment and disclaims any reliance upon statements or representations not part of this Agreement; and (2) that the Aircraft is of a size, design and capacity selected by Lessee and is suitable for Lessee's intended use.

5.4. Lessee Warranty Regarding Operation. Lessee represents and warrants that it shall only operate the Aircraft under the terms, conditions, and restrictions, as set forth in this Agreement.

ARTICLE 6: MISCELLANEOUS

6.1. Title. Title to the Aircraft shall remain vested in Lessor during the Lease Term and the Aircraft shall be registered at the FAA in the name of Lessor. Lessee shall have no right, title or interest in or to the Aircraft except as expressly provided herein and shall take no action that would impair the continued registration of the Aircraft at the FAA in the name of Lessor. Lessee shall not file or record this Agreement with the FAA. Lessee shall do or cause to be done any and all acts and things which may be required to perfect and preserve the interest and title of Lessor to the Aircraft within any jurisdiction in which Lessee may operate the Aircraft, and Lessee shall also do or cause to be done any and all acts and things which may be required under the terms of any other agreement, treaty, convention, pact or by any practice, customs or understanding involving any country or state in which Lessee may operate, as may be necessary or helpful, or as Lessor may reasonably request, to perfect and preserve the rights of Lessor within the jurisdiction of any such country or state.

6.2. Liens. Except as provided herein, Lessee will not directly or indirectly create, incur, assume or suffer to exist any liens on or with respect to (1) the Aircraft or any part thereof; (2) Lessor's title thereto; or (3) any interest of Lessor therein. Lessee will promptly, at its own expense, take such action as may be necessary to discharge any such lien. Lessee may incur the following liens: (i) the respective rights of Lessor and Lessee as herein provided; (ii) liens created by Lessor; (iii) liens for taxes either not yet due or being contested by Lessee in good faith; and (iv) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens arising in the ordinary course of business of Lessee, or Parties acting on behalf of Lessee insofar as such actions relate to the Aircraft and are not inconsistent with this Agreement, not delinquent, and for the payment of which adequate reserves have been provided.

6.3. Defaults.

(a) Each of the following events shall constitute an "Event of Default" hereunder (whatever the reason for such event of default and whether it shall be voluntary or involuntary, or come about or be effected by operation of law, or be pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body): (1) if Lessee shall fail to pay when due any sum under this Agreement and such failure shall continue for a period of three business days after oral, facsimile, or written notice has been given by Lessor to Lessee; (2) if Lessee shall fail to perform any covenant or agreement contained herein, and such failure shall continue for a period of fifteen (15) days after notice thereof shall have been given in writing; (3) if any representation or warranty made by Lessee in this Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith is or shall become incorrect in any material respect; (4) if Lessee shall operate the Aircraft in violation of any applicable law, regulation, rule or order of any governmental authority having jurisdiction thereof or shall operate the Aircraft when the insurance required hereunder shall not be in effect; (5) if any proceedings shall be commenced under any bankruptcy, insolvency, reorganization, readjustment of debt, receivership or liquidation law or statute of any jurisdiction; or (6) if any such proceedings shall be instituted against either Party and shall not be withdrawn or terminated within thirty (30) days after their commencement.

(b) Upon the occurrence of any Event of Default Lessor may, at its option, exercise any or all remedies available at law or in equity, including, without limitation, any or all of the following remedies, as Lessor in its sole discretion shall elect: (1) by notice in writing to terminate this Agreement immediately, whereupon all rights of the Lessee to the use or possession of the Aircraft or any part thereof shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided; and thereupon Lessee, if so requested by Lessor, shall at its expense promptly return the Aircraft and Aircraft Documentation as required by this Agreement or Lessor, at its option, may enter upon the premises where the Aircraft or Aircraft Documentation are located and take immediate possession of and remove the same by summary proceedings or otherwise. Lessee specifically authorizes Lessor's entry upon any premises where the Aircraft or Aircraft Documentation may be located for the purpose of, and waives any cause of action it may have arising from, a peaceful retaking of the Aircraft or Aircraft Documentation; or (2) perform or cause to be performed any obligation, covenant or agreement of Lessee hereunder. Lessee agrees to pay all costs and expenses incurred by Lessor for such performance and acknowledges that such performance by Lessor shall not be deemed to cure said Event of Default.

(c) Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto. No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. Lessor shall not be deemed to have waived any default, Event of Default or right hereunder unless the same is acknowledged in writing by duly authorized representative of Lessor. No waiver by Lessor of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of Lessor in exercising any rights granted it hereunder upon any occurrence of any such right upon the continuation or recurrence of any such contingencies or similar contingencies, and any single or partial exercise of any particular right by Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

6.4 Successors and Assigns. This Agreement shall be binding upon Lessor, Lessee, and their respective successors and assigns, except that Lessee may not assign or transfer any of its rights hereunder except with the prior written consent of Lessor. Subject to the foregoing, this Lease shall inure to the benefit of Lessor and Lessee and their respective successors and assigns.

6.5. Notices. All notices and other communications under this Agreement shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt or refusal to accept receipt) by delivery in person, by facsimile or electronic mail (with a simultaneous confirmation copy sent by first class mail properly addressed and postage prepaid), or by a reputable overnight courier service, addressed as follows:

If to Lessor:

113CS LLC
3 Juliano Drive, Suite 200A
Oxford, Connecticut 06478
Attn:
Telephone:
Email:

If to Lessee:

Blackstone Administrative Services Partnership L.P.
c/o 345 Park Avenue
New York, NY 10154
Attn:
Telephone:
Email:

or at such other address as either Party may designate in writing. Any notice hereunder shall be effective upon delivery.

6.6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this agreement and supersede all prior and contemporaneous understandings of the Parties.

6.7. Severability. If any provision of this Agreement is found to be prohibited or unenforceable in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each Party hereto hereby waives any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

6.8. Amendments and Modifications. The terms of this Agreement shall not be waived, varied, contradicted, explained, amended or changed in any other manner except by an instrument in writing, executed by both Parties.

6.9. Choice of Law. This Agreement and any claim, controversy or dispute arising under or related to the Agreement, the relationship of the parties, and/or interpretation of the rights and duties of the parties including all matters of construction, validity, and performance shall in all respects be governed by, and construed in accordance with, the laws of the State of New York (disregarding any Conflict of Laws rule which might result in the application of the laws of any other jurisdiction).

6.10. Force Majeure. No Party shall be liable for any failure to perform its obligations in connection with any action described in this Agreement, if such failure results from any act of God, riot, war, civil unrest, flood, earthquake, or other cause beyond such Party's reasonable control (including any mechanical, electronic, or communications failure, but excluding failure caused by a Party's financial condition or negligence).

6.11. Execution. This Lease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

ARTICLE 7: TRUTH IN LEASING

7.1. Representation Regarding Maintenance. THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED FOR THE LAST TWELVE MONTHS UNDER FEDERAL AVIATION REGULATION § 91.409(f)(1). IT WILL BE MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION § 91.409(f)(1) FOR OPERATIONS BY LESSEE UNDER THIS LEASE.

7.2. Representation Regarding Operational Control. LESSEE, WHOSE NAME AND ADDRESS APPEAR HEREIN, IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THE LEASE. LESSEE HEREBY CERTIFIES THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH THE FEDERAL AVIATION REGULATIONS APPLICABLE TO THE AIRCRAFT.

7.3. Information from FAA. LESSEE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING ON OPERATIONS CONTROL AND PERTINENT FEDERAL AVIATION

REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE, OR AIR CARRIER DISTRICT OFFICE.

7.4. FAA Notification: in accordance with FAR § 91.23. The Parties shall take the following actions upon execution of this Agreement: (a) a copy of this Agreement shall be placed aboard the Aircraft;(b) a copy of this agreement will be mailed to the FAA Aircraft Registration Branch, Attn: Technical Section, P.O. Box 25724, Oklahoma City, OK 73125 within 24 hours of execution; and (c) the FAA will be notified at least 48 hours prior to the first flight of any aircraft under this Agreement.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their names and on their behalf by their duly authorized officers, effective as of the date first written above.

113CS LLC

As Lessor

By: ______________________________
Name:
Title:

Blackstone Administrative Services Partnership L.P.

As Lessee

By: Blackstone Holdings I - SUB GP L.L.C., its general partner

By: ______________________________
Name:
Title:

APPENDIX A

113CS LLC

INVOICE

To ____________________
____
____

Date: __________

Payable: Payable upon receipt

Ref Contract: Amended and Restated Aircraft Dry Lease Agreement between 113CS LLC and Blackstone Administrative Services Partnership L.P. (“Lease”) dated __________.

Rental Period: __________ to __________

Description	**Amount**
1. Rental Payment Rental Fee ($____ per flight hour of operation x ____ hours)	$________
2. Other Costs: (see paragraph 2.3 of Lease)	$________

Description	Cost

TOTAL THIS INVOICE **$______**

Exhibit 10.2

Blackstone

May 3, 2022

Hamilton E. James
c/o Jefferson River Capital
499 Park Avenue
New York, NY 10022

Dear Tony,

This confirms our agreement regarding your retirement as Executive Vice Chairman ("EVC") and Director of Blackstone Inc. ("Blackstone"), effective January 31, 2022 (the "Effective Date").

1. Your Service Agreement & Defined Terms.

All capitalized terms used in this letter agreement ("Letter Agreement") but not defined shall have the meanings ascribed to such terms in your Senior Managing Director Agreement, dated as of June 18, 2007, by and among Blackstone Holdings I L.P. and you (your "Service Agreement"). A copy of your Service Agreement is attached hereto as Exhibit A.

2. Withdrawal; Restrictive Covenants.

(a) You hereby confirm your retirement, effective as of the Effective Date, as EVC and Director of Blackstone and as an officer, director or authorized person or signatory (or person performing similar functions) of each other Blackstone Entity for which you served as an officer, director or authorized person or signatory (or similar function). Except as otherwise specifically provided for herein, you have voluntarily withdrawn as a partner and/or member (as applicable) from any Blackstone Entity as of the Effective Date. "Blackstone Entity" means Blackstone Holdings I L.P. and each of Blackstone's other affiliated entities.

(b) You acknowledge and agree that, from and after the Effective Date, you have no legal or actual power or authority to act on behalf of or to legally bind the Blackstone Entities.

(c) You hereby acknowledge and affirm all of the provisions of your Service Agreement, your SMD Non-Competition and Non-Solicitation Agreement, dated as of June 17, 2007 a copy of which is attached hereto as Schedule A to your Service Agreement (your "Non-Competition Agreement") and the policies applicable to departing SMDs attached hereto as Exhibit E. In light of the terms of this Letter Agreement and of your contributions to the founding of, and continued investment in, the Blackstone Entities, Blackstone confirms that (1) notwithstanding the terms of Section I.A. of your Non-Competition Agreement, the covenants in such section will expire 90 days from the Effective Date with respect to any firm (each such firm, a "Permitted Firm") that together with its affiliates has assets under management of less than $15,000,000,000 (excluding those firms that Blackstone has identified in writing prior to the date of this Letter Agreement (each, a "Specified Competitor Firm")); provided, that such expiration is subject to neither you nor your respective affiliates having any affiliation with any private equity, hedge fund, mutual or fund of funds investment manager or other investment entity or group currently operating in competition with Blackstone which, together with its affiliates, has assets under management equal to or in excess of $15,000,000,000 or with any Specified Competitor Firm, (2) notwithstanding the terms of Section I.B. of your Non-Competition Agreement, (A) the covenant set forth in clause (c) of Section I.B will apply through the second anniversary of the Effective Date and (B) the covenants in clauses (a) and (b) of Section I.B. will expire six months from the Effective Date with respect to your solicitation of the business of any Client or Prospective Client (each as defined in your Non-Competition Agreement) solely on behalf of a Permitted Firm, (3) Section I.C. of your Non-Competition Agreement shall not prohibit you from associating with any firm or entity that solicits, employs, engages or retains any current or former employee, agent, consultant or senior advisor of Blackstone described in Section I.C. so long as you do not participate, directly or indirectly (including by identifying a person or entity to a third party or by recommending or suggesting that a third party take any of the following actions), in inviting, advising, encouraging or requesting that such employee, agent, consultant or senior advisor provide services to such firm or entity or otherwise terminate their employment or business relationship with Blackstone; provided, that any such action taken by an entity of which you hold a significant ownership stake shall be deemed to have been taken by you, (4) nothing in Section I.C. of your Non-Competition Agreement will restrict you from collaborating from time-to-time with those former SMDs you have identified in writing prior to the date of this Letter Agreement on behalf of business conducted by Jefferson River Capital or restrict you from hiring the Blackstone employee and contractor you have identified in writing prior to the date of this Letter Agreement and (5) the restrictive covenants and forfeiture provisions set forth in your Non-Competition Agreement as modified by this Letter Agreement (or otherwise set forth in this Letter Agreement) shall supersede any similar restrictive covenants (and/or similar related forfeiture provisions) in any Governing Agreements (as defined below), which will be administered and/or deemed amended to be consistent with your Non-Competition Agreement as so modified and this Letter Agreement.

Without limiting the generality of the preceding sentence or Section III of the Non-Competition Agreement, you agree that at any time after your service with Blackstone, you shall not, directly or indirectly, through any agent or affiliate, make any disparaging comments or criticisms (whether of a professional or personal nature) to any individual or third party (including without limitation any present or former member, partner or employee of Blackstone) or entity regarding Blackstone (or the terms of any agreement or arrangement of any Blackstone entity) or any of their respective affiliates, member, partners or employees, or regarding your relationship with Blackstone or the termination of such relationship which, in each case, are reasonably expected to result in material damage to the business or reputation of Blackstone or otherwise occur in any public forum or are knowingly transmitted through the press or media.

3. Payments; Benefits; Other Arrangements.

(a) Subject to Blackstone's receipt of your signed Letter Agreement, your execution, delivery and non-revocation of the General Release attached hereto as Exhibit C, your continued compliance with your obligations set forth in your Non-Competition Agreement and this Letter Agreement (including, without limitation, the future cooperation obligations outlined in Section 10), you will receive the rights described in Sections 4 and 5 below, and you will also be provided with transitional benefits and services for a period not to exceed six months following the Effective Date, except as has been otherwise agreed with Blackstone Compliance or as may be mutually agreed from time-to-time following the date of this Agreement. In addition, Blackstone agrees to continue to employ the administrative assistant previously identified via email between you and Blackstone until January 31, 2023.

(b) You acknowledge and agree that, except as otherwise provided for in this Letter Agreement, after the Effective Date you shall cease to be eligible to receive or participate in any draw, profit sharing, bonus or benefits from any of the Blackstone Entities. Following the Effective Date, you will be eligible to participate in Blackstone's SMD retiree health insurance program; provided, that you shall bear the cost of your participation in such program in a manner similar to other retired Blackstone SMDs.

(c) Without limiting the generality of the provisions of the Non-Competition Agreement, you agree that, in connection with any employment, investment management or professional activities or otherwise in which you engage following the Effective Date neither you nor anyone, including without limitation, any firm or investment fund with which you become affiliated or which you endeavor to establish, nor any other employee, agent or representative of such firm or fund, may provide to any investors or prospective investors or any other persons or entities, whether orally or in writing, any performance or return information related to any fund or vehicle managed or sponsored at any time by Blackstone (collectively, a "Blackstone Fund") or the performance record of any Blackstone Fund, in each case without the prior written consent of John Finley (or his successor as Chief Legal Officer of Blackstone or respective designee), which consent may be withheld in John Finley's or his successor's sole discretion; provided, however, that nothing in this Section 3(c) or otherwise in this Letter Agreement is intended to, and shall not be construed to, interfere with your rights as described in Section 3(d) of this Letter Agreement or otherwise prohibit you from providing any information that is publicly available as part of a Blackstone filing required under the Securities Exchange Act of 1934, as amended.

(d) Nothing in this Letter Agreement or your Non-Competition Agreement shall prohibit or impede you from (1) communicating, cooperating or filing a complaint on possible violations of federal, state or local law or regulation to or with any governmental agency or regulatory authority (collectively, a "Governmental Entity"), including, but not limited to, the SEC, FINRA, EEOC, NLRB, the New York State Division of Human Rights, a local commission on human rights, or law enforcement, (2) making other disclosures to any Governmental Entity that are protected under the whistleblower provisions of federal, state or local law or regulation, or (3) speaking with an attorney retained by you, provided that in each case such communications and disclosures are consistent with applicable law. Moreover, you do not need to give prior notice to (or get prior authorization from) Blackstone regarding any such communication or disclosure.

(e) Pursuant to 18 USC § 1833(b), you may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

4. Treatment of Blackstone Unit Awards. Blackstone and you acknowledge and agree that as of the date hereof, you have the number (if any) of vested and unvested awards covering (i) the limited partnership units (the "Holdings Units") in each of Blackstone Holdings (as defined below): "Holdings Unit" being a collective reference to a limited partnership unit in each Blackstone Holdings partnership, and (ii) the shares of common stock of Blackstone (the "Common Stock") as set forth in Exhibit D hereto. Blackstone and you hereby agree that following the Effective Date (i) such awards (if any) will be retained or forfeited as set forth in this Section 4 and Exhibit D hereto and (ii) no other equity awards shall vest or be awarded to you. "Blackstone Holdings" means, each of Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P., and Blackstone Holdings IV L.P., in each case, solely to the extent you hold equity interests therein. You hereby acknowledge and affirm the policies applicable to your Holdings Units and/or Common Units, as applicable, attached hereto as Exhibit E. Notwithstanding anything to the contrary, your Holdings Units will be subject to Blackstone's standard administrative charge (currently fifty (50) basis points) generally applicable to former SMDs beginning on February 1, 2024 (but not before such date).

5. Carried Interest; Side-by-Side Investments; Other Investments. You will remain a member or partner of certain entities listed on the BX Access system statement (the "Investor Statement") attached hereto as Exhibit B on the terms and conditions set forth in the applicable Governing Agreements (as defined below) for such entities for members or partners who have ceased to be employed by, or otherwise provide services to, Blackstone Entities or in any applicable Blackstone memoranda related to such entities. The parties acknowledge and agree that such Exhibit B reflects only an estimate of such information contained therein and is subject to change in accordance with the terms of the Governing Agreements, including, without limitation, to reflect any forfeitures of unvested interests which remained outstanding as of the Effective Date. Blackstone agrees that, as of the Effective Date, you will be vested in and retain (i) any carried interest awards that relate to portfolio company investments that closed prior to the Effective Date, (ii) any carried interest awards that relate to the tranches of Strategic Partners "life of fund" investments covering periods that commenced prior to the Effective Date, and (iii) any allocations of incentive fees that crystalized prior to the Effective Date. "Governing Agreement" of any Blackstone Entity means the limited partnership agreement, limited liability company agreement or other governing agreement of such Blackstone Entity, in each case as may be modified by this Letter Agreement, and as otherwise amended, supplemented, restated or otherwise modified from time to time. You hereby acknowledge and affirm the policies applicable to your carried interest and side-by-side participation, as applicable, attached hereto as Exhibit E. In addition, you will be offered an annual side-by-side election to invest up to $50 million per each election period in 2022 and 2023 across all funds with respect to which an investment opportunity is offered generally to SMDs during such election periods.

Any investments in respect in respect of funds sponsored or managed by Blackstone or its affiliates made by you, your family members, you and their respective estate planning vehicles or you and their respective affiliates will be subject to fees as follows:

i. Investments made through the annual or life-of-fund employee side-by-side program (as noted in the Investor Statement) shall not be subject to any fees prior to February 1, 2024; beginning on February 1, 2024, such investments (other than with respect to Harrington) will be subject to Blackstone's standard administrative charge (which is currently equivalent to fifty (50) basis points) and any other management or performance fees Blackstone may impose from time to time in accordance with Blackstone's general policy regarding former SMDs.

ii. Following the Effective Date, investments made on or prior to the Effective Date directly (i.e., outside of the employee side-by-side program (e.g., through the Private Wealth Solutions channel but excluding BPP, BSCH II and BAAM/Partners Fund) will continue to be subject to Blackstone's fees generally applicable to you as of the Effective Date. Any new investments made directly following the Effective Date will be subject to Blackstone's standard fees generally applicable to investors in those funds.

iii. Investments made on or prior to the Effective Date directly in BPP, BSCH II and BAAM/Partners Fund (i.e., outside of the employee side-by-side program) will not be subject to any fees prior to February 1, 2024; beginning on February 1, 2024, such investments will be subject to Blackstone's standard administrative charge (which is currently equal to fifty (50) basis points) and other management or performance fees Blackstone may impose from time to time in accordance with Blackstone's general policy regarding former SMDs. Any new investments made directly in BPP, BSCH II and BAAM/Partners Fund following the Effective Date will be subject to Blackstone's standard fees generally applicable to investors in those funds.

6. Complete Release; Blackstone Acknowledgement. You agree, together with this Letter Agreement, to execute the form of General Release attached hereto as Exhibit C. This release does not affect your rights with respect to indemnification, advancement or insurance, vested equity and carry (as set forth on Exhibits B and D attached hereto), qualified retirement benefits in accordance with the terms of the employee benefit plan in which you participate, and the right to enforce this Agreement. This release and waiver covers both claims that you know about and those you may not know about. As of the date of this Letter Agreement, Blackstone represents that no member of the Blackstone Management Committee or Board of Directors has knowledge of claims or causes of action or the like against you by reason of facts which have occurred on or prior to the date of this Letter Agreement.

7. Miscellaneous.

(a) Right of Offset. It is hereby agreed that, with respect to any payments due under this Letter Agreement, the Governing Agreements of the Blackstone Entities and any other agreement between you and the Blackstone Entities, the Blackstone Entities shall have the right to set off and apply against any amounts at any time payable by any Blackstone Entity to you pursuant to the provisions hereof or otherwise any amounts payable by you to any Blackstone Entity.

It is further agreed that if, at any time, it is determined by Stephen A. Schwarzman (or his successor as Chairman and Chief Executive Officer, "SAS") that you are in breach of any of your agreements or obligations under this Letter Agreement, the Non-Competition Agreement or any Blackstone Entity Governing Agreement, as may be amended by this Letter Agreement, the Blackstone Entities shall have the right to recover from you, and to set off against amounts otherwise payable by any of the Blackstone Entities to you, up to the amount of likely damages suffered by Blackstone and/or the amount of your liability to the Blackstone Entities resulting from such breach or from such act or omission constituting "Cause" (in any case, as determined by SAS). As used herein, "Cause" shall have the meaning set forth in Section 5(b) of the Service Agreement.

If any set off is made by any Blackstone Entity pursuant to this Section 7(a) and it is ultimately determined that the amount payable by you to the Blackstone Entities, and/or the amount of actual damages suffered by Blackstone and/or the amount of your actual liability to the Blackstone Entities is less than the amount set off with respect to such amount payable by you and/or such damages and/or such liability pursuant to this Section 7(a), then Blackstone shall return to you the excess amount so set off, together with interest from the date of set-off at a rate equal to the average prime rate of interest published by JPMorgan Chase Bank, N.A. (or its successor from time to time.

(b) Notices. Any notice or other communication required or which may be given to any party hereunder shall be in writing and shall be deemed given effectively if delivered personally to such party (or, in the case of the Blackstone Entities, to the Chief Legal Officer) or sent by facsimile transmission as follows:

To you, at the address on Blackstone's personnel records, with a copy to (which shall not constitute notice):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Marc Trevino
Facsimile: 212-558-3588

To the Blackstone Entities:

c/o Blackstone Inc.
345 Park Avenue
New York, New York 10154
Attention: Chief Legal Officer
Facsimile: 212-583-5719

Any party may change the persons and addresses to which notices or other communications are to be sent by giving written notice of such change to the other party in the manner provided herein for giving notice.

(c) Entire Agreement, Etc.

(i) This Letter Agreement constitutes an amendment of each prior written or oral agreement between Blackstone and you, including, without limitation, your Service Agreement, your Non-Competition Agreement and any other similar prior agreement (collectively, the "Prior Agreements"). To the extent of any inconsistency between this Letter Agreement and any Prior Agreements, this Letter Agreement shall prevail. For the avoidance of doubt, your Non-Competition Agreement remains in full force and effect. This Letter Agreement will be treated as part of your Service Agreement and your Non-Competition Agreement for purposes of Section IV of your Non-Competition Agreement.

(ii) This Letter Agreement has been prepared, executed and delivered for the purpose, among other things, of settling all claims (except as otherwise expressly provided herein) that you or any of your affiliates have or may have against any Blackstone Entity. By executing and delivering this Letter Agreement, you, on behalf of yourself and your affiliates, expressly agree that no draft, memorandum, summary of proposed terms, notes or other document (other than this Letter Agreement, as executed and delivered by the parties) or written or oral statement prepared or made in connection with the negotiation, preparation, execution and delivery of this Letter Agreement, nor any payment or delivery hereunder, shall constitute, or be deemed to constitute, evidence of the agreement or intentions of the parties with respect to the subject matter of this Letter Agreement.

(d) Amendment, Etc. This Letter Agreement may not be amended, supplemented, modified, cancelled or discharged except by a written instrument executed by you and the relevant Blackstone Entity or Entities, and no provision hereof shall be waived except by a written instrument executed by the party granting such waiver. If any of the parties shall waive the breach of any provision of this Letter Agreement, such party will not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Letter Agreement. The rights and remedies of each party in this Letter Agreement are cumulative and not exclusive, and the exercise by any party of any right or remedy provided in this letter agreement shall not preclude any exercise by such party of any other rights or remedies of such party in this Letter Agreement, in the Blackstone Entities Governing Agreements or in any other agreement or at law, in equity, under any statute or otherwise. The parties reserve the right, without notice to or consent of any third person, at any time to waive any rights hereunder or by mutual agreement to amend this Letter Agreement in any respect or by mutual agreement to terminate this Letter Agreement.

(e) Successors and Assigns, Etc. This Letter Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, personal representatives, successors and assigns, including successors and assigns resulting from any change in form of any Blackstone Entity. It is acknowledged and agreed that any trusts, estate planning vehicles or other similar entities to which you have transferred an interest in any Blackstone Entity (or you have otherwise designated as a partner/member in the Blackstone Entities) shall be treated in the same manner as you are hereunder with respect thereto. In the event of your death or a judicial determination of your incapacity, references in this Letter Agreement to "you" shall be deemed to refer, as appropriate, to your heirs, beneficiaries, executor or other legal representative. You hereby consent to (i) the conversion (by merger or otherwise) to limited partnership, limited liability company, corporate or limited duration company status of any of the Blackstone Entities in which you have a continuing interest, and (ii) any amendments to any of the Blackstone Entity agreements to which you will continue to be a party, provided, in each case, that such conversion or amendment does not adversely affect your interests in a manner that is materially less favorable than other members or partners of such Blackstone Entity generally.

(f) Consents. Blackstone and you hereby:

(i) Consent to and approve the execution, delivery and performance of this Letter Agreement and consummation of all transactions (the "Transactions") contemplated hereby, for all purposes of any provision of the Governing Agreements of the Blackstone Entities and/or any provision of applicable law; and

(ii) To the fullest extent permitted by applicable law, agree that the consent and approval set forth herein shall constitute all consents and approvals that are required for the execution, delivery and performance of this Letter Agreement by each of the Blackstone Entities party hereto and the consummation of the Transactions under any provision of the Governing Agreements of the Blackstone Entities and under applicable law; and the terms, conditions, procedures and requirements contemplated by this Letter Agreement in order to effect the Transactions shall be sufficient to effect the Transactions for all purposes of such Governing Agreements and shall be in lieu of any and all other or additional terms, conditions, procedures or requirements set forth in such Governing Agreements or under applicable law that might otherwise be required to effect the Transactions (including, without limitation, any requirement of notice, consent, approval, consultation or the execution of any document).

(g) Costs. Blackstone will reimburse your reasonable advisors' fees incurred to negotiate this Letter Agreement, up to $55,000.

8. Governing Law. This Letter Agreement shall be governed by and interpreted in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to principles of conflicts of laws.

9. Dispute Resolution. Any dispute, controversy or other matter arising out of this Letter Agreement or otherwise referred to in your Non-Competition Agreement shall be subject to the provisions of Section VII of your Non-Competition Agreement.

10. Future Cooperation. You agree to assist and to cooperate reasonably with Blackstone in connection with any internal investigation or other inquiry or any investigation undertaken by any regulatory body, clearing house or exchange, professional body or government body or agency, or any dispute or claim of any kind made against or by Blackstone, including but not limited to any proceedings (civil, regulatory, or criminal) before any arbitral, administrative, judicial, legislative, regulatory or other body or agency, provided that you are not obligated to act in any way adverse to your own interests. Blackstone will reimburse you for any reasonable expenses directly incurred by you should your cooperation be required, including advancement of reasonable counsel fees in connection with your cooperation or the request therefor.

11. Headings. The headings and subheadings in this Letter Agreement are included for convenience and identification only and are in no way intended to affect, describe, interpret, define or limit the meaning, scope, extent or intent of this Letter Agreement or any provision hereof.

12. Counterparts. This Letter Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. Signatures delivered by facsimile transmission shall be effective for all purposes.

13. Certain References. Throughout this Letter Agreement, references to Sections of this Letter Agreement include the Exhibits to this Letter Agreement (and Annexes to Exhibits) referred to in such Sections, and references to this Letter Agreement include all Exhibits to this Letter Agreement (and Annexes to Exhibits).

* * * * *

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this letter agreement as of the date first above written.

BLACKSTONE HOLDINGS I L.P.

By: Blackstone Holdings I/II GP LLC, its general partner

/s/ Stephen A. Schwarzman

Name: Stephen A. Schwarzman
Title: Chairman & Chief Executive Officer

Accepted and agreed to as of the date first above written:

/s/ Hamilton E. James

Hamilton E. James

Index of Exhibits

Exhibit A	-	Senior Managing Director Agreement and Non-Competition Agreement
Exhibit B	-	Investor Statement
Exhibit C	-	General Release
Exhibit D	-	Unit Award Schedule
Exhibit E	-	Certain Policies Applicable to Departing SMDs

Exhibit 31.1

Chief Executive Officer Certification

I, Stephen A. Schwarzman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 of Blackstone Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Stephen A. Schwarzman

Stephen A. Schwarzman
Chief Executive Officer

Exhibit 31.2

Chief Financial Officer Certification

I, Michael S. Chae, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 of Blackstone Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Michael S. Chae

Michael S. Chae
Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Blackstone Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen A. Schwarzman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2022

/s/ Stephen A. Schwarzman
Stephen A. Schwarzman
Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Blackstone Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael S. Chae, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2022

/s/ Michael S. Chae
Michael S. Chae
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.