THIS DOCUMENT IS A TRANSLATION BASED ON THE LIMITED PARTNERSHIP AGREEMENT IN FRENCH DATED 5 APRIL 2023 AND IS PROVIDED TO YOU FOR INFORMATION PURPOSES ONLY. IN THE EVENT OF CONFLICT BETWEEN THIS DOCUMENT AND THE LIMITED PARTNERSHIP AGREEMENT IN FRENCH, THE FRENCH VERSION SHALL PREVAIL.

BLACKSTONE EUROPEAN PROPERTY INCOME FUND S.L.P.

BLACKSTONE BEPIMMO

LIMITED PARTNERSHIP

(SOCIETE DE LIBRE PARTENARIAT - SLP)

ARTICLES L. 214-162-1 ET SEQ. OF THE FRENCH MONETARY AND FINANCIAL CODE

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

(*STATUTS*)

Warning:

STRICTLY RESERVED TO QUALIFIED INVESTORS AS DEFINED HEREIN

NOTICE:
PLEASE NOTE THAT THE FUND HAS NOT YET BEEN AUTHORISED BY THE FINANCIAL MARKETS AUTHORITY FOR MARKETING IN EUROPEAN UNION MEMBER STATES OTHER THAN FRANCE.

ISIN Codes:

- GP Unit: FR0014004AQ2
- $I_{D\text{-}EUR}$ Unit: FR0014004AR0
- $I_{A\text{-}EUR}$ Unit: FR0014004AS8
- $A_{D\text{-}EUR}$ Unit: FR0014004AT6
- $A_{A\text{-}EUR}$ Unit: FR0014004AV2
- $INS_{A\text{-}EUR}$ Unit: FR0014004AW0
- $INS_{D\text{-}EUR}$ Unit: FR0014004AP4

Amended and restated LPA dated 5 April 2023

NOTICE

*Blackstone European Property Income Fund S.L.P. (the "**Fund**") is a French limited partnership (société de libre partenariat or SLP). It is an alternative investment fund (AIF) which is not subject to the approval of the French Financial Markets Authority (the "**AMF**") and whose management and operating rules are set out in this limited partnership agreement (the "**LPA**"). Prior to making an investment in the Fund, prospective investors must understand how the Fund will be managed and the specific risks relating to the management and strategy of the Fund. In particular, prospective investors must take notice of the specific terms and conditions set out below pursuant to which the Fund is to be managed and operated:*

- Investment and Commitment Rules; and

- Conditions and terms of subscription, acquisition, transfer and redemption of Units.

The terms and conditions referred to above and the terms and conditions pursuant to which the LPA may be amended are set out in this LPA.

Only the persons mentioned in Article 2 "Legal Form and Structure" of this LPA may subscribe for, or acquire, Units in the Fund.

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RISK PROFILE

The attention of potential investors is drawn to the risks to which any investor investing in the Fund may be exposed. These risks are described in **Annex 1** of this LPA. Before making a decision to invest in the Fund, prospective investors should conduct their own due diligence, in particular regarding the legal, tax, financial and all other consequences of their investment in the Fund, including with regard to the opportunity of an investment and the risks of such an investment.

DISCLOSURE OF INFORMATION TO LIMITED PARTNERS

The information to be made available to investors before they invest in the Fund is described in **Annex 4** of this LPA.

WEBSITE DISCLOSURE

The website at www.bepimmo.com will contain important communications, notices to investors, material information and other additional information about the Fund or Blackstone, including financial information. However, the contents of this website are not incorporated by reference in or otherwise a part of this LPA.

DIRECTORY

FUND

Blackstone European Property Income Fund S.L.P.

Blackstone Bepimmo

Société de libre partenariat

Registered office: 63 avenue des Champs-Elysées – 75008 Paris, France

GENERAL PARTNER

Blackstone European Property Income Fund Associates (France) S.à r.l.

Registered office: 11-13, boulevard de la Foire, L - 1528 Luxembourg, Grand Duchy of Luxembourg

CORPORATE MANAGER

FundRock France AM S.A.S.

AMF Authorisation No.: GP-21000009

Registered office: 63 avenue des Champs-Elysées – 75008 Paris, France

AIFM (MANAGEMENT COMPANY)

FundRock France AM S.A.S.

AMF Authorisation No.: GP-21000009

Registered office: 63 avenue des Champs-Elysées – 75008 Paris, France

INVESTMENT MANAGER

Blackstone Property Advisors, L.P.
Registered office: c/o Intertrust Corporate Services Delaware Ltd.
200 Bellevue Parkway, Suite 210
Bellevue Park Corporate Center
Wilmington
Delaware 19809, USA

STATUTORY AUDITOR

Deloitte et Associés S.A.S.

Share capital: 2,188,160 euros

Registered office: 6 place de la Pyramide - 92908 Paris La Défense Cedex, France

572 028 041 R.C.S. Nanterre

DEPOSITARY

RBC Investor Services Bank France S.A.

Registered office: 6 rue Ménars – 75002 Paris, France

CENTRALISER OF SUBSCRIPTION AND REDEMPTION ORDERS

RBC Investor Services Bank France S.A.

Registered office: 6 rue Ménars – 75002 Paris, France

ADMINISTRATIVE AND ACCOUNTING DELEGATE

RBC Investor Services France S.A.

Registered office: 6 rue Ménars – 75002 Paris, France

BETWEEN

1. **Blackstone European Property Income Fund Associates (France) S.à r.l.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg, registered with the Trade and Companies Register of Luxembourg under number B256480, having its registered office at 11-13, boulevard de la Foire, L - 1528 Luxembourg, Grand Duchy of Luxembourg in its capacity as unlimited partner (*associé commandité*) (the "**General Partner**");

2. **Blackstone Property Advisors, L.P.**, a Delaware limited partnership, with registered office at c/o Intertrust Corporate Services Delaware Ltd., 200 Bellevue Parkway, Suite 210, Bellevue Park Corporate Center, Wilmington, Delaware 19809, USA as the initial limited partner (*associé commanditaire initial*) (the "**Initial Limited Partner**");

AND

3. Each investor who has adhered to this LPA as a Limited Partner (as such term is defined hereinafter).

NOW THEREFORE, the parties to this limited partnership agreement (the "**LPA**") have agreed to amend and fully restate the initial LPA dated 20 July 2021, as amended and restated for the last time on 25 May 2022 as follows:

DEFINITIONS

Accounting Date	31 December 2022 and 31 December of each year thereafter or such other date as may be determined by the General Partner and, in the case of the final Accounting Period, the Final Liquidation Date.
Accounting Period	a period ending on and including an Accounting Date and beginning on the day following the preceding Accounting Date or, for the first Accounting Period, on the Formation Date.
Accumulation Sub-Class Units	as defined in Article 9.5.1.
Administration Agreement	as defined in Article 25.
Administrative and Accounting Delegate	the Fund's administrative and accounting delegate, being as at the Formation Date, RBC Investor Services France S.A.
Advisers Act	as defined in Article 20.
Affiliate	means, with respect to a Person, any other Person that either directly or indirectly controls, is controlled by or is under common control with the first Person (it being understood that "control" (and derivations thereof) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract or otherwise). For greater certainty, (i) portfolio companies / entities of the Fund and/or of any Blackstone-sponsored fund or investment vehicle and advisors to Blackstone with respect to particular industries or market segments shall not be deemed Affiliates of the General Partner, the Investment Manager and/or any other Affiliate of Blackstone; and (ii) Pátria, in which Blackstone has as of the date hereof a minority interest, shall not, as a result of such minority interest, be deemed an Affiliate of the General Partner, the Investment Manager or Blackstone for purposes hereof.
Aggregate Net Leverage	means (i) the aggregate amount of indebtedness for borrowed money (e.g. bank and mortgage debt) of the Fund plus, without duplication, (ii) the Fund's pro rata share (calculated based on its equity ownership in the underlying Investment) of net leverage with respect to any Investment in BPPE or any other Investment (including Investments alongside BPPE), in each case

	in which BPPE or BEPIF, as applicable, exercises majority control minus (iii) cash and cash equivalents of the Fund minus, without duplication, (iv) the Fund's pro rata share (calculated based on its equity ownership) of any cash and cash equivalents of any Investment (including Investments in BPPE and restricted cash) minus (v) cash used in connection with funding a deposit in advance of the closing of an Investment and working capital advances. For the purpose of the Aggregate Net Leverage definition and related limits, references to the Fund, shall be deemed to include the Fund, BEPIF Feeder SICAV, BEPIF Master FCP, Parallel Entities and BEPIF Aggregator, collectively and without duplication.
AIFM	FundRock France AM S.A.S. in its capacity as external alternative investment fund manager of the Fund and, as appropriate, in its capacity as manager (*gérant*) of the Fund.
AIFM Directive	the Directive 2011/61/EU on managers of alternative investment funds, as amended.
AIFM Fee	as defined in Article 27.1.4.
AIFM Rules	the corpus of rules formed by the AIFM Directive, the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 ("AIFM Regulation") and any binding guidelines or other delegated acts and regulations issued from time to time by the European Union relevant authorities pursuant to the AIFM Directive and/or the AIFM Regulation, as well as by any national laws and regulations that are taken in relation to (or transposing either of) the foregoing.
AMF	the French Financial Markets Authority (*Autorité des Marchés Financiers*).
AMF General Regulation	shall mean the general regulation of the AMF, as amended from time to time.
Article	means an article of the LPA.
Bank Holding Company	shall mean a "bank holding company" within the meaning of Section 2(a) of the BHC Act.
BEPIF	the Fund, BEPIF Feeder SICAV, BEPIF Master FCP, BEPIF Aggregator and the Parallel Entities.

BEPIF Aggregator	as defined in Article 7.2.
BEPIF Aggregator Parallel Vehicles	as defined in Article 7.2.
BEPIF Feeder SICAV	Blackstone European Property Income Fund SICAV along with its sub-funds.
BEPIF Master FCP	as defined in Article 7.2.
BHC Act	shall mean the U.S. Bank Holding Company Act of 1956, as amended from time to time, or any successor statute.
BHC Limited Partner	as defined in Article 28.4.
Blackstone	The Blackstone Group Inc. and its Affiliates.
BPPE	as defined in Article 7.2.
BPPE General Partner	as defined in Article 7.5.
BPPE Investment Advisor	as defined in Article 7.5.
Business Day	any day on which securities markets in each of France, Luxembourg, the United Kingdom or the United States are open.
Catch-Up	as defined in Article 27.1.2.
Central Administration	as defined in Article 25.
CFTC	as defined in Article 27.2.
Classes	as defined in Article 9.5.
Confidential Information	as defined in Article 30(a).
Conversion Cut-off	as defined in Article 9.6.2.
Corporate Manager	FundRock France AM S.A.S., in its capacity as manager (*gérant*) of the Fund, pursuant to Article 18.
Costs	as defined in Article 33.9.
CRS	as defined in Article 31(b).
DAC 2 Directive	as defined in Article 31(b).
DAC 6	as defined in Article 31(c).

Depositary	RBC Investor Services Bank France S.A., the Depositary of the Fund.
Depositary Agreement	as defined in Article 25.
Digital Asset Limit	as defined in Article 6.2.
Distribution Sub-Class Units	as defined in Article 9.5.1.
Early Redemption Deduction	as defined in Article 15.
Effective Date	as defined in Article 1 of Annex 2.
Emerging Market Countries	as defined in Article 7.5.
Entity	as defined in Article 6.
ERISA	the law of the United States of America, entitled *United States Employee Retirement Income Security Act of 1974,* as amended.
Euros or €	the currency which is used as the reference accounting unit of the Fund, as indicated in Article 45.
Excess Profits	as defined in Article 27.1.2.
FATCA	refers to Sections 1471 to 1474 of the US IRS Code, any current or future regulations or their official interpretations, any agreement drawn up pursuant to Section 1471(b) of the US IRS Code or any regulations or tax laws or practices adopted pursuant to any intergovernmental agreement concluded with regard to the implementation of these Sections of the US IRS Code.
FATCA Information	the information requested by the AIFM on behalf of the Fund or an intermediary (or its agent) in conjunction with FATCA and which the AIFM, on behalf of the Fund or its intermediary, considers it reasonable to request, pursuant to FATCA.
FATCA Recalcitrant Investor	refers to any Limited Partner or effective beneficiary of Units of the Fund, who does not provide the Investor FATCA Information, as required (or does not provide a waiver of legal origin prohibiting it from disclosing such information to a tax authority), or any Limited Partner or beneficial owner of Units of the Fund which is a foreign financial institution, as defined by FATCA and which, unless exempt or presumed to be compliant, fails to comply with Section 1471 (b) of the US IRS Code.

Federal Reserve	shall mean the Board of Governors of the Federal Reserve System.
Feeder Vehicles	as defined in Article 7.7.
Final Liquidation Date	the date on which the Fund has sold or distributed all the Investments and proceeds with a final distribution of all the remaining Fund Assets to the Limited Partners.
Formation Date	the date of incorporation of the Fund being the date on which the Fund is registered on the Trade and Companies Register, as evidenced by a Kbis.
French 3% Tax	as defined in Annex 6.
French GAAP	as defined in Article 38.
French Monetary and Financial Code	the French monetary and financial code, as amended from time to time.
French Real Estate	as defined in Annex 6.
French Real Estate Holding Company	as defined in Annex 6.
French Real Estate Wealth Tax	as defined in Article 34.
Fund	Blackstone European Property Income Fund S.L.P., a specialised professional fund, in the form of a *société de libre partenariat* governed by Articles L. 214-162-1 *et seq.* of the French Monetary and Financial Code, registered with the Paris Trade and Companies Register under number 901 651 125 R.C.S. Paris.
Fund Assets	all or part of the Fund's assets.
Fund Expenses	as defined in Article 27.2.
Fund Term	the period beginning on the Formation Date and ending on the Term Date or such earlier date as determined in accordance with Article 40 or such later date as determined in accordance with Article 5.
General Partner	as defined in the Directory of the LPA and in Article 2.2.
Global Distributor	as defined in Article 21.
GP Unit	as defined in Article 9.5.2.

High Water Mark	as defined in the definition of Loss Carryforward Amount.
HOLA	shall mean the U.S. Home Owner's Loan Act of 1933, as amended from time to time, or any successor statute.
Hurdle Amount	for any period during a Reference Period, means that amount that results in a 5% annualized internal rate of return on the NAV of units of the BEPIF Aggregator outstanding at the beginning of the then-current Reference Period and all BEPIF Aggregator units issued since the beginning of the then-current Reference Period, calculated in accordance with recognized industry practices and taking into account: (i) the timing and amount of all distributions accrued or paid (without duplication) on all such units minus all Fund Expenses of the Fund, Feeder Vehicles and Parallel Vehicles but excluding applicable expenses for Rebate or similar fees in Parallel Vehicles; and (ii) all issuances of BEPIF Aggregator units over the period. The ending NAV of units of the BEPIF Aggregator used in calculating the internal rate of return will be calculated before giving effect to any allocation/accrual to the Performance Participation Allocation and applicable Rebate expenses or similar fees in Parallel Vehicles. For the avoidance of doubt, the calculation of the Hurdle Amount for any period will exclude: (a) any BEPIF Aggregator units redeemed during such period, which units will be subject to the Performance Participation Allocation upon redemption and (b) any impact to the Hurdle Amount for non-euro Classes of Units solely caused by currency fluctuations and/or currency hedging activities and costs.
Indemnified Party	as defined in Article 44.
Independent Committee	as defined in Article 24.
Indirect Partner	as defined in Annex 6.
Information	as defined in Article 32.
Information Reporting Regime	means: (a) FATCA; (b) CRS; (c) any intergovernmental agreement, treaty, regulation, guidance, standard or other

agreement, entered into by any competent authority or governmental body in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in paragraphs (a) and (b) above; and

(d) any other similar automatic exchange of information or similar tax reporting or withholding legislation, regulations, regime or treaty,

and in each case any official interpretations thereof and any published administrative guidance in connection therewith.

Initial Class	as defined in Article 9.6.2.
Initial Reference Period	the period from 1 October 2021 to 30 June 2022.
Initial Limited Partner	as defined in the details of the parties in the LPA.
Investment	as defined in Article 7.2.
Investment Management Agreement	the portfolio management delegation agreement entered into or to be entered into between the AIFM and the Investment Manager with respect to the portfolio management of the Fund.
Investment Manager	as defined in the Directory of the LPA.
Legal Quota	as defined in Article 6.
Leverage Limit	as defined in Article 8.
Leverage Ratio	on any date of incurrence of any such indebtedness, the quotient obtained by dividing (i) Aggregate Net Leverage by (ii) the Fund's gross asset value of its pro rata share of BEPIF Aggregator's Property Investments (held directly or through BPPE units) and market value of its Investments in real estate-related debt and other securities (in each case as Investment values are calculated in accordance with the Valuation Policy). For the purpose of the Leverage Ratio definition and related limits, references to the Fund, shall be deemed to include the Fund, BEPIF Feeder SICAV, BEPIF Master FCP, Parallel Entities and BEPIF Aggregator, collectively and without duplication.

Limited Partner(s)	as defined in Article 2.2.
Loss Carryforward Amount	shall initially equal zero and shall cumulatively increase by the absolute value of any negative annual Total Return and decrease by any positive annual Total Return; provided that the Loss Carryforward Amount shall at no time be less than zero and provided further that the calculation of the Loss Carryforward Amount will exclude the Total Return related to any BEPIF Aggregator units redeemed during the applicable Reference Period, which units will be subject to the Performance Participation Allocation upon redemption. The effect of the Loss Carryforward Amount is that the recoupment of past annual Total Return losses will offset the positive annual Total Return for purposes of the calculation of the Performance Participation Allocation. This is referred to as a "**High Water Mark**".
Management Fee	as defined in Article 27.1.1.
Market in Financial Instruments	any French or foreign market in financial instruments operated by a market operator or an investment services provider or any other similar foreign entity.
NAV	net asset value.
New Class	as defined in Article 9.6.2.
Non-Voting Units	as defined in Article 28.4.
Organizational and Offering Expenses	as defined in Article 27.3.
Parallel Entities	as defined in Article 7.7.
Parallel Vehicles	as defined in Article 7.7.
Partners	the General Partner together with the Limited Partners.
Performance Participation Allocation	as defined in Article 27.1.2.
Permitted U.S. Person	a Limited Partner who represents and warrants in its subscription agreement that it is: (i) an “accredited investor” as such term is defined in Regulation D promulgated under the Securities Act, and the rules, regulations and interpretations thereunder; (ii) a “qualified purchaser” as such term is defined in Section 2(a)(51) of the Investment Company Act; and (iii) exempt from payment of U.S. federal income tax;

	provided, that the AIFM may admit other investors as "Permitted U.S. Persons" in its sole discretion.
Person	any individual, partnership, joint venture, corporation, limited liability company, unincorporated organization or association, trust (including the trustees thereof in their capacity as such), government (or agency or subdivision thereof), governmental entity or other entity.
Portfolio Manager	the entity performing, directly or by delegation, the function of portfolio management (within the meaning of 1(a) in Annex I of the AIFM Directive) of the Fund.
Prohibited Person	any person, firm, partnership or corporate body, not eligible as investor for a Class of Units, or if in the sole opinion of the AIFM or its delegate the holding of Units may be detrimental to the interests of the existing Limited Partners, the Fund or Blackstone, if it may result in a breach of any law or regulation, whether in France or abroad, or if as a result thereof any such parties may become exposed to regulatory, tax, economic or reputational damages, obligations, disadvantages, fines or penalties that it would not have otherwise incurred.
Property	as defined in Article 7.2.
Qualified Investor	as defined in Article 2.2.
Quarterly Allocation	as defined in Article 27.1.2.
Quarterly Shortfall	as defined in Article 27.1.2.
Quarterly Shortfall Obligation	as defined in Article 27.1.2.
Rebate	as defined in Article 27.4.2.
Recipient	as defined in Article 27.1.2.
Redemption Date	as defined in Article 15.
Redemption Notice	as defined in Article 15.
Redemption Request	as defined in Article 15.
Reference Currency	as defined in Article 45.
Reference Period	the year ending 31 December, save for the Initial Reference Period (subject to pro-rating for partial

	periods, including from 1 July 2022 to 31 December 2022).
Relevant Entity	means any of the following: (a) the AIFM; (b) the Fund; (c) the portfolio companies; any "related entity" (as defined in any applicable tax information provisions) of any of paragraphs (a) to (c) inclusive above;
Representatives	as defined in Article 30.
Savings and Loan Holding Company	shall mean a "savings and loan holding company" as defined in Section 10 of the HOLA.
SEC	as defined in Article 20.
SFDR	as defined in Annex 5.
SFDR Regulation	as defined in Article 38.6.
Statutory Auditor	as defined in the Directory of the LPA.
Subscription Date	as defined in Article 9.4.
Subscription Fees	as defined in Article 27.4.1.
Tax Authority	means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function.
Taxation or Tax	means (i) any form of taxation, levy, duty, charge, surcharge, contribution, withholding or impost of whatever nature and wherever arising (including any related fine, penalty, surcharge or interest); (ii) any amounts paid in connection with any settlement with a Tax Authority relating thereto; and/or (iii) any fees or other charges levied by any Tax Authority.
Term Date	the date ninety-nine (99) years from the Formation Date.
Total Return	for any period since the end of the prior Reference Period, shall equal the sum of:

(i) all distributions accrued or paid (without duplication) on units of the BEPIF Aggregator outstanding at the end of such period since the beginning of the then-current Reference Period; plus

(ii) the change in aggregate NAV of such BEPIF Aggregator units since the beginning of the Reference Period, before giving effect to (x) changes resulting solely from the proceeds of issuances of units of the BEPIF Aggregator (including in connection with the issuance of Units), (y) any allocation/accrual to the Performance Participation Allocation and (z) applicable Rebate expenses (including any payments made to the Fund for payment of such expenses); minus

(iii) all Fund Expenses of the Fund, Feeder Vehicles and Parallel Vehicles but excluding applicable expenses for Rebate or similar fees in Parallel Vehicles.

For the avoidance of doubt, the calculation of Total Return will (i) include any appreciation or depreciation in the NAV of BEPIF Aggregator units issued during the then-current Reference Period, (ii) treat any tax withholdings or tax payments associated with distributions paid by or received by the BEPIF Aggregator as part of the distributions accrued or paid on units of the BEPIF Aggregator and (iii) exclude (a) the proceeds from the initial issuance of such units of the BEPIF Aggregator and (b) any impact to Total Return for non-euro Classes of Units solely caused by currency fluctuations and/or currency hedging activities and costs.

Units refers, collectively or individually, depending on the context, to the units of the Fund.

US IRS Code the United States Internal Revenue Code of 1986.

Valuation Date means the 15th and the last calendar day of each month (as applicable).

Valuation Policy as defined in Article 2 of Annex 2.

Voting Matters as defined in Article 28.1.

INTERPRETATION

The recitals, the foregoing Definitions section, this Interpretation section and the Appendices form an integral part of this LPA.

Unless otherwise stipulated, all references to an "Article" or an "Appendix" shall be deemed references to Articles of and Appendices to this LPA. The headings of the Articles and Appendices are purely descriptive and shall not have any contractual value.

The definitions contained in this LPA are applicable to the singular as well as the plural forms of such terms. Wherever the context may require, any pronoun used in this LPA shall include the corresponding masculine, feminine and neuter forms.

Unless the context otherwise requires and in particular, other than in respect of Articles 26.1 and 38.1, for all purposes of this LPA, the term “control” and variations thereof shall mean the direct or indirect possession of the power to direct or cause the direction of the management and policies of the specified entity, through the ownership of equity interests therein, by contract or otherwise.

As used in this LPA, the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

As used in this LPA, the terms “herein”, “hereof” and “hereunder” shall refer to this LPA in its entirety.

Any reference to a law or regulation shall correspond to the laws or regulations in force, as amended from time to time or replaced by succession of comparable successor laws, up to and until the Final Liquidation Date.

Unless otherwise provided in this LPA, any time period referred to in this LPA will be calculated in accordance with articles 640 to 642 of the French *Code de procédure civile*.

In the event of a dispute or disagreement over the content or interpretation of this LPA, the Corporate Manager, the AIFM, the Investment Manager and the Partners undertake not to invoke any previous or intermediary versions or drafts of this document for the purpose of supporting any legal arguments or determining their common intention. This LPA, as amended and/or restated from time to time in accordance with its terms shall, in respect of the terms provided for in this LPA, constitute the sole binding agreement between the Corporate Manager, the AIFM, the Investment Manager and the Partners. References herein to any agreement or document (including this LPA) shall be deemed to include references to such agreement or document as varied, amended, supplemented or replaced from time to time.

1. NAME – REGISTERED OFFICE

The name of the Fund is:

Blackstone European Property Income Fund S.L.P.

The commercial name of the Fund is Blackstone Bepimmo.

The registered office of the Fund is at 63 avenue des Champs-Elysées – 75008 Paris, France.

2. LEGAL FORM AND STRUCTURE

2.1 Legal form

The Fund is a French professional specialised fund (*fonds professionnel spécialisé*) in the form of a French *société en commandite simple* denominated as a *société de libre partenariat* governed by the provisions of articles L. 214-162-1 *et seq.* of the French Monetary and Financial Code.

The Fund is not subject to the approval of the AMF and may adopt specific investment rules departing from rules applicable to funds subject to the approval of the AMF.

2.2 Structure

The Fund is a French limited partnership (*société en commandite simple*) and has two different categories of Partners:

- the unlimited partner (*associé commandité*), which is liable for all liabilities which cannot be paid out of the Fund Assets (the "**General Partner**"); and
- the limited partners (*associés commanditaires*), whose liability is limited to the amount of their respective investment in the Fund (the "**Limited Partners**"). Units can only be subscribed by investors referred to in paragraph VI of article L. 214-162-1 of the French Monetary and Financial Code being investors that fall into one of the following investor categories:
    - a professional investor and any other investor which belongs to an equivalent category under its applicable laws as referred to in article L. 214-144 of the French Monetary and Financial Code;
    - (a) the Corporate Manager, (b) the AIFM, or (c) any entity which provides services relating to or in connection with the management of the Fund, directly or indirectly, including their managers, employees or any Person acting on their behalf;
    - an investor whose initial subscription or acquisition is at least equal to €100,000 (one hundred thousand euros); or
    - any other investor, provided that subscription or acquisition are performed in its name and on its behalf by an investment service provider acting as part of an asset management investment service

according to the conditions set out in article L. 533-13 I of the French Monetary and Financial Code and article 314-11 of the AMF General Regulation.

(the "**Qualified Investors**").

Pursuant to the applicable French laws, the AIFM, in its capacity as manager (*gérant*) of the Fund, shall manage the Fund as described in Article 18.

The Fund, pursuant to Article L. 214-162-2 of the French Monetary and Financial Code, has entirely delegated its portfolio management and risk management functions and powers to the AIFM, in its capacity as portfolio management company, as described in Article 19, which in turn has delegated the portfolio management function (within the meaning of 1(a) in Annex I of the AIFM Directive) of the Fund to the Investment Manager pursuant to a portfolio management delegation agreement. The AIFM or one of its Affiliates (in such capacity, the "**Global Distributor**") will manage the global distribution of this offering.

3. LEGAL INFORMATION

By subscribing for or acquiring the Units, the Limited Partners irrevocably undertake to pay for the full purchase price of the relevant Units. During the Fund Term, the Limited Partners may only request the redemption of their Units in compliance with Article 15.

The Units are eligible to units of account and capitalisation contracts mentioned in article L. 131-1 of the French Insurance Code (*Code des assurances*) within the conditions set forth in Articles R. 131-1-1 *et seq.* of the French Insurance Code (*Code des assurances*).

The rules regarding the competent jurisdiction and law applicable to the LPA are specified in Article 43.

With regard to the Fund's Investments, it is generally expected that the courts of the jurisdiction in which the Fund has realized an Investment would recognise the choice of French law to govern the LPA and (insofar as French law is expressed to apply) any agreements relating to an Investment in such jurisdiction, and with respect to Investments in the European Union, French law will apply subject to and in accordance with the provisions of Council Regulation (EC) No 593/2008 of 17 June 2008 on the law applicable to contractual obligations (Rome I Regulation).

It is generally expected by the AIFM that the making of any Investment by the Fund in any of the jurisdictions contemplated by the investment strategy as set out in Article 7 and the entry by the Fund into an agreement in connection with any such Investment should not, by itself (and exclusive of any act or omission of any Limited Partner not authorised under the terms of the LPA), expose any Limited Partner to a liability or, in relation to any contractual liabilities of the Fund in connection with any such Investment in the relevant jurisdiction, in excess of the liability of the Limited Partner under French law and this LPA.

4. PURPOSE

In compliance with the investment strategy as described in Article 7, the purpose of the Fund, both in France and abroad, is directly or indirectly as follows:

- the creation, holding and management of portfolios in accordance with article L. 214-162-7 of the French Monetary and Financial Code, and, in particular, the acquisition, management and disposal of any investment, including any units, shares, interests, bonds or shareholder loans in an investment entity, and more generally, any asset or right which meets the conditions set out in article L. 214-162-7 of the French Monetary and Financial Code;

- the recourse to indebtedness under the conditions authorised by applicable laws and regulations;

- granting any guarantee or security, such as pledge, assignment of receivables for collateral purposes and more generally, any personal or property security rights applicable as guarantee for any undertakings and obligations of the Fund or third parties;

- and in general all movable property, real estate, civil, commercial, industrial or financial transactions that may be related, directly or indirectly, to the above objects or to any similar or related object and deemed useful for the development of the above-mentioned objects or likely to facilitate their exercise and completion.

5. DURATION

The Fund Term shall end on the Term Date. At any time prior to the Term Date, the Fund Term may be extended with the prior approval of the General Partner.

Upon expiry of the Fund Term, the Fund shall be dissolved and liquidated, pursuant to Articles 40 and 41.

6. LEGAL QUOTA AND DIGITAL ASSET LIMIT

6.1 Legal Quota

The Fund shall comply with (i) relevant provisions of Articles L. 214-154 *et seq.* of the French Monetary and Financial Code and, (ii) directly or indirectly, with the legal quota provided for in paragraph I of article L. 214-28 of the French Monetary and Financial Code (the "**Legal Quota**").

The Legal Quota is complied with to the extent at least 50% of the Fund Assets consist of *titres associatifs*, *titres participatifs*, equity or other securities providing access to the capital (*titres de capital de sociétés ou donnant accès au capital de sociétés*) of companies which are not traded on a Market in Financial Instruments, of shares of limited liability companies (*sociétés à responsabilité limitée*) or of companies of an equivalent status in the State in which their registered office is located.

The Fund Assets may also include:

- shareholders' loans mentioned in the last paragraph of Article L. 214-154 of the French Monetary and Financial Code granted for the term of the Investment in respect of companies in which the Fund holds an interest in compliance with a) 3° of Article R. 131-1-1 of the French Insurance Code (*Code des assurances*). Such loans are taken into account in the computation of the Legal Quota when they are granted to companies that satisfy the conditions of the Legal Quota; and

- rights representing a financial investment in any entity whose main purpose is to invest in companies whose equity securities are not admitted to trading on a Market in Financial Instruments (an "**Entity**"). Such rights are included in the Legal Quota up to the percentage of direct or indirect investments of the Entity's assets in companies eligible for the Legal Quota.

The Legal Quota must be complied with by no later than the closing valuation of the accounting period following the one in which the Fund was incorporated and at least until the date of entry of the Fund into pre-liquidation in accordance with articles R. 214-40 and R. 214-41 of the French Monetary and Financial Code, period during which the denominator of the Legal Quota may be reduced by the amount of the distribution of the sale price, of the amount received in consideration for the reimbursement or redemption of interests, shareholders' loans or rights not included in the Legal Quota; within the limit of the subscription price or acquisition price of such interests or rights or of the amount of shareholders' loans; provided that the Legal Quota has been respected before such pre-liquidation date and that any payment of subscription of Units within the Vehicle will be used for the payment of expenses or follow-on interests.

6.2 Digital Asset Limit

The Fund shall comply, directly or indirectly, with the limits set forth in the third paragraph of II of Article L. 214-160 of the French Monetary and Financial Code relating to digital assets (the "**Digital Asset Limit**"), it being specified that the Fund is not expected, as at the date hereof, to invest in digital assets. Should the Fund, however, contemplate investing in digital assets in the future in accordance with the Digital Asset Limit, the Investment Manager, the AIFM and the Depositary shall consult in good faith prior to such investment.

The Digital Asset Limit is complied with insofar as less than twenty percent (20%) of the assets of the Fund consist of (i) tokens mentioned in Article L. 552-2 of the French Monetary and Financial Code, excluding tokens that meet the characteristics of financial instruments mentioned in Article L. 211-1 of the French Monetary and Financial Code and savings bonds ("*bons de caisse*") mentioned in article L. 223-1 of the French Monetary and Financial Code, or (ii) any digital representation of value that is not issued or guaranteed by a central bank or by a public authority, that is not necessarily attached to legal tender and that does not have the legal status of currency, but that is accepted by natural or legal persons as a medium of exchange and that can be transferred, stored or exchanged electronically.

7. INVESTMENT STRATEGY OF THE FUND

The investment strategy of the Fund shall be substantially similar to the investment strategy of BEPIF save in respect of any applicable tax, legal or regulatory considerations, and in any case within the scope of the AMF approval of the AIFM. Notwithstanding anything to the contrary in this LPA, the provisions of this Article 7, except for Article 7.4, may be amended at any time where, in the opinion of the AIFM acting in good faith and with the prior consent of the General Partner, the AIFM determines that such amendment is necessary or desirable to cure any ambiguity or correct or supplement any such provision which is incomplete or inconsistent with the investment strategy of BEPIF.

7.1 Investment Objective

The Fund's investment objective is to generate attractive risk-adjusted returns on a diversified direct and indirect portfolio of real estate and real estate-related investments over the medium- to long-term. The Fund's investment objectives are to:

(i) provide attractive current income in the form of regular, stable distributions;

(ii) preserve and protect invested capital;

(iii) realize appreciation in NAV from proactive investment management and asset management; and

(iv) provide an investment alternative for investors seeking to allocate a portion of their long-term investment portfolios to private real estate.

The Fund will target substantially stabilized, income-generating assets in logistics, office, residential and net leases, among others, in European markets. The Fund may also invest in other real estate related asset classes, regions and markets.

7.2 Investment Information

The Fund will invest its assets mainly, directly or indirectly, through an aggregator vehicle established as a Luxembourg special limited partnership (*société en commandite spéciale*) (the "**BEPIF Aggregator**") for the purpose of indirectly holding the Fund's Investments. The Fund will invest in parallel with Blackstone European Property Income Fund FCP, a Luxembourg mutual fund (*fonds commun de placement* or "**BEPIF Master FCP**") governed by Part II of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time. The investment information set out below describes the indirect investments of the Fund held through the BEPIF Aggregator. To the extent that additional vehicles are established in parallel to such BEPIF Aggregator (the "**BEPIF Aggregator Parallel Vehicles**"), its feeder vehicles and Parallel Vehicles will, to the extent possible, rebalance their interests among the BEPIF Aggregator Parallel Vehicles in order to maintain a consistent holding in each separate vehicle.

The Fund will target an allocation of approximately 90% of the gross asset value of its investments primarily in substantially stabilized, income-generating European real estate consisting of real estate investments ("**Property**") either through direct investments in Property or in units in Blackstone Property Partners Europe (Lux) SCSp

("**BPPE**"), the Luxembourg limb of Blackstone Property Partners Europe, Blackstone's flagship European Core+ real estate fund for institutional investors (further details in relation to which are available in Annex 3). The Fund may invest up to 10% of the gross asset value of its investments in public and private real estate-related debt (together with investments in Property, BPPE and other securities, each, an "**Investment**"). The Fund's Investments at any given time may exceed and otherwise vary materially from the allocation targets above in the Portfolio Manager's sole discretion.

7.3 Portfolio Allocation Target

The Fund will target an allocation of approximately 90% of the gross asset value of its Investments in European real estate, consisting of:

(i) direct and indirect investments primarily in substantially stabilized income-generating real estate. The Fund may invest in special purpose vehicles, operating companies or platforms (including private or public equity positions in companies whose primary business relates to real estate or investing in real property), joint ventures, and/or other vehicles, minority investments or shares in listed companies, and/or indirectly through intermediate vehicles in derivatives or options;

(ii) units in BPPE; and

(iii) direct investments alongside BPPE.

The Fund may invest, directly or indirectly through intermediate vehicles, up to 10% of the gross asset value of its Investments in public and private real estate debt, including, but not limited to, commercial mortgage-backed securities, residential mortgage-backed securities, real estate-related corporate credit, mortgages, loans, mezzanine and other forms of debt (including other forms of residential credit), private or public equity positions in companies whose primary business relates to investing in real estate debt, interests of collateralized debt obligation and collateralized loan obligation vehicles, as well as preferred equity and debt related derivatives, cash, cash equivalents and other short-term investments. The Fund may also invest in other securities or debt instruments or in investments outside of Europe.

The Fund may characterize certain Investments, such as preferred equity investments, as either real estate or real estate debt depending on the terms and characteristics of such investments.

The Investments may exceed and otherwise vary materially from the foregoing allocation targets, including due to factors such as a large inflow of capital over a short period of time, the Portfolio Manager's assessment of the relative attractiveness of opportunities, or an increase in anticipated cash requirements or Redemption Requests and subject to any limitations or requirements relating to applicable law.

The Fund will invest in BPPE (subject to the terms and conditions of BPPE's governing documents).

7.4 Effectively Connected Income ("**ECI**")

The Portfolio Manager shall use its best efforts to structure U.S. investments, including through an intermediate entity which is considered as a corporate entity taxable as a corporation for U.S. income tax purposes, so that such investments do not generate for any Limited Partner income related to a U.S. business activity within the meaning of Section 864 of the U.S. Tax Code (including income considered to be effectively connected with the conduct of a U.S. business activity pursuant to Section 897 of the Code) and that no Limited Partner is required to directly pay U.S. income tax (Federal and State) and/or file U.S. tax returns (other than tax filings to obtain a refund of amounts withheld, to avoid withholding or to claim the benefits of a tax treaty or other similar exemption), solely by virtue of being a Limited Partner.

7.5 Investment Restrictions

The Portfolio Manager will seek to achieve the investment restrictions set out below in this Article 7.5, which are applicable to BEPIF Master FCP and which shall apply *mutatis mutandis* to the Fund, provided that the Portfolio Manager may, at any time, materially disapply or otherwise vary such investment allocations in its sole discretion.

- BEPIF Master FCP will not directly or indirectly invest more than 20% of its NAV at the time of acquisition in any single property; provided that such diversification will be assessed on a look-through basis and no remedial action will be required if such restriction is exceeded for any reason other than the acquisition of a new property (including the exercise of rights attached to an investment).

- The 20% diversification requirement set out above will not apply to BEPIF Master FCP during a ramp-up period of up to four years after the initial subscription is accepted. For purposes of this restriction, BEPIF Master FCP will treat its proportionate interest in each of BPPE's property investments as a property investment for BEPIF Master FCP's investment limitations.

- Furthermore, the 20% diversification requirement set out above shall not apply in the case of a collective investment scheme or any other investment vehicle which provides investors access to a diversified pool of assets, except for investments acquired through BPPE.

- For the purpose of the foregoing 20% diversification requirement, the amount invested in any property by BEPIF Master FCP will be net of indebtedness and take into account the allocated or expected indebtedness that the investment manager of BEPIF Master FCP deems related to the property being acquired, whether incurred specifically at the property level or allocated from other vehicle indebtedness.

The Fund's Investment in BPPE will be subject to BPPE's investment limitations, which include the following:

- No more than 20% of BPPE's NAV may be invested at the time of acquisition in any one investment; provided, that the foregoing percentage limitation will not apply to an investment comprised of at least five assets located in two or more different geographic sub-markets so long as no one asset exceeds 10% of BPPE's NAV at the time of acquisition.

- BPPE's investments may only include assets or businesses located outside of Europe if the non-European component of such investment comprises a minority of the overall investment.

- No more than 30% of BPPE's NAV may be invested at the time of acquisition in investments in (A) real estate assets (or pools thereof) located primarily in any one country in Europe (excluding for this purpose, France, the United Kingdom and Germany) or (B) real estate companies that have a majority of their assets or derive a majority of their most recently completed fiscal year's revenues from sources in any one country in Europe (excluding for this purpose, France, the United Kingdom and Germany); provided, that no more than 65% of BPPE's NAV may be invested at the time of acquisition in investments in (i) real estate assets (or pools thereof) located primarily in any one of France, the United Kingdom or Germany (individually but not collectively) or (ii) real estate companies that have a majority of their assets or derive a majority of their most recently completed fiscal year's revenues from sources in any one of France, the United Kingdom or Germany (individually but not collectively); provided, further that the foregoing percentage may be increased to 75% to the extent BPPE's investment advisor (the "**BPPE Investment Advisor**") expects at the time of any such investment that such invested amount shall be reduced to less than or equal to 65% of BPPE's NAV within 12 months from the date such investment is made.

- No more than 15% of BPPE's NAV may be invested at the time of acquisition in investments in (i) real estate assets (or pools thereof) located primarily in countries that as of the date of the closing of the relevant investment are not members of the Organization for Economic Co-operation and Development (OECD) ("**Emerging Market Countries**") or (ii) real estate companies that have a majority of their assets or derive a majority of their most recently completed fiscal year's revenues from sources in Emerging Market Countries; provided, that the foregoing percentage may be increased to 25% to the extent the BPPE Investment Advisor expects at the time of such investment that such invested amount shall be less than or equal to 15% of BPPE's NAV within 12 months from the date such investment is made.

- No more than 10% of BPPE's NAV may be invested at the time of acquisition in indebtedness or preferred stock acquired by BPPE in a secondary transaction, excluding indebtedness or preferred stock acquired contemporaneously with the acquisition of a substantial common equity interest.

- No more than 15% of BPPE's NAV may be invested at the time of acquisition in assets consisting primarily of real estate development projects; provided, that the foregoing will not include an investment once the related development is substantially completed.

- BPPE will not make any investment in a "blind pool" investment fund (i.e., an investment fund in which the BPPE general partner (the "**BPPE General**

Partner") does not have discretion over BPPE or the individual investments); but, for the avoidance of doubt, not including any kind of joint venture or development project (without regard to the governance of such venture or project) or any investment in an intermediate entity.

7.6 Principles and rules implemented for preserving the interest of Limited Partners

The AIFM adheres to the *Association Française de la Gestion Financière* (AFG). In this capacity and in accordance with applicable regulations, the AIFM applies all the "*Dispositions*" of the France Invest-AFG Code of Ethics, which the AMF considers market standard.

Moreover, the AIFM shall take into account the "*Recommandations*" of the France Invest-AFG Code of Ethics.

7.7 Parallel Vehicles and Feeder Vehicles

If it considers appropriate for any legal, tax, regulatory, compliance, structuring or other considerations of the Fund or of certain Limited Partners, the Investment Manager, or any of its Affiliates may, in their sole discretion, establish one or more parallel vehicles to invest alongside the Fund (as determined in the Investment Manager's discretion, "**Parallel Vehicles**"), which may not have investment objectives and/or strategies that are identical to the investment objectives and strategies of the Fund and/or feeder vehicles to invest through the Fund ("**Feeder Vehicles**," and collectively with Parallel Vehicles and BEPIF Aggregator Parallel Vehicles, "**Parallel Entities**"). The costs and expenses associated with the organization and operation of any Parallel Entity may be apportioned to, and borne solely by, the investors participating in such Parallel Entity or be allocated among the Fund, BEPIF Aggregator and any Parallel Entities as determined by the Investment Manager in its reasonable discretion. Investors should note that, as a result of the legal, tax, regulatory, compliance, structuring or other considerations mentioned above, the terms of such Parallel Entities may substantially differ from the terms of the Fund. In particular, such differences may cause Parallel Entities to subscribe at a different NAV per unit in the BEPIF Aggregator.

The terms of each Parallel Vehicle will be substantially similar to the Fund and/or BEPIF Master FCP, except to the extent reasonably necessary or desirable to address the particular legal, tax, regulatory, accounting or other similar needs of a Parallel Vehicle or one or more investors in such Parallel Vehicle, or to provide for different rights, benefits, powers or duties and terms, including with respect to fees, distributions and liquidity. Save as otherwise provided in this paragraph, (i) the Fund and any such Parallel Vehicle will invest in, and divest of, any Investment on economic terms that are the same in all material respects and (ii) the respective interests of the Fund and any Parallel Vehicle in any Investment will be apportioned among them on a pro rata basis (based on available capital) and they will similarly share any related investment expenses.

To the extent an investor is admitted to a Parallel Entity, upon funding its commitment to such Parallel Entity and such Parallel Entity funding such amounts into BEPIF Master FCP or the BEPIF Aggregator, such Parallel Vehicle will receive additional units in BEPIF Master FCP or the BEPIF Aggregator, as relevant, which in turn will result in a dilution of the Fund's interests in BEPIF Master FCP or the BEPIF Aggregator, and vice versa when additional Limited Partners are admitted to the Fund.

8. BORROWINGS

The Portfolio Manager will generally endeavour to adhere to the below guidelines, applicable to BEPIF, provided that it may at any time exceed this limit:

The Fund may utilize leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an Investment. The Fund will generally endeavour to not incur indebtedness, directly or indirectly, that would cause the Leverage Ratio to be in excess of 55% (the "**Leverage Limit**"); provided, that no remedial action will be required if the Leverage Limit is exceeded for any reason other than the incurrence of an increase in indebtedness (including the exercise of rights attached to an Investment). The Fund's proportionate interest in the leverage of BPPE (calculated in accordance with BPPE's governing documents) will be included in the calculation of the Leverage Limit.

For purposes of determining Aggregate Net Leverage, the Portfolio Manager shall use the principal amount of borrowings, and not the valuations of the Fund's borrowings, and may, in its sole discretion, determine which securities and other instruments are deemed to be cash equivalents. The Fund Assets or any part thereof, including any accounts of the Fund, may be pledged in connection with any credit facilities or borrowings. The Leverage Limit may be exceeded on a temporary basis to satisfy short-term liquidity needs, refinance existing borrowings or for other obligations. For the avoidance of doubt, the Leverage Limit does not apply to guarantees of indebtedness, "bad boy" guarantees or other related liabilities that are not indebtedness for borrowed money.

The Fund may, but is not obligated to, engage in hedging transactions for the purpose of efficient portfolio management. The hedging policy may be reviewed from time to time depending on movements and projected movements of the relevant currencies and interest rates and the availability of cost-effective hedging instruments for the Fund at the relevant time.

BPPE intends to incur indebtedness to the extent such incurrence generally would not cause BPPE's Leverage Ratio (as defined in BPPE's governing documents) to be in excess of 50%, subject to any deviation as set forth in BPPE's governing documents.

The AIFM has established for the Fund a maximum level of leverage, applying both the gross and commitment calculation methods described in the AIFM Rules, relative to the NAV of the Fund of 500% and 400%, respectively. Compliance with the maximum level of leverage will be determined on a bi-weekly basis. If this limit were ever exceeded after leverage has been incurred by the Fund, the Investment Manager will make commercially reasonable efforts to bring the Fund's exposure back into compliance with the maximum level of leverage, but such event will not constitute a breach of an investment restriction adopted by the Fund or a "trade error" for any purpose. The AIFM may increase the Fund's maximum leverage exposure from time to time. If the AIFM increases such maximum level of exposure, it will provide notice in writing to Limited Partners in the next regularly scheduled notice to Limited Partners.

9. SHARE CAPITAL – CONTRIBUTIONS – UNITS

9.1 Capital

The share capital initially subscribed and fully paid up, is set at €110.00 Euros represented by:

(a) one (1) GP Unit, with a purchase value of €100.00 and fully paid up; and

(b) one (1) I_D Unit, with a purchase value of €10.00 and fully paid up.

At any time following the first date upon which the Fund accepts subscriptions, the I_D Unit held by the Initial Limited Partner shall be redeemed by the Fund, if the Initial Limited Partner so elects, by way of cancellation at a price equal to its purchase price.

9.2 Admission of Limited Partners

The subscription for, or the acquisition of, Units will only be open to Qualified Investors. The AIFM will be responsible for ensuring that the criteria concerning the capacity to subscribe are satisfied and that the Limited Partners have received the required information according to articles 423-30 and 423-31 of the AMF General Regulation. The AIFM is also obliged to ensure the existence of the written declaration mentioned in Article 423-31 of the AMF General Regulation.

Each potential Limited Partner desiring to subscribe for Units is required to execute a subscription agreement and make certain representations and warranties to the Fund and the AIFM including (without limitation) a representation to the effect that it: (1) (a) is not a U.S. person (as defined in Regulation S under the Securities Act) or (b) is a Permitted U.S. Person (unless waived by the AIFM) and (2) is purchasing such investment (x) in an offshore transaction in accordance with Regulation S under the Securities Act or (y) in a transaction otherwise exempt from registration under the Securities Act, including in reliance on Regulation D.

Limited Partners who subscribe in the Fund via the intermediation of a financial intermediary, whose Units are administered by such financial intermediary, and who wish to change financial intermediary must notify the Central Administration and provide the name and contact details of the new financial intermediary as soon as possible prior to such change and, in any event, twenty (20) Business Days before such change becomes effective.

The Fund recognises only one owner per Unit and the Units are indivisible with regard to the Fund.

Limited Partners or their successors (*ayants-droits*) (i) holding one or more Units through a joint securities account (*compte-titres joint*) or undivided securities account (*compte-titres indivis*), (ii) owning jointly undivided interests in Units (*en indivision*), or (iii) whose ownership of the Units is disputed, must appoint a sole attorney to represent such shareholding in dealings with the Fund.

The failure to appoint such attorney shall result in a suspension of all rights attached to the Units.

In the event the ownership of Units is dismembered (*démembrée*), the right to vote attached to a Unit belongs to the beneficial owner (*usufruitier*) with respect to collective decisions of the Limited Partners relating to the allocation of results (*affectation des bénéfices*) of the Fund, in accordance with Article 14, and to the bare owner (*nu-propriétaire*) with respect to all other collective decisions of the Limited Partners. However, the owners of Units may agree among themselves to any other allocation of the exercise of voting rights with respect to collective decisions of the Limited Partners. In such a case, they must notify their agreement to the Fund, and the Fund is required to comply with this agreement with respect to any collective decision of the Limited Partners occurring after the expiration of a one (1) month period commencing on the date the notification was received.

Notwithstanding the above, the bare owner and the beneficial owner of a Unit have the right to participate in the collective decisions of the Limited Partners.

The bare owner of a Unit is also entitled to the repayment of contributions, to the distribution of reserves and to the allocation of the liquidation surplus.

Each Limited Partner shall become a party and adhere to this LPA automatically upon the subscription for, or the acquisition of, Units.

9.3 Minimum commitment

Each Limited Partner (other than the Initial Limited Partner) undertakes to make an initial investment in the Fund in an amount which cannot be lower than twenty-five thousand (25,000) Euros, provided that lesser amounts may be accepted or the equivalent amount in another admitted currency may be accepted, subject to such higher initial subscription amounts as required for a Limited Partner's eligibility under applicable law, as provided in the subscription documents. Certain sub-distributors, countries and/or Classes of Units may have higher minimums. Notwithstanding anything to the contrary in this LPA, the Fund may accept, delay acceptance or reject subscriptions in its sole discretion, including choosing to reject or delay acceptance of all subscriptions for a given subscription period, which could result in subscriptions being accepted on a day other than the first or the 16^{th} calendar day of the month (as applicable).

Limited Partners may subscribe to the Fund *via* a nominee or an omnibus account. The investments made by any nominee or omnibus account will not be aggregated in order to determine a Limited Partner’s eligibility for a specific Class or its minimum initial subscription.

9.4 Subscription of Units

Subscriptions to purchase Units will generally be accepted, and Units will be issued, as of the first and 16^{th} calendar day of each month (each, a "**Subscription Date**"). Subscriptions to purchase Units must be received in good order by 5 p.m. Central European Time on (i) the last Business Day before the applicable Subscription Date for Class INS Units or (ii) the penultimate Business Day before the applicable Subscription Date for Class A Units and Class I Units. For instance, if Limited Partners intend to have their respective subscriptions of Units accepted as of October 1^{st}, the relevant Limited Partners must subscribe for Units from September 16^{th} and up to 5 p.m. Central

European Time on (i) September 30th (or if September 30th is not a Business Day, the preceding Business Day) for Class INS Units or (ii) September 29th (if such date was the second to last Business Day of September) for Class A Units and Class I Units. To be accepted, a subscription request must be made with a completed and executed subscription document in good order, including (a) satisfying any additional requirements imposed by the subscriber's broker-dealer, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Fund or its agent, and (c) payment of the full purchase price of the Units being subscribed which will be kept in escrow until the subscription is accepted and effective as of the Subscription Date. For the avoidance of doubt, the AIFM shall retain the right to accept or refuse subscription requests in its entire discretion and, in particular, the AIFM may decide to accept subscription requests which do not fulfil the conditions set out in this paragraph.

The purchase price *per* Unit for a Subscription Date (i) as of the 16th calendar day of the applicable month will be equal to the NAV *per* Unit calculated as of the 15th calendar day of such month and (ii) as of the first calendar day of the applicable month will be equal to the NAV *per* Unit calculated as of the last calendar day of the immediately preceding month (for an October 1st Subscription Date, September 30th as per the example above). In connection with a purchase of Units, Limited Partners may also be required to pay Subscription Fees to their financial intermediary which will be in addition to the purchase price of the Units. Until the Fund has determined its first NAV, which is expected to be as of the 15th calendar day of the first month after the Fund has accepted third party investors, the subscription price for Units will be €10.00 plus applicable Subscription Fees. Late subscription orders will be automatically submitted for the next available Subscription Date, unless such subscription order is withdrawn or revoked before 5 p.m. Central European Time on (i) the last Business Day before such Subscription Date with respect to Class INS Units or (ii) the penultimate Business Day before such Subscription Date with respect to Class A Units and Class I Units (in each case, subject to the AIFM’s discretion to accept after such time).

The NAV per Unit will be available by the 6th Business Day following a Valuation Date. Prospective Limited Partners acknowledge therefore that they will not know the NAV *per* Unit of their investment until after the investment has been accepted. Prospective Limited Partners are required to subscribe for a euro amount and the number of Units that such investor receives will subsequently be determined based on the NAV *per* Unit as of the time such investment was accepted by the Fund (e.g., the subscription of Units requested by a Limited Partner from September 16th until (i) September 30th (or if September 30th is not a Business Day, the preceding Business Day) for Class INS Units or (ii) September 29th (if such date was the second to last Business Day of September) for Class A Units and Class I Units, in each case at 5 p.m. CET shall be accepted and effective as of October 1st). Such Limited Partner's investment will be based on the Fund’s NAV as of September 30th of such year, and such Limited Partner will learn of such NAV and the corresponding number of units represented by its subscription by the 6th following Business Day.

9.5 Classes of Units

9.5.1 Units

The following Classes of Units ("**Classes**") are open to Limited Partners in the Fund:

Class	Currency	Type of Unit
$I_{D\text{-}EUR}$	EUR	Distributing
$I_{A\text{-}EUR}$	EUR	Accumulating
$A_{D\text{-}EUR}$	EUR	Distributing
$A_{A\text{-}EUR}$	EUR	Accumulating
$INS_{D\text{-}EUR}$	EUR	Distributing
$INS_{A\text{-}EUR}$	EUR	Accumulating

Class A_A, Class I_A and Class INS_A Units are "**Accumulation Sub-Class**" Units and Class A_D, Class I_D and Class INS_D Units are "**Distribution Sub-Class**" Units. Limited Partners that subscribe for Distribution Sub-Class Units will receive in cash any distributions that the Fund pays in respect of such Units. In contrast, Limited Partners that subscribe for Accumulation Sub-Class Units will, in lieu of receiving cash distributions, have any such amounts reflected in the NAV of each Sub-Class. In each case, distributions (whether in cash to the Limited Partners that subscribe for Distribution Sub-Class Units or reflected in the NAV of the Units held by the Limited Partners that subscribe for Accumulation Sub-Class Units) are made in the discretion of the AIFM or its delegate and are subject to reasonable reserves for the payment of a pro rata portion of Fund Expenses and other obligations of the Fund attributable to such Units (including Rebates), and subject to allocating any required tax withholdings (or taxes paid or withheld with respect to such distributions from BPPE). If a Limited Partner does not indicate on its subscription document whether it is subscribing for Accumulation Sub-Class Units or Distribution Sub-Class Units, the Limited Partner's subscription will be for the Accumulation Sub-Class Units of the relevant Class.

Class I Units are generally available to investors who have account-based fee arrangements, known as advisory/wrap accounts, discretionary managed accounts, or comparable fee arrangements with their financial intermediary. Class I Units may also be available to employees of Blackstone and their family members investing directly into the Fund, investors in markets with legal prohibition on payment of limited partner servicing and similar fees, and other categories of investors as determined by the Portfolio Manager in its sole discretion.

Class INS Units are eligible for (i) insurance companies subscribing for their own accounts or as part of representing commitments in unit-linked life insurance and capitalisation contracts of their adherents/subscribers, but also (ii) to such adherents/subscribers and beneficiaries of life insurance and capitalisation contracts in the context of remittance of Units made in accordance with the second paragraph of Article L. 131-1 of the French Insurance Code (*Code des assurances*).

Class A Units are available to all other investors.

Notwithstanding the foregoing, the Fund shall have full discretion to allocate the subscription of any Limited Partner to any Class of Units in order to reflect, *inter alia*, the subscription by investors through a Parallel Entity.

Except as otherwise described herein, the terms of each Class of Units are identical. The AIFM or its delegate has the authority to, at any time, create and issue new Classes or types of Units within the Fund at its discretion, with Units having different rights, benefits, powers or duties and terms, including with respect to fees, distributions and liquidity.

9.5.2 GP Unit

The rights of the General Partner are represented by one (1) General Partner's Unit (*part d'associé commandité*) (the "**GP Unit**").

9.6 Conversion of Units

Conversions of Units between Classes in the Fund are allowed on a monthly basis. The AIFM may suspend conversions in respect of Units during any period that the determination of the NAV of the relevant Class is suspended in accordance with the rules set out in the LPA.

9.6.1 Conversion at the request of the Limited Partners

A Limited Partner may request the conversion of all or part of its Units of a Class on the first calendar day of the month (a "**Conversion Date**"); provided that the Limited Partner fulfils the eligibility criteria of the relevant Class into which the conversion is requested and subject to the written consent of the Limited Partner's broker or other financial intermediary, if applicable, and the AIFM or its delegate.

9.6.2 Procedure

Written conversion orders should be sent to the Central Administration at least 15 Business Days before the relevant Conversion Date (the "**Conversion Cut-off**").

All conversion orders must contain the following information:

- the applicable Conversion Date in respect of which the conversion request is made;
- the full name(s) in which the Units to be converted are registered;

- the Class and its ISIN code from which Units are to be converted and the Class and its ISIN code to which Units will be converted; and

- either the monetary amount or the number of Units to be converted.

If accepted, conversion orders received by the Central Administration before the relevant Conversion Date in respect of which the conversion order is made will be dealt with on such Conversion Date on the basis of the NAV of the relevant Classes prevailing on that Conversion Date.

Any conversion orders received after the Conversion Cut-off for a Conversion Date will be processed on the next applicable Conversion Date on the basis of the NAV of the relevant Classes prevailing on such Conversion Date.

The rate at which all or part of the Units of one Class (the "**Initial Class**") are converted into another Class (the "**New Class**") is determined in accordance with the following formula:

$$A = \frac{B \times C \times D}{E}$$

where:

A is the number of Units to be allocated in the New Class;

B is the number of Units of the Initial Class to be converted;

C is the NAV per Unit of the Initial Class determined on the relevant Conversion Date;

D the currency conversion factor, which is the relevant currency rate as at the respective Conversion Date, or where the Units of the New Class are denominated in the same currency of the Initial Class, D = 1; and

E is the NAV per Units of the New Class determined on the relevant Conversion Date.

Following such conversion of Units, the Central Administration will inform the respective Limited Partner of the number of Units of the New Class obtained by conversion and the price thereof. Fractions of Units in the New Class to four decimal places may be issued.

9.6.3 Conversion by decision of the Fund

The Fund or its delegate may in its own discretion at any time convert Units from one Class into another Class of Units where (i) a Limited Partner ceases to meet eligibility criteria and conditions set out to be considered a Qualified Investor, (ii) Limited Partners are not otherwise entitled to acquire or possess these Units, or (iii) the Fund or its delegate determines that such conversion is necessary or advisable and not inequitable to the Limited Partners.

The procedure set out in article 9.6.2 above will apply accordingly.

9.7 Inscription on a register and form of the Units

9.7.1 Units will be issued in either fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*), as follows.

9.7.2 Units circulating through Euroclear France

The Units admitted on a settlement platform shall be registered in administered registered form (*au nominatif administré*). The different Units are registered on a list held by the Depositary and are thus clearly identifiable.

The Units are negotiable.

Fractions of Units to four decimal places will be issued.

9.7.3 Units circulating outside of Euroclear France

The Units are registered on a list held by the Depositary. The different Units are thus clearly identifiable.

Units may, at the option of the relevant Limited Partner, be registered in either fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

The Units are negotiable.

Fractions of Units to four decimal places will be issued.

9.7.4 GP Unit

The GP Unit is registered on a list held by the Depositary.

The GP Unit is issued in registered form and is non-negotiable.

9.8 Rights attached to the Units

9.8.1 Units

Each Unit entitles its holder to one (1) vote when participating in the Voting Matters under the conditions set out in this LPA and pursuant to applicable regulations. Fractions of Units are not entitled to vote.

9.8.2 GP Unit

The GP Unit is a share entitling its holder to the reimbursement of its paid-up amount pursuant to Article 13.

The GP Unit entitles its holder to the right to give its prior consent on certain matters as set out in the LPA and to participate in the Voting Matters under the conditions set out in this LPA and pursuant to applicable regulations.

10. PAYMENT OF THE PURCHASE PRICE

10.1 By subscribing for Units, each Limited Partner irrevocably undertakes to pay the purchase price of such Units prior to the date on which such subscription is accepted.

10.2 Payment is made by wire transfer, to the centralisation account of the Fund opened with the Depositary, except for Units for which the payment and settlement will be made simultaneously through a settlement platform.

10.3 Subject to the provisions of Article 9.4 above and in consideration for payment of the purchase price of the Units, the Fund shall issue to the Limited Partners all the Units, fully paid-up, for which they have subscribed.

11. TRANSFER OF UNITS

Limited Partners may transfer part or all their Units upon prior consent from the General Partner or its delegate, in their sole discretion, which shall be provided within 15 calendar days from its notification including in case of remittance of Units made in accordance with the second paragraph of Article L. 131-1 of the French Insurance Code (*Code des assurances*). The absence of a favourable response within 15 calendar days shall be considered as a refusal to such transfer.

The General Partner or its delegate may request any additional information on the contemplated transfer and the proposed transferee before accepting such request in its sole discretion.

The transferor and the transferee shall complete and execute the transfer forms provided to them by the General Partner or its delegate in the context of such transfer.

The AIFM shall ensure that any transferee must (i) be a Qualified Investor and (ii) provide the Fund with a duly completed subscription document, any required AML/KYC documents and any additional information or documentation as requested by the AIFM or its delegate in connection with the transfer and by the transferee's broker or financial intermediary, as applicable.

In addition, but without limitation to the General Partner’s or its delegate’s discretion, a transfer may be rejected if:

(a) the transferee is not a Qualified Investor;

(b) such transfer results in a violation of the LPA or of applicable laws or any other regulations, including French laws on securities and Federal or State laws of the United States of America relative to the mandatory registration of public securities offerings;

(c) as a result of such transfer, the Fund or the AIFM and/or the Corporate Manager would be required to register as an "Investment Company" under the United States of America Investment Company Act of 1940, as amended;

(d) as a result of such transfer, the Fund Assets are considered "Plan Assets" with respect to ERISA; and

(e) such transfer would cause the Fund to be classified as a "publicly traded partnership" for United States of America Federal income tax purposes.

In compliance with limb 2 of Article L. 131-1 of the French Insurance Code (*Code des assurances*), in case of redemption of a commitment expressed as units of account of a life-insurance or capitalisation contract by remittance of Units, such Units shall not grant voting rights and shall be automatically converted, as from the date of redemption and not on a Conversion Date, to a newly created Class of Units having the same rights as the initial Units, except that such new Class of Units shall not have voting rights. Any recipient of such Units must be a Qualified Investor. The Fund shall be reimbursed by the recipient of such Units for all of the costs incurred in relation to the creation and issuance of such Units.

In any case, the holder of such newly issued Units shall nonetheless be entitled to receipt of any oral or written communication issued by the AIFM with respect to any amendment of the LPA.

The Fund shall be reimbursed by the transferor for all of the costs incurred in relation to a transfer of Units. The AIFM may also receive compensation from the transferor, negotiated by mutual consent, if the transferor requires its assistance in seeking a transferee for its Units.

The AIFM shall inform the Depositary of any transfer of Units for the purposes of updating the register of the Units of the Fund.

12. TRANSFER OF THE GP UNIT

The GP Unit may only be transferred to a member of Blackstone.

Any transfer of the General Partner's GP Unit shall be made in writing, pursuant to the conditions of Article L. 214-162-8 IV of the French Monetary and Financial Code.

13. DISTRIBUTIONS

13.1 Distribution policy and reinvestment

The Fund intends to declare monthly distributions as authorized by the AIFM and pay such distributions to the Limited Partners holding $A_{D\text{-}EUR}$, $I_{D\text{-}EUR}$ and $INS_{D\text{-}EUR}$ Units on a monthly basis. The equivalent value of distributions, in lieu of receiving cash, will be reflected in the NAV of Class $A_{A\text{-}EUR}$, Class $I_{A\text{-}EUR}$ and Class $INS_{A\text{-}EUR}$ Units. The Fund expects the record date for the monthly dividends to generally occur on the penultimate Business Day of the month. Any distributions the Fund makes shall take into account factors such as earnings, cash flow, capital needs, taxes and general financial condition and the requirements of applicable law. As a result, the Fund's distribution rates and payment frequency may vary from time to time. There is no assurance the Fund will pay distributions in any particular amount, if at all. Any declaration of distributions to the Limited Partners will be made in accordance with applicable law.

The *per* Unit amount of distributions on Class A Units, Class I Units and Class INS Units will generally differ because of different Class-specific Rebates that are deducted from the gross distributions for each Class and have an impact on the portion of the Management Fee attributable to the Rebate as provided for in Article 27.1.1.

Specifically, distributions on Class A Units and Class INS Units will be lower than Class I Units because the Fund is required to pay higher ongoing Rebates with respect to the Class A Units and Class INS Units compared to Class I Units.

Limited Partners holding Units with a functional currency other than euro acknowledge that they are exposed to fluctuations of the euro foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed.

13.2 Distribution of Assets

Distributions of assets, if any, may be made in cash or in kind in compliance with the provisions of this LPA and applicable laws and regulations.

14. DETERMINATION AND ALLOCATION OF RESULT

The result, the net income and the distributable amounts of the Fund with respect to an Accounting Period are determined and may be distributed in accordance with articles L. 214-24-50 and L. 214-24-51 of the French Monetary and Financial Code.

The AIFM may decide during the Accounting Period to make one or more interim distributions.

The AIFM may also capitalise all or part of the distributable amounts in order to incorporate such amounts into the Fund Assets.

For the purposes of this Article, the amount of income distributed to each Limited Partner shall be deemed to be the share of the distributable amounts paid to that Limited Partner, plus any French or FATCA tax withheld therefrom. In addition, to the extent that the Fund has received income which has been subject to withholding or is entitled to any form of tax credit, the amount of income distributed to any Limited Partner shall be deemed to be the aggregate of the distributable amounts plus any tax credit to which the Limited Partner is entitled.

15. REDEMPTION OF UNITS

A Limited Partner may request to have some or all of its Units redeemed by the Fund (a "**Redemption Request**") as of the closing of the last calendar day of each month (each a "**Redemption Date**") by submitting a notice to the Fund, in a form satisfactory to the Fund, that the Limited Partner requests a certain number of its Units be redeemed by the Fund (the "**Redemption Notice**") by 5 p.m. Central European Time on or before the close of business on the first Business Day of such month; provided that late notices may be accepted in the AIFM's sole discretion. Once a Redemption Notice has been submitted, the Limited Partner may withdraw or revoke the Redemption Request with the AIFM's consent until 5 p.m. Central European Time on the last Business Day before the Redemption Date (subject to the AIFM's discretion to accept after such time).

Amounts distributed in connection with a redemption will be based upon the NAV *per* Unit of the applicable Class of Units being redeemed as of the last calendar day of the applicable month. The Fund expects that settlements of Units redemptions will generally be made within 60 calendar days of the Redemption Date. Limited Partners whose Redemption Requests are accepted will cease to be Limited Partners as of such Redemption Date and will therefore cease to be entitled to the rights of a Limited

Partner as of such date, including the right to receive distributions, and will not be entitled to interest on redemption payments. The aggregate NAV of total redemptions (on an aggregate basis (without duplication) across BEPIF, including redemptions at all Parallel Entities, the BEPIF Aggregator and BEPIF Feeder SICAV, but excluding any Early Redemption Deduction applicable to the redeemed Units) is generally limited to 2% of aggregate NAV *per* month of all Parallel Entities and the BEPIF Aggregator (measured using the aggregate NAV as of the end of the immediately preceding month) and 5% of such aggregate NAV *per* calendar quarter (measured using the average of such aggregate NAV as of the end of the immediately preceding three months).

The Fund may make exceptions to, modify or suspend, in whole or in part, the redemption program if in its reasonable judgment it deems such action to be in BEPIF's best interest and the best interest of BEPIF's investors, such as when redemptions of Units would place an undue burden on BEPIF's liquidity, adversely affect BEPIF's operations, risk having an adverse impact on BEPIF that would outweigh the benefit of redemptions of Units or as a result of legal or regulatory changes. Material modifications, including any amendment to the 2% monthly or 5% quarterly limitations on redemptions and suspensions of the redemption program will be promptly disclosed to Limited Partners. If the redemption program is suspended, the Fund will be required to evaluate on a monthly basis whether the continued suspension of the redemption program is in BEPIF's best interest and the best interest of BEPIF's investors.

Each Redemption Request will be made at the NAV *per* Unit of the applicable Class of Units as of the last Valuation Date of the applicable month. Limited Partners therefore acknowledge that they will not know the NAV *per* Unit, and therefore the amount of their redemption, until approximately 6 Business Days after the Redemption Date. Because investors must submit Redemption Requests on the first day of the month of a Redemption Date, they also acknowledge that they will not know the NAV *per* Unit for the month preceding the Redemption Date at the time their Redemption Request is submitted.

In the event that, pursuant to the foregoing limitations, not all of the Units submitted for redemption during a given month are to be accepted for redemption by the Fund, Units submitted for redemption during such month will be redeemed on a pro rata basis (measured on an aggregate basis (without duplication) across BEPIF if applicable). All unsatisfied Redemption Requests will be automatically resubmitted for the next available Redemption Date, unless such a Redemption Request is withdrawn or revoked by a Limited Partner before such Redemption Date in the manner as described above.

Early Redemption Deduction

Any request for the redemption of Units as of a date within one year of the date immediately preceding the effective subscription date of such Units will be subject to an early redemption deduction equal to 5% of the value of the NAV of the Units being redeemed (calculated as of the Redemption Date) (the "**Early Redemption Deduction**") for the benefit of the BEPIF Aggregator.

The Early Redemption Deduction will inure indirectly to the benefit of the BEPIF Aggregator (and indirectly the Fund and all other vehicles invested in the BEPIF Aggregator). The Fund may, from time to time, waive the Early Redemption Deduction in its discretion, including without limitation in the case of redemptions resulting from death, qualifying disability or divorce.

All questions as to the applicability of the Early Redemption Deduction to specific facts and the validity, form, eligibility (including time of receipt of required documents) of a qualification for an exemption from the Early Redemption Deduction will be determined by the AIFM, in its sole discretion, and its determination shall be final and binding.

Compulsory Redemption with regard to Prohibited Persons

If the AIFM discovers at any time that any owner or beneficial owner of the Units is a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the AIFM or its delegate may at its discretion and without liability, compulsorily redeem the Units in accordance with the LPA, and upon redemption, the Prohibited Person will cease to be the owner of those Units. For the avoidance of doubt, in the case of a Limited Partner holding Units which can be allocated to several beneficial owners, such compulsory redemption may only be applied to the part of the portion of such Units allocable to the beneficial owner qualifying as a Prohibited Person.

In addition, in the case of a Prohibited Person where (i) the holding by such Limited Partner in a particular Class ceases to meet investor eligibility criteria to be considered a Qualified Investor or (ii) Limited Partners are not otherwise entitled to acquire or possess these Units, the AIFM or its delegate is also entitled to convert the Units of the Prohibited Person provided that after such conversion the Limited Partner no longer qualifies as a Prohibited Person.

The AIFM or its delegate may require any Limited Partner to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Units is or will be a Prohibited Person.

The Limited Partners agree that they will immediately inform the AIFM to the extent the ultimate beneficial owner of the Units held by such Limited Partners becomes or will become a Prohibited Person.

16. NET ASSET VALUE OF THE UNITS

The NAV provisions are set out in Article 1 of Annex 2.

17. PORTFOLIO VALUATION

The portfolio valuation provisions are set out in Article 2 of Annex 2.

18. CORPORATE MANAGER

FundRock France AM S.A.S., a French law governed *société par actions simplifiée,* registered with the Trade and Companies Register under number 888 655 826, having its registered office at 63 avenue des Champs-Elysées – 75008 Paris, is the first Corporate Manager of the Fund.

The appointment of the Corporate Manager may be terminated at any time, and any subsequent Corporate Manager appointed, by a decision of the General Partner in its sole discretion.

The Corporate Manager appoints and supervises the AIFM in the context of the duties assigned to it as external alternative investment fund manager of the Fund.

All powers, including the powers of representation, not expressly reserved by laws and regulations or by this LPA shall remain with the Corporate Manager.

Pursuant to Article L. 214-162-2 of the French Monetary and Financial Code, the investment and risk management powers and duties regarding the Fund are hereby delegated to the AIFM, which shall have the power to take all decisions concerning the management of the portfolio, including the power of representation of the Fund for this purpose, subject to the powers and duties delegated to the Investment Manager.

19. AIFM

FundRock France AM S.A.S., a French law governed *société par actions simplifiée*, registered with the Trade and Companies Register under number 888 655 826, having its registered office at 63 avenue des Champs-Elysées – 75008 Paris, approved as a portfolio management company and manager of alternative investment funds (AIFM) by the AMF under number GP-21000009, is hereby appointed to act as alternative investment fund manager (AIFM) within the meaning of the AIFM Directive and will also act as Corporate Manager of the Fund.

The AIFM is licensed in accordance with the AIFM Directive. Pursuant to Article 317-2 of the AMF General Regulation, the AIFM has established, to cover any potential professional liability risks resulting from alternative investment funds management activities, additional own funds of an amount sufficient to cover potential liability risks arising from professional negligence.

Pursuant to Article L. 214-162-2 of the French Monetary and Financial Code, the Fund delegates globally to the AIFM the investment and risk management functions. The AIFM has in turn delegated the portfolio management function to the Investment Manager.

20. INVESTMENT MANAGER

Blackstone Property Advisors, L.P., a Delaware limited partnership, with registered office at c/o Intertrust Corporate Services Delaware Ltd., 200 Bellevue Parkway, Suite 210, Bellevue Park Corporate Center, Wilmington, Delaware 19809, registered with the U.S. Securities and Exchange Commission (the "**SEC**") as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended from time to time (the "**Advisers Act**"), has been appointed to act as Investment Manager of the Fund by the AIFM.

The Investment Manager has discretion to make Investments on behalf of the Fund and is responsible for initiating, structuring, and negotiating the Fund’s Investments. The Investment Manager has the power to manage the Fund and to determine the investment objectives and investment strategy and the course of conduct of the management and business affairs of the Fund, pursuant to the delegation agreement and in compliance with the provisions of this LPA and applicable laws and regulations.

In consideration for such services, the Investment Manager will be entitled to receive the Management Fee payable by the Fund or another entity for which they are acting in such capacity. The Management Fee is further described in Article 27.1.1.

21. GLOBAL DISTRIBUTOR

The AIFM or one of its Affiliates, in its capacity as the "**Global Distributor**", will appoint the Investment Manager in order to manage the global distribution of the offering of the Fund with respect to professional investors as defined by Article L. 533-16 of the French Monetary and Financial Code. The AIFM or one of its Affiliates agrees to, among other things, appoint the Investment Manager in order to manage the Fund's relationships with third-party registered investment advisers and broker-dealers engaged to participate in the distribution of Units other than with respect to French Qualified Investors which are not professional investors. The AIFM or one of its Affiliates will also appoint the Investment Manager to coordinate the Fund's marketing and distribution efforts with participating broker-dealers and their registered representatives with respect to communications related to the terms of the offering, investment strategies, material aspects of operations and subscription procedures, it being understood that the Investment Manager shall not render regulated financial services in European Union in relation thereto.

22. GENERAL PARTNER

The General Partner shall have such powers, duties and responsibilities as provided for in the LPA, subject to applicable laws and regulations.

The General Partner shall have no power to manage the Fund and shall not be entitled to participate in the administration and investment decisions of the Fund, unless otherwise specified in the LPA.

23. EXCLUSIVITY

The functions and duties which the Corporate Manager, the AIFM, the Investment Manager and/or any of their Affiliates undertake in respect of the Fund or any Investments will not be exclusive and they may perform similar functions and duties for themselves and for others and, without limitation, may act as manager, investment advisor or general partner (or equivalent) in respect of other funds, accounts or other products.

24. INDEPENDENT COMMITTEE

An *ad hoc* committee, composed of the independent members of the board of BEPIF Feeder SICAV from time to time, will be established at the level of the Fund (the "**Independent Committee**"). If any matter arises that the Investment Manager or the AIFM determines in its good faith judgment constitutes an actual and material conflict of interest, the Investment Manager or the AIFM will take such actions as it determines, in its sole discretion, appropriate to mitigate the conflict, which will be deemed to fully satisfy any fiduciary duties it may have to the Fund or the Limited Partners. Actions that could be taken by the Investment Manager or the AIFM to mitigate a conflict include, by way of example and without limitation, obtaining from the Independent Committee advice, waiver or consent as to the conflict or disclosing the conflict to the Independent Committee.

25. DEPOSITARY AND CENTRAL ADMINISTRATION

The Depositary is RBC Investor Services Bank France S.A., a French law-governed *société anonyme*, pursuant to the terms of a depositary and paying agent agreement entered into between the Fund, the AIFM and the Depositary (the "**Depositary Agreement**"), effective as of the Formation Date.

The Depositary will perform the duties which are the responsibility of the depositary pursuant to applicable laws and regulations as well as the duties which have been contractually assigned to it by the AIFM.

At the end of each Accounting Period, the Depositary shall certify the inventory of assets and liabilities of the Fund drawn up by the Portfolio Manager. At the end of each half-year period, the Depositary shall audit the inventory of assets and liabilities of the Fund. This inspection shall be carried out a posteriori and shall exclude any inspection of opportunity.

Pursuant to Article L. 214-162-4 of the French Monetary and Financial Code, the Depositary shall be responsible for the centralisation of the subscription and redemption orders by delegation and shall act as registrar agent.

The AIFM shall immediately inform the Limited Partners of any change concerning the liability of the Depositary.

As paying agent of the Fund, the Depositary may receive subscriptions from Limited Partners, deposit such payments in the cash accounts of the Fund that may be opened with the Depositary and pay any distributions and/or redemption amounts to the Limited Partners from time to time; provided, that such services may be performed by other financial entities, including Blackstone and its Affiliates, in compliance with applicable law.

RBC Investor & Treasury Services has been appointed as transfer and registrar agent and central administration agent of the Fund (the "**Central Administration**"), pursuant to an investment fund services agreement entered into as of the Formation Date (the "**Administration Agreement**") and effective as of the Formation Date.

The duties of the Central Administration include, *inter alia*, keeping the accounts and holding the books and records of the Fund, maintaining a capital account for each Limited Partner, recording sales and acquisitions of Investments, preparing the annual financial statements of the Fund, maintaining the register of Limited Partners and recording any subscription, withdrawal or transfer of Units in such register. The Central Administration may be assisted by Blackstone and its Affiliates in the performance of any of these services as further specified in the operating memorandum as referred to in the Administration Agreement.

26. STATUTORY AUDITOR AND ADMINISTRATIVE AND ACCOUNTING DELEGATE

26.1 Statutory Auditor

The first Statutory Auditor is Deloitte et Associés S.A.S., a French *société par actions simplifiée* with a share capital of 2,188,160 euros, having its registered office located at 6, place de la Pyramide 92908 Paris – La Défense Cedex, registered under number 572 028 041 R.C.S. Nanterre, as designated by the Corporate Manager for an initial duration of six (6) Accounting Periods.

26.2 Administrative and Accounting Delegate

The AIFM has delegated the administrative and accounting management functions to RBC Investor Services France S.A..

27. FEES AND EXPENSES

27.1 Management Expenses

27.1.1 Management Fee

In consideration for its services, the Investment Manager will be entitled to payment of a Management Fee payable by the Fund, or alternatively and without duplication, by the BEPIF Aggregator and/or the Parallel Entities as of each Valuation Date:

- in respect of Class I Units, equal to in the aggregate 1.25% of such Class's NAV *per* annum, before giving effect to any accruals for the Management Fee, the Performance Participation Allocation, redemptions for that month, any distributions and any impact to NAV for non-euro Unit Classes solely caused by currency fluctuations and/or currency hedging activities;

- in respect of Class A and Class INS Units, equal to in the aggregate 2.00%, comprising:

    - 1.25% of such Class’s NAV per annum, before giving effect to any accruals for the Management Fee, including such portion of the Management Fee attributable to the Rebate, the Performance Participation Allocation, any distributions and any impact to NAV for non-euro Unit Classes solely caused by currency fluctuations and/or currency hedging activities; and

    - 0.75% of such Class’s NAV per annum, before giving effect to accruals attributable to the Rebate, any distributions payable on such Units (as applicable) and any impact to NAV for non-euro Unit Classes solely caused by currency fluctuations and/or currency hedging activities;

  (the "**Management Fee**")

The Investment Manager may elect to receive the Management Fee in cash, Units and/or BEPIF Aggregator units and/or shares or units of Parallel Entities (where applicable). If the Management Fee is paid in Units or BEPIF Aggregator units and/or shares or units of Parallel Entities (where applicable), such Units, shares or units may be redeemed at the Investment Manager's request and will not be subject to any of the limitations set out in Article 15.

The Investment Manager has agreed to waive the Management Fee (excluding the Rebates) for the first six months following October 1, 2021 (i.e., the date on which BEPIF first accepted subscriptions for this offering.

A VAT exemption currently applies to management services for the Fund. This exemption may not apply to Parallel Vehicles.

27.1.2 Performance Participation Allocation

Blackstone European Property Income Fund Associates LP, the BEPIF Aggregator's special limited partner, or any other entity so designated by the general partner of the BEPIF Aggregator (the "**Recipient**") is allocated a performance participation (the "**Performance Participation Allocation**") by the BEPIF Aggregator equal to 12.5% of Total Return subject to a 5% annual Hurdle Amount and a High Water Mark with 100% Catch-Up. Such allocation (i) for the first time, will be measured for the Initial Reference Period, and will be payable on 30 June 2022 and accrue monthly, and (ii) thereafter, will be measured on a calendar year basis (ending on 31 December), and will be payable quarterly and accrue monthly (subject to pro-rating for partial periods including the period from 1 July 2022 to 31 December 2022).

Specifically, the Recipient is allocated a Performance Participation Allocation in an amount equal to:

(i) First, if the Total Return for the applicable period exceeds the sum of (i) the Hurdle Amount for that period and (ii) the Loss Carryforward Amount (any such excess, "**Excess Profits**"), 100% of such annual Excess Profits until the total amount allocated to the Recipient equals 12.5% of the sum of (x) the Hurdle Amount for that period and (y) any amount allocated to the Recipient pursuant to this clause (this is commonly referred to as a "**Catch-Up**"); and

(ii) Second, to the extent there are remaining Excess Profits, 12.5% of such remaining Excess Profits.

The Recipient will also be allocated a Performance Participation Allocation with respect to all BEPIF Aggregator units that are redeemed (or that would have been redeemed if the Fund redeemed BEPIF Aggregator units in order to fund the redemption of Units) in connection with redemptions of Units in an amount calculated as described above with the relevant period being the portion of the Reference Period for which such unit was outstanding, and proceeds for any such unit redemption is reduced by the amount of any such Performance Participation Allocation.

The Recipient may elect to receive the Performance Participation Allocation in cash, Units and/or BEPIF Aggregator units. If the Performance Participation Allocation is paid in Units or BEPIF Aggregator units, such Units or units may be redeemed at the Recipient's request and will be subject to the volume limitations in Article 15 above but not the Early Redemption Deduction.

Except as described in the Loss Carryforward Amount definition, any amount by which Total Return falls below the Hurdle Amount will not be carried forward to subsequent periods.

Except as noted below with respect to a Quarterly Shortfall, the Recipient will not be obligated to return any portion of the Performance Participation Allocation paid due to the subsequent performance of the Fund.

If there are any BEPIF Aggregator Parallel Vehicles, the Performance Participation Allocation, Total Return, Hurdle Amount and Loss Carryforward Amount will be measured using the BEPIF Aggregator and such BEPIF Aggregator Parallel Vehicles measured on a combined basis.

For each Reference Period after the Initial Reference Period, promptly following the end of each calendar quarter that is not also the end of a calendar year, the Recipient will be entitled to a Performance Participation Allocation as described above calculated in respect of the portion of the year to date, less any Performance Participation Allocation received with respect to prior quarters in that year (the "**Quarterly Allocation**"). After the Initial Reference Period, the Performance Participation Allocation that the Recipient is entitled to receive at the end of each calendar year will be reduced by the cumulative amount of Quarterly Allocations that year. If a Quarterly Allocation is made and at the end of a subsequent calendar quarter in the same calendar year the Recipient is entitled to a lesser amount than the previously received Quarterly Allocation(s) (a "**Quarterly Shortfall**"), then subsequent distributions of any Quarterly Allocations or year-end Performance Participation Allocations in that calendar year will be reduced by an amount equal to such Quarterly Shortfall, until such time as no Quarterly Shortfall remains. If all or any portion of a Quarterly Shortfall remains the end of a calendar year following the application described in the previous sentence, distributions of any Quarterly Allocations and year-end Performance Participation Allocations in the subsequent four calendar years will be reduced by (i) the remaining Quarterly Shortfall plus (ii) an annual rate of 5% on the remaining Quarterly Shortfall measured from the first day of the calendar year following the year in which the Quarterly Shortfall arose and compounded quarterly (collectively, the "**Quarterly Shortfall Obligation**") until such time as no Quarterly Shortfall Obligation remains; *provided*, that the Recipient (or any of its affiliates) may make a full or partial cash payment to reduce the Quarterly Shortfall Obligation at any time; *provided*, further, that if any Quarterly Shortfall Obligation remains following such subsequent four calendar years, then the Recipient (or any of its affiliates) will promptly pay the BEPIF Aggregator the remaining Quarterly Shortfall Obligation in cash. For the period from 1 July 2022 to 31 December 2022, all the references to "year" in this paragraph shall be construed as references to the prorated period.

27.1.3 Remuneration of the Depositary, the Statutory Auditor and the Administrative and Accounting Delegate

The aggregate annual remunerations of the Depositary, the Statutory Auditor and the Administrative and Accounting Delegate borne by the Fund is generally expected to be an amount no more than 0.1% of the NAV and they may be subject to revisions from time to time.

27.1.4 AIFM Fee

In consideration for its services as alternative investment fund manager and manager (*gérant*) of the Fund, the AIFM will be entitled to payment of an AIFM fee (the "**AIFM Fee**") payable by the Fund of an amount generally expected to be no more than 0.05% of the NAV annually and subject to revision from time to time.

The AIFM has not opted to make the AIFM Fee subject to VAT. In the event that the AIFM Fee becomes subject to VAT following a decision of the AIFM to make the AIFM Fee subject to VAT, the cost will be borne by the AIFM.

27.1.5 General Partner Fee

The Fund will pay to the General Partner an annual amount equal to the higher of (i) €10,000 or (ii) an amount equal to the sum of (x) the out-of-pocket costs (including ongoing expenses) incurred by the General Partner during the applicable year and (y) 10% thereof.

27.2 Fund Expenses

The Fund will bear all expenses of its operations (including the proportion of expenses of the BEPIF Aggregator attributable to the Fund), including, without limitation, the AIFM Fee, any taxes, costs of obtaining non-U.S. tax receipts, fees and expenses for and/or relating to attorneys (including compensation costs specifically charged or specifically allocated or attributed by the Investment Manager or its Affiliates to the Fund or its portfolio entities with respect to in-house attorneys to provide transactional legal advice and/or services to the Fund or its portfolio entities on matters related to potential or actual investments and transactions; provided, that any such compensation costs shall not be greater than what would be paid to, or duplicative of services provided by (as determined by the Investment Manager in good faith), an unaffiliated third party for substantially similar advice and/or services), accountants, auditors, administrative agents, paying agents, depositaries, advisors, consultants, fund administrators and custodians, investment bankers, prime brokers and other third-party professionals, valuation costs, expenses associated with withdrawals and admissions on an ongoing basis, expenses of offering Units and units of any Parallel Entity (including expenses associated with updating the offering materials, expenses associated with printing such materials, travel expenses relating to the ongoing offering of Units), expenses relating to compliance-related matters and regulatory filings relating to the Fund's or any Parallel Entities' activities (including, without limitation, (i) expenses relating to the preparation and filing of Form PF, Form ADV (with respect to the Investment Manager), reports to be filed with the U.S. Commodity Futures Trading Commission (the "**CFTC**"), the CSSF, the AMF or other Luxembourg or French authorities, reports, filings, disclosures and notices prepared in connection with the laws and/or regulations of jurisdictions in which the Fund or any Parallel Entity engages in activities, including any notices, reports and/or filings required under the AIFM Directive, the European Union Sustainable Finance Disclosure Regulation and any other applicable legislation or regulations related to the European Commission's Action Plan on Financing Sustainable Growth ("**SFDR**") and any related regulations, and other regulatory filings, notices or disclosures of the Investment Manager and/or its Affiliates relating to the Fund, the Parallel Entities and their activities, and (ii) expenses, related costs and fees charged or specifically attributed or allocated by the Investment Manager or its Affiliates to provide administrative and/or accounting services to the Fund and Parallel Entities or any portfolio entity of any of them (including overhead related thereto), and expenses, charges and/or related costs incurred by the Fund, the Investment Manager or its Affiliates in connection with such provision of administrative and/or accounting services to the Fund; provided, that any such expenses, fees, charges or related costs shall not be greater than what would be paid to an unaffiliated third party for substantially similar services), expenses of any advisors, expenses of any consultants, brokerage commissions, the cost of borrowings, guarantees and other financing (including interest, fees and related legal expenses), fees, costs and expenses related to the organization or maintenance of any entity used to acquire, hold or dispose of any one or more Investment(s) or otherwise facilitating the Fund's investment activities, including without limitation any travel and accommodation expenses related to such entity and the salary and benefits of any personnel (including personnel of the Investment Manager or its Affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity, or other overhead expenses in connection therewith, expenses associated with the Fund's compliance with applicable laws and regulations, including news and quotation equipment and services, reporting, printing and publishing expenses; reporting-related expenses (including other notices and communications), including preparation of financial statements, tax returns and other communications or notices relating to the Fund, expenses of loan servicers and other service providers, expenses of the Corporate Manager, expenses and fees of any non-affiliated representative of the Fund, expenses of any annual meeting of the Fund, expenses associated with auditing, research, reporting and technology, expenses relating to the maintenance of any website, data room or communication medium used in relation to the Fund (including for the hosting of constitutional documents or any other documents to be communicated to Limited Partners, prospective investors or third parties), expenses and any placement fees payable to a placement agent in respect of the subscription by Limited Partners admitted through a placement agent (to the extent such fees or expenses are not borne by such Limited Partners directly), expenses for accounting and audit services (including valuation support services and interim distribution audit fees), account management services, corporate secretarial services, data management services, compliance with data privacy/protection policies and regulation, directorship services, information technology services, finance/budget services, human resources, judicial processes, legal services, operational services, risk management services, tax services, treasury services, loan management services, construction management services, property management services, leasing services, transaction support services, transaction consulting services and other similar operational matters, expenses of the Corporate Manager, expenses of any third-party advisory committees, other expenses associated with the development, negotiation, acquisition, settling, holding, monitoring and disposition of Investments (including, without limitation, sourcing, brokerage, custody or hedging costs and any costs and expenses associated with vehicles through which the Fund directly or indirectly participates in Investments and travel and related expenses in connection with the Fund's investment activities), the costs and expenses of insurance (including title insurance), bank fees, expenses of liquidating and forming Parallel Entities (including any potential Parallel Entities that are not ultimately formed), the costs and expenses of any litigation or settlement involving the Fund or entities in which the Fund holds an Investment or otherwise relating to such Investment and the amount of any judgments or settlements paid in connection therewith; and to the extent not reimbursed by a third party, all third-party expenses incurred in connection with a proposed Investment that is not ultimately made or a proposed disposition that is not actually consummated, and, to the extent not paid by a Parallel Entity or its investors, the fees, costs and expenses of such Parallel Entity (which fees, costs and expenses may be specially allocated to such Parallel Entity), including fees, costs and expenses as described herein applicable to such Parallel Entity (collectively, "**Fund Expenses**"). The costs and expenses associated with the organization, offering and operation of any Parallel Entity may be apportioned to, and borne solely by, the investors participating in such Parallel Entity or be allocated among the Fund and any Parallel Entities as determined by the Investment Manager in its reasonable discretion.

The Fund will bear any extraordinary expenses it may incur, including any litigation expenses.

The Fund will not pay or otherwise bear carried interest, management fees or other incentive compensation paid to the BPPE General Partner or any of its Affiliates with respect to the Fund's Investments into BPPE. For the avoidance of doubt, BEPIF will pay all other fund and investment-related fees and expenses with respect to its Investment in BPPE. However, BEPIF will indirectly bear other expenses of BPPE, including all investment related expenses and expenses paid to Affiliates of the Investment Manager, administrative expenses and other expenses included in the definition of "Fund Expenses" as applicable to BPPE.

An updated description of all fees, charges and expenses and of the maximum amounts thereof (if applicable) which are directly or indirectly borne by the investors is available at the registered office of the AIFM.

To the extent the Management Fee and/or the Performance Participation Allocation may apply at the level of the Fund, the Feeder Vehicle, the BEPIF Aggregator and/or any other intermediary vehicle or Parallel Entity, the Limited Partners will only be charged once such Management Fee and/or Performance Participation Allocation by the Investment Manager.

27.3 Organizational and Offering Expenses

The Investment Manager has agreed to advance all of BEPIF's (including the pro-rata expenses of the Fund and the expenses associated with any Parallel Entity), and the BEPIF Aggregator's organizational and offering expenses on each entity's behalf (including legal, accounting, printing, mailing, subscription processing and filing fees and expenses, due diligence expenses of participating broker-dealers supported by detailed and itemized invoices, costs in connection with preparing sales materials, design and website expenses, fees and expenses of the Fund's (including any Parallel Entity's, and the BEPIF Aggregator's, as applicable, transfer agent, administrator, depositories, fees to attend seminars sponsored by participating broker-dealers and reimbursements for customary travel, lodging, and meals, but excluding Subscription Fees and Rebates or similar fees in Parallel Vehicles) (collectively, "**Organizational and Offering Expenses**") through the first anniversary of the date on which the Fund, any Feeder Vehicle, BEPIF Feeder SICAV, BEPIF Master FCP and the BEPIF Aggregator, as applicable, first accepts investments (including, in the case of BEPIF Master FCP and the BEPIF Aggregator, from their respective parallel vehicles). The Fund and the BEPIF Aggregator, as applicable, will reimburse the Investment Manager for all such advanced expenses ratably over the 60 months following the first anniversary of the applicable date on which the first investment is accepted. The Investment Manager will determine what Organizational and Offering Expenses are attributable to the Fund, the BEPIF Aggregator or any of their respective parallel vehicles, in its sole discretion.

After the first anniversary of the applicable date on which the first investment is accepted, the Fund and the BEPIF Aggregator, as applicable, will reimburse the Investment Manager for any Organizational and Offering Expenses that it has incurred on each entity's behalf as and when incurred.

27.4 Other Expenses

27.4.1 Distributor / Insurance Company Subscription Fees

Certain financial intermediaries through which a Limited Partner, or an underlying investor (as the case may be), was placed in the Fund, may charge such Limited Partner or underlying investor upfront selling commissions, placement fees, subscription fees or similar fees ("**Subscription Fees**") on Units sold in the offering that are paid by the Limited Partner or underlying investor outside of its investment in the Fund and not reflected in the Fund's NAV. In certain circumstances the Subscription Fees may be paid to Blackstone and reallowed, in whole or in part, to the financial intermediary that placed the Limited Partner or underlying investor (as the case may be) into the Fund. No Subscription Fees will be paid with respect to reinvestments of distributions for Accumulation Sub-Class Units.

27.4.2 Distributor / Insurance Company Rebate

Class A Units and Class INS Units will bear a fee ("**Rebate**") in an amount equal (on an annualized basis) to 0.75% of the NAV of such Class of Units (before deducting the Rebate for the applicable period of time and before giving effect to any redemptions or distributions for the applicable period of time) as of each Valuation Date. For the avoidance of doubt, the Rebates will be payable by the Fund and Limited Partners will not be billed separately for payment of the fees, subject to alternative arrangements with certain distributors or insurance companies, in which case the payment of the Rebate will be made by the AIFM or the Investment Manager in accordance with applicable laws and regulations. No Rebate will be payable with respect to Class I Units.

The Rebate is allocated to a Limited Partner's or underlying investor's (as the case may be) financial intermediary through which such Limited Partner (or underlying investor) was placed in the Fund. Any amounts allocated in accordance with the foregoing sentence will compensate such financial intermediary for reporting, administrative and other services provided to a Limited Partner or underlying investor (as the case may be). The receipt of the Rebate by a Limited Partner's or underlying investor's (as the case may be) financial intermediary will result in a conflict of interest. The Rebate is included as part of the Management Fee for Class A Units and Class INS Units.

Where Limited Partners are subscribed in the Fund via the intermediation of a financial intermediary and their Units are administered by such financial intermediary, the Rebate is allocated only in relation to Units subscribed by such Limited Partners via the financial intermediary and only as long as the financial intermediary provides reporting, administrative and other services to the Limited Partners in accordance with applicable regulations. The financial intermediary will cease to receive any Rebate in relation to Units subscribed by Limited Partners upon the termination of the relationship between that Limited Partner and the financial intermediary, even if the Limited Partner in question still holds the Units in the Fund (in particular if the Limited Partner has terminated its relationship with the financial intermediary in order to use the services of another financial intermediary to administer its account of the Units). The new financial intermediary will not be entitled to payment of the Rebate unless it has entered into an agreement with the Fund, the Investment Manager and/or the Global Distributor.

The Rebate may also be allocated to the insurance company offering the Units as unit-linked securities in life insurance or capitalization contracts. All the amounts allocated in accordance with the foregoing will be used to remunerate the insurance company in return for listing the Units as unit-linked securities in life insurance or capitalization contracts.

28. COLLECTIVE DECISIONS AND VOTE OF THE LIMITED PARTNERS

28.1 Voting Matters – authority

28.1.1 Pursuant to article L. 214-162-8 IV of the French Monetary and Financial Code, any amendment to a provision of the LPA or inclusion of a provision in the LPA the purpose of which would be:

- the prior approval of a transfer of Units;
- to provide for the non-transferability of Units (*inaliénabilité*);
- a preference clause (*clause de préférence*); or
- to cause a Limited Partner to compulsorily withdraw from the Fund or compulsorily transfer its Units;

shall, in each case, be submitted to the vote of all Partners in accordance with articles 28.2 and 28.3 below.

28.1.2 Furthermore, any amendment of the purpose of the Fund as set out in Article 4, any change to the legal form of the Fund, any merger, absorption or spin-off of the Fund and the dissolution of the Fund shall be submitted to the vote of the Limited Partners with the approval of the General Partner.

The matters referred to in Articles 28.1.1 and 28.1.2 above are collectively referred to as the "**Voting Matters**".

28.1.3 The Voting Matters shall be initiated by the AIFM after having obtained the consent of the General Partner.

Subject to the above, the Limited Partners will take no part in the operation of the Fund or the management or control of its business and affairs.

Each entire Unit is entitled to one vote.

28.2 Voting Matters – procedure and deadline

28.2.1 The Voting Matters decisions shall be taken in the form of written consultations.

The AIFM shall send to each Limited Partner a description of the proposed amendment and/or transaction, as well as all documents which it deems necessary for the information of the Limited Partners.

The Limited Partners will be required to respond to the AIFM within a maximum of fifteen (15) Business Days of the sending of such notification and supporting documents, in order to indicate whether or not they approve the proposed amendment and/or operation. Failure to respond within the required period of fifteen (15) Business Days, as the case may be, shall be considered as an approval from the Limited Partner of the proposed amendment and/or operation.

28.2.2 The procedure described in Article 28.2.1 shall apply *mutatis mutandis* to any Voting Matters necessitating the vote of the General Partner in accordance with Article 28.1.2.

28.3 Voting Matters - majority

The Voting Matters decisions shall be validly taken if Limited Partners representing together in aggregate more than 50% of the Units in the Fund at the date the decision is taken have approved such decision in accordance with Article 28.2.1 and, where applicable with regards to the Voting Matters referred to in Article 28.1.2, with the consent of the General Partner.

28.4 BHC Limited Partners

(a) Any Limited Partner may, upon notice to the AIFM at any time, elect to hold all or any fraction of such Limited Partner's Units as non-voting Units, in which case such Limited Partner shall not be entitled to participate in any Voting Matter or any other vote as provided for by this LPA (including any vote pursuant to Article 29) with respect to the portion of its Units that is held as non-voting Units (and such non-voting Units shall not be counted in determining the giving or withholding of any such approval). Except as provided in the preceding sentence, a Unit held as a non-voting Unit shall be identical in all respects to all other Units held by the Limited Partners. Any such election shall be irrevocable after notification to the AIFM.

(b) In addition to paragraph (a) above, any Unit held for its own account by a Limited Partner that (x) is a Bank Holding Company, a Savings and Loan Holding Company, a non-U.S. bank subject to the BHC Act pursuant to the U.S. International Banking Act of 1978, as amended, or an Affiliate of any such Bank Holding Company, Savings and Loan Holding Company, or non-U.S. bank and (y) so indicates in writing to the AIFM on or before such Limited Partner's admission date (each, a "**BHC Limited Partner**"), aggregated with the Units of all Affiliates that are BHC Limited Partners, that is determined at the time of admission of that BHC Limited Partner, the withdrawal of any Limited Partner, or any other event resulting in an adjustment in the relative Units of the Limited Partners pursuant to this LPA, to be in excess of 4.99% (or such greater percentage as may be permitted under Section 4(c)(6) of the BHC Act) of the Units of all the Limited Partners, excluding for purposes of calculating this percentage portions of all or any other Units that are non-voting Units pursuant to this Article 28.4 or any other Article of this LPA (collectively, the "**Non-Voting Units**"), shall be a non-voting Unit (whether or not subsequently transferred in whole or in part to any other person) and shall not be included in determining whether the requisite consent has been obtained on any action under this LPA; except that such Non-Voting Units shall be permitted to vote on any matter on which a BHC Limited Partner is permitted to vote without causing such Unit to become a voting security for purposes of 12 C.F.R. Section 225.2(q), as in effect from time to time, including, but not limited to, any proposal to dissolve or continue the business of the Fund. If a BHC Limited Partner notifies the AIFM in writing that as a result of a change in law, rule, regulation or interpretation thereof, a BHC Limited Partner may, without the prior approval of the Federal Reserve, hold a voting interest in excess of 4.99% (or such greater percentage as may be permitted under Section 4(c)(6) of the BHC Act, without regard to Section 4(k) thereof or Sections 10(c)(2)(H) or 10(c)(3) of the HOLA, as applicable) of the Units of all Limited Partners (excluding any Non-Voting Units), a recalculation of the Units held by such BHC Limited Partner shall be made, and only that portion of the total Units held by such BHC Limited Partner that is determined as of such date to be in excess of such other percentage of the Units of the Limited Partners, excluding Non-Voting Units as of such date, shall be Non-Voting Units. Except as provided in this Article 28.4(b), a Unit held as a Non-Voting Unit shall be identical in all respects to all other Units held by Limited Partners. Notwithstanding the foregoing, at the time of admission to the Fund, any BHC Limited Partner may elect not to be governed by this Article 28.4(b) by providing written notice to the AIFM stating that such BHC Limited Partner is not prohibited, without the prior approval of the Federal Reserve, from acquiring or controlling more than 4.99% (or such greater percentage as may be permitted under Section 4(c)(6) of the BHC Act) of the voting Units held by all the Limited Partners. Any such election by a BHC Limited Partner may be rescinded at any time by written notice to the AIFM, and any such rescission shall be irrevocable.

29. AMENDMENT OF THE LPA

Other than with regard to the Voting Matters and amendments to Articles 6, 7.4 and 28.4, this LPA may be amended at the initiative of the General Partner or the AIFM with the prior consent of the General Partner, but without the consent of the Limited Partners.

With the exception of any amendment which is strictly necessary as a result of a change in applicable laws or regulations:

(a) any amendment to Articles 6 and 7.4 will be made at the initiative of the General Partner or the AIFM with the prior consent of the General Partner and of all Limited Partners holding Class INS Units; and

(b) any amendment to Article 28.4 will be made at the initiative of the General Partner or the AIFM with the prior consent of the General Partner and of all BHC Limited Partners holding Class INS Units.

With regard to the Voting Matters, this LPA may be amended in accordance with the quorum and majority requirements set out in Article 28 above.

In circumstances where this LPA is amended pursuant to this Article 29, the AIFM will give Limited Partners, the Depositary, the Statutory Auditor and the AMF notice of such amendment and state the date of entry into force of the new provisions of this LPA.

30. CONFIDENTIALITY

(a) All information, whether written or oral, disclosed to the Limited Partners concerning BEPIF, the Fund, the AIFM, the Corporate Manager, the Investment Manager, the General Partner, the Investments and/or the Limited Partners, including the information appearing in the reports pursuant to Article 38, (the "**Confidential Information**") shall be kept strictly confidential. The Limited Partners shall not disclose Confidential Information to any third party without the prior written consent of the General Partner or as permitted under this Article. Such obligation shall not apply in respect of any information that is already in the public domain other than as a result of a breach of an applicable confidentiality undertaking.

(b) Notwithstanding paragraph (a) above, Confidential Information may be disclosed by a Limited Partner: (i) to its directors, executives, professional advisers, accountants, auditors, employees or investment committee members and Affiliates who need to know such Confidential Information (collectively, “**Representatives**”), provided that such Representatives are subject to confidentiality obligations which are at least equivalent to those provided for in this LPA and that the Limited Partner shall be responsible for any such Representative’s failure to comply with the obligations hereunder; or (ii) where disclosure is required by laws and regulations applicable to a Limited Partner, an enforceable court decision or an administrative decision.

(c) Notwithstanding any other provision of the LPA, each of the AIFM and the Investment Manager has the right not to supply a Limited Partner with or limit its access to, for a period determined by the AIFM and/or the Investment Manager (as the case may be) and under the conditions provided in paragraphs (i), (ii) and (iii) below, the Confidential Information which the Limited Partner would have been entitled to receive or obtain by virtue of this LPA, if:

(i) the AIFM or the Investment Manager (or their respective administrators, directors or employees) determines that all or part of the Confidential Information must remain confidential, by virtue of the laws, regulations or of an agreement concluded with a third party; or

(ii) the communication of all or part of the Confidential Information by a Limited Partner is rendered mandatory by virtue of the laws, regulations to which such Limited Partner is subject, an enforceable court decision or an administrative decision. In such circumstances, (A) such Limited Partner shall (1) notify the AIFM and the Investment Manager of the same immediately; (2) cooperate fully with the AIFM and the Investment Manager where legally permissible, if any of the AIFM or the Investment Manager tries to obtain any protective or other reliable measure, ensuring that confidential processing shall be granted to the whole or to certain parts of the Confidential Information, (3) refrain from notifying all or part of the Confidential Information until either the AIFM or the Investment Manager has implemented all possible recourses in order to limit notification of the Confidential Information, and (4) take all reasonable measures to prevent, at its own expense, or ensure that its investors prevent, at their expense, in court or by any other means, any demand aiming to secure notification of all or part of the Confidential Information, in order to preserve its confidential character and (B) the AIFM and the Investment Manager shall be entitled to (1) suspend or limit, on a temporary basis, the notification of all or part of the Confidential Information to such Limited Partner, starting from the date on which either the AIFM or the Investment Manager becomes aware of a request deriving either from such Limited Partner, or from the public authority, requesting the disclosure of all or part of the Confidential Information and until the dispute relating to this request has been regulated or (2) to limit, permanently, the disclosure of all or part of the Confidential Information to such Limited Partner if such party is effectively obliged to notify all or part of the Confidential Information following the said request; or

(iii) either the AIFM or the Investment Manager considers that a Limited Partner has not complied with the provisions of this Article (including in the event where the investors of such Limited Partner default on their own confidentiality obligations).

31. DECLARATION OBLIGATIONS

(a) Each Limited Partner agrees to provide any FATCA Information to the AIFM on behalf of the Fund or to any intermediary through which it holds these units in the Fund, whether directly or indirectly, and to permit the Fund or the AIFM (on behalf of the Fund) to share this information with the French tax authority and as appropriate, with the U.S Internal Revenue Service. The FATCA Information of the Limited Partner shall include, among other things, the Global Intermediary Identification Number (GIIN) of the Limited Partner or one of the tax forms mentioned below:

W-9: www.irs.gov/pub/irs-pdf/fw9.pdf

W-8BEN: www.irs.gov/pub/irs-pdf/fw8ben.pdf

W-8BEN-E: www.irs.gov/pub/irs-pdf/fw8bene.pdf

W-8ECI: www.irs.gov/pub/irs-pdf/fw8eci.pdf

W-8EXP: www.irs.gov/pub/irs-pdf/fw8exp.pdf

W-8IMY: www.irs.gov/pub/irs-pdf/fw8imy.pdf

Each Limited Partner shall keep the AIFM informed of any change in its position regarding the aforementioned elements.

For the requirements of this Article, each Limited Partner hereby waives any right that it might hold by way of banking secrecy, rules on data protection and any other similar legislation, likely to prohibit the sharing of information and guarantees that each Person about whom it notifies or has notified information to the Fund, to the AIFM or to the Investment Manager has received this information and has granted any agreement necessary for permitting collection, processing, transfer and declaration of the information.

Each Limited Partner acknowledges and agrees that the AIFM (on behalf of the Fund) is authorized to compel a FATCA Recalcitrant Investor to sell its Units, or may sell such FATCA Recalcitrant Investor's Units on behalf of such FATCA Recalcitrant Investor at the lower of the following two amounts: (i) the paid-up amount attributable to the Units held by the FATCA Recalcitrant Investor net of any distributions received by such FATCA Recalcitrant Investor with respect thereto and (ii) their latest NAV available.

The Fund is authorized to withhold thirty per cent (30%) on all payments made to a FATCA Recalcitrant Investor pursuant to FATCA and no additional amounts will be due and/or paid in respect of any amounts withheld in connection with FATCA, whether by the Fund or an intermediary payer through which a Limited Partners holds its Units in the Fund.

The Fund is authorized to enter into an agreement with the United States Internal Revenue Service described in Section 1471(b)(1) of the U.S. Code and to make any amendments to this LPA reasonably necessary to enable the Fund to comply with FATCA and to cause its Limited Partners to provide the FATCA Information.

(b) The AIFM is subject to rules introduced by the Directive No. 2014/107/EU of the Council of 9 December 2014 ("**DAC 2 Directive**") which amend the Directive No. 2011/16/EU with respect to the automatic and mandatory exchange information in tax matters as well as treaties entered into by France allowing an automatic exchange of information for tax purposes in accordance with article 1649 AC of the French General Tax Code. In this respect, the AIFM will collect information required by the DAC 2 Directive that could go further than those collected under FATCA regulation and be communicated to the French tax authorities in accordance with the "common reporting standards" ("**CRS**"), for the purpose of being subsequently communicated to the competent tax authorities of the countries that have adopted such standard CRS.

(c) The Fund and the AIFM, are required to report to the relevant tax authorities any potentially aggressive cross-border tax-planning arrangements which would meet one or several hallmarks defined in the Appendix to the Council Directive EU 2018/822 dated May 25, 2018 amending Directive 2011/16/EU ("**DAC 6**"). In this context, the Fund and/or the AIFM may disclose to relevant tax authority information regarding notably the identity of Limited Partners, or information related to the Fund and its Limited Partners including associated enterprises to such Limited Partners.

32. TAX INFORMATION

32.1 Each Limited Partner shall promptly provide the AIFM with such information, certifications, representations and forms relating to the Limited Partner (including, but not limited to, information relating to its direct or indirect owners, account holders and controlling persons) in the Limited Partner's possession or reasonably available to it ("**Information**") as the AIFM may reasonably request from time to time so as to permit the AIFM to:

(i) evaluate and comply with any present or future legal, regulatory, commercial or Tax requirements applicable to any Relevant Entity, the Limited Partners or the Investments or that may potentially be applicable in connection with any proposed investments of the Fund;

(ii) consider and evaluate the extent to which any payments collected by or paid to any Relevant Entity are likely to be paid after deduction of, or after withholding for, Tax;

(iii) assist in obtaining an exemption from, reduction in or refund of any Taxation (including Taxation imposed pursuant to any applicable Information Reporting Regime); or

(iv) comply with various compliance obligations (including obligations relating to Information Reporting Regimes and any anti-money laundering, "know your client", anti-financial crime, anti-terrorism or similar requirements) and various anti-money laundering obligations. In addition, each Limited Partner shall take such actions as the AIFM may reasonably request in order to enable any Relevant Entity to comply with, or mitigate any Taxation under, any applicable Information Reporting Regime or other Tax laws and hereby authorises each Relevant Entity to take such actions as it reasonably determines are necessary in order to enable any Relevant Entity to comply with, or mitigate any Taxation under, any applicable Information Reporting Regime (including the disclosure of personal data).

32.2 In the event that any Limited Partner (x) fails to establish that payments and allocations to it are exempt from withholding under any applicable Information Reporting Regime, or (y) fails to comply with any of the requirements set out in Article 32, or (z) fails or is unable to confirm that its participation does not give rise to a hybrid mismatch or to a Taxation imposed on or to be economically borne by the Fund pursuant to the Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries and any subsequent transposing law and in each case, fails to (or in the case of (z) above is unable to) rectify any such failure to comply in a timely manner and the AIFM reasonably considers that any of the following is necessary, advisable or desirable having regard to the interests of the Fund and Limited Partners generally, the AIFM shall have full authority (but shall not be obliged) to take any action that the AIFM deems in good faith to be necessary or appropriate to mitigate any adverse effect on the Fund, any other Limited Partner or any Relevant Entity, including, without limitation: (i) withholding any Taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements; and (ii) applying Article 7.7 and (iii) allocating to an Limited Partner any Taxation imposed on or economically borne by the Fund (whether by way of deduction of Tax, disallowance of a deduction for Tax purposes at the level of the Investments, or otherwise) and/or any withholding Taxes and/or other costs which are attributable to that Limited Partner failing to comply with the requirements in Article 32 and/or requiring the Limited Partner to withdraw from the Fund. If requested by the AIFM or the Investment Manager, the Limited Partner shall promptly execute any and all documents or take such other actions as the AIFM and/or the Investment Manager may reasonably require pursuant to this Article 32. The AIFM and the Investment Manager may exercise the power of attorney granted to it pursuant to Article 32 to execute any such documents or take such actions on behalf of any Limited Partner in connection with the above if the Limited Partner fails to do so.

32.3 Each Limited Partner covenants to pay to the AIFM, the Investment Manager, the General Partner, the Fund and the Limited Partners an amount equal to all loss, Taxes, costs, expenses, damages, claims and/or demands (including without limitation any withholding Tax, penalties or interest suffered by the Fund, a Relevant Entity, and/or the Limited Partners) arising (a) as a result of such Limited Partner's failure to establish that payments and allocations to it are exempt from withholding under the applicable Information Reporting Regime or failure to comply with any of the other requirements set out in Article 32 or any requests of the AIFM or the Investment Manager under Article 32 in a timely manner and (b) as a result of any action taken by the AIFM or the Investment Manager in respect of the Limited Partner pursuant to Article 32.

32.4 Each of the Limited Partners hereby appoints the AIFM and/or the Investment Manager (and their duly appointed attorneys acting severally) as its true and lawful attorney with full power of substitution to do all things and to execute any documents as may be required in connection with this Article 32 and each such Limited Partner undertakes to ratify such actions as the AIFM or the Investment Manager (and/or their duly appointed attorneys) lawfully does pursuant to such power of attorney. The power of attorney in this Article 32 shall come into effect on the date it is first exercised by the AIFM or the Investment Manager as the case may be and each Limited Partner undertakes to maintain the appointment of, and not revoke, their respective powers of attorney for the duration of this LPA.

32.5 Each Limited Partner is hereby notified and acknowledges that information about such Limited Partner shall, where required, be reported to the French tax authority and may be transferred to the tax authority or governmental authority of other territories in accordance with applicable exchange of information obligations.

32.6 Each Limited Partner hereby agrees to further update or replace any such Information promptly to the extent such Limited Partner is aware of any change to any of the Information it has provided, or that such Information has become obsolete in any material respect.

33. FRENCH 3% TAX REPRESENTATIONS, WARRANTIES, INDEMNIFICATION AND COMPULSORY REDEMPTION

33.1 Each Limited Partner is hereby notified and acknowledges that it is expected that the Fund will directly or indirectly own real estate in France and therefore fall within the scope of the French 3% Tax (further details in relation to which are available in Annex 6).

33.2 Each Limited Partner represents and warrants for itself as well as for any of its Indirect Partners that they are either (i) not within the scope of the French 3% Tax as at the date of adherence to this LPA, (ii) exempt from the French 3% Tax as at the date of this LPA under one of the exemptions provided by Article 990 E of the French tax code and will take all necessary actions to comply with the appropriate requirements and criteria in order to continue to be exempted from the French 3% Tax, or (iii) willing to bear the French 3% Tax in relation to all French Real Estate directly or indirectly owned by the Fund. Each Limited Partner willing to bear the French 3% Tax, or in respect of which an Indirect Partner is willing to bear the French 3% Tax, represents and warrants, or procures for its Indirect Partner, that it will pay the French 3% Tax to the French tax authorities each year in due time in accordance with French law. If the Fund does not directly or indirectly hold French Real Estate as at the date of adherence to this LPA, the Limited Partner represents and warrants (i) that the above representation and warranty would still be true if the Fund directly or indirectly held French Real Estate as at the date of adherence to this LPA, and (ii) the above representation and warranty is deemed repeated on the first date on which the Fund directly or indirectly holds French Real Estate.

33.3 Subject to alternative arrangements agreed by the distributors and the AIFM and/or the Investment Manager, each Limited Partner which is not an individual investing for its own benefit (and not as a nominee, agent or trustee for another), undertakes to provide to the Investment Manager, on the date of adherence to this LPA and within a two (2)-month period following any amendment thereto, a diagram or a spreadsheet setting out the complete structure of its Indirect Partners up to members, shareholders, partners and/or holders of beneficial interests that are outside the scope of the French 3% Tax, and describing, for each of them, on which ground they are outside the scope or exempted from the French 3% Tax, including a classification of such Indirect Partners under the following categories:

(a) Individual(s) or entity(ies) (including entities with no separate legal personality such as partnerships, trusts, fiduciary arrangements or similar arrangements) owning less than 1% of the interests in the Limited Partner or the relevant

Indirect Partner in which they hold an interest (Undisclosed Indirect Partners); or

(b) Individual(s) owning more than 1% of the interests in the Limited Partner or the relevant Indirect Partner in which they hold an interest (Disclosed Indirect Partners - Individuals); or

(c) Entity(ies) (including entities with no separate legal personality such as partnerships, trusts, fiduciary arrangements or similar arrangements) owning more than 1% of the interests in the Limited Partner or the relevant Indirect Partner in which they hold an interest, but less than 5% of the interests in the Limited Partner or the relevant Indirect Partner in which they hold an interest (Disclosed Indirect Partners - Entities); or

(d) Entity(ies) (including entities with no separate legal personality such as partnerships, trusts, fiduciary arrangements or similar arrangements) owning more than 1% of the interests in the Limited Partner or the relevant Indirect Partner in which they hold an interest, and more than 5% of the interests in the Limited Partner or the relevant Indirect Partner in which they hold an interest (Reporting Indirect Partners benefiting from a French 3% Tax exemption).

Each Limited Partner and each of its Indirect Partners which is outside the scope of the French 3% Tax (Article 990 D of the French tax code) or benefits from an automatic exemption from the French 3% Tax (exemptions based on Articles 990 E 1°, 2°-a, 2°-b, 3°-a, 3°-b or 3°-c of the French tax code) shall provide the Investment Manager or its delegate with evidence that is deemed satisfactory by the AIFM or the Investment Manager that they effectively do not fall within the scope of this tax or can effectively rely on such an exemption. If they lose the benefit of such automatic exemption, the provisions of Articles 33.4, 33.5 or 33.6 (as the case may be) shall apply. If the Fund does not directly or indirectly hold French Real Estate as at the date of this LPA, the information and evidence mentioned in this paragraph shall be provided as if the Fund directly or indirectly held French Real Estate as at the date of this LPA.

33.4 Where a Limited Partner (or its Indirect Partner) seeks an exemption from the French 3% Tax on the grounds of Article 990 E 3°-d or 990 E 3°-e of the French tax code, such Limited Partner or Indirect Partner shall file with the French tax authorities an annual French 3% Tax return (form n°2746). The Investment Manager or its delegate will provide each year to such Limited Partner the relevant factual information needed for it (and/or its Indirect Partners as the case may be) to prepare their annual French 3 % Tax return (form n°2746).

33.5 Where a Limited Partner (and/or any of its Indirect Partners) is exempted from the French 3% Tax provided it files with the French tax authorities an annual French 3% Tax return (form n°2746) (exemption based on Article 990 E 3°-d or 990 E 3°-e of the French tax code), it undertakes to provide, and procures that each of its relevant Indirect Partners will provide, the Investment Manager or its delegate, on or before 15 June of each year, with a copy of the French 3% Tax returns filed by them with the French tax authorities as well as with a copy of the corresponding acknowledgments of receipt from the French tax authorities providing evidence that is deemed satisfactory by the AIFM or the Investment Manager that their French 3% Tax return was filed no later than 15 May of each year.

33.6 Where a Limited Partner (or any of its Indirect Partners as the case may be) is not exempted from the French 3% Tax, it undertakes to provide, and procures that each of its relevant Indirect Partners will provide the Investment Manager or its delegate, on or before 15 June of each year, with a copy of the French 3% Tax returns filed by them with the French tax authorities, with a copy of the corresponding acknowledgments of receipt from the French tax authorities as well as with evidence that is deemed satisfactory by the AIFM or the Investment Manager that the amount of French 3% Tax due was paid by them no later than 15 May of that same year.

33.7 In the event that a Limited Partner (or any of its Indirect Partners) does not comply with the obligations set forth under Articles 33.3, 33.4, 33.5 or 33.6 or is not validly exempt from French 3% Tax, the AIFM shall have the right to retain in escrow any distributions allocated to the Limited Partner or to require that the Limited Partner personally provides or bears the costs of any financial guarantee or of any other form of indemnification to be granted to the purchasers of the shares of a French Real Estate Holding Company (as defined below), in order to secure an indemnification obligation towards such purchasers for potential French 3% Tax liability and the Costs (as defined below) arising therefrom.

33.8 All documents provided to the Manager by a Limited Partner and/or by any of its Indirect Partners under Articles 33.3, 33.3, 33.5 or 33.5 above shall be provided on a confidential basis provided, however, that the Investment Manager or its delegate shall be entitled to disclose such documents to (i) the Manager's French legal advisers qualified as French *avocats*, (ii) the French tax authorities and (iii) the French legal advisers qualified as French *avocats* of any potential purchaser of a French Real Estate Holding Company or of an investment holding company.

33.9 Any Limited Partner who made a misrepresentation under the above provisions, or any Limited Partner whose investment in the Fund results, for whatever reason (including a reason related to its Indirect Partners), in the Fund or any French Real Estate Holding Company becoming liable to pay the French 3% Tax, the Limited Partner shall be held responsible by the Fund and any relevant French Real Estate Holding Company against the payment of such French 3% Tax and all related costs and expenses (including legal fees and all fees and expenses resulting from potential litigation with the French tax authorities), and against interests, fines and penalties (whether accrued and claimed or yet to accrue) arising therefrom (all these costs, expenses, interests, fines and penalties being referred to as the "**Costs**"), and the Investment Manager may deduct and set-off an amount equal to the aggregate amount of the French 3% Tax liability and Costs arising therefrom against any distributions allocated to that Limited Partner. Such a Limited Partner may alternatively be instructed by the Investment Manager to pay the amount of the French 3% Tax and the Costs arising therefrom to the Fund or to any of the French Real Estate Holding Companies, as the Investment Manager or its delegate may instruct, prior to the time they become payable by the Fund or any of the French Real Estate Holding Companies, and in any event promptly after the Fund, any of the French Real Estate Holding Companies, the Limited Partner or any of its Indirect Partners receive any notice by the French tax authorities claiming payment. This indemnification shall be due irrespective of the fact that (i) the French Real Estate Holding Company to which the amount shall be paid is no longer directly or indirectly held by the Fund and/or (ii) the Limited Partner or its Indirect Partner who caused the Fund or a French Real Estate Holding Company to become liable to pay the French 3%

Tax no longer directly or indirectly holds an investment in the Fund at the time when the payment has to be made. The amount that may be due by a Limited Partner under this Article 33.9 will not be limited to the amount committed in the Fund by such Limited Partner.

33.10 In the event that the Fund or a French Real Estate Holding Company becomes liable to pay the French 3% Tax because of a Limited Partner or an Indirect Partner of a Limited Partner (including at a time when such Indirect Partner is no longer a direct or indirect member, shareholder, partner and/or holder of a beneficial interest in such Limited Partner), the Investment Manager or its delegate shall have, in addition to any other remedies provided for in this LPA, at their own discretion and irrespective of any pending litigation before the French tax authorities, French tax courts or before any competent authority with respect to the French 3% Tax claimed by the French tax authorities, full authority (but shall not be obliged) and without liability to take any and all of the following actions:

(1) treat the relevant French 3% Tax liability and Costs arising therefrom as Fund Expenses; and/or

(2) deduct and set off an amount equal to the aggregate amount of the French 3% Tax liability and Costs arising therefrom against any distributions allocated to that Limited Partner.

33.11 According to the provisions of Article 11, any Investor who wishes to transfer any Interests shall request the prior approval of the General Partner. The potential purchaser shall make the representations and warranties mentioned in Articles 33.1 and 33.2 above and shall provide the AIFM or the Investment Manager with the information or documents mentioned in Article 33.2 *et seq.* above. Should the proposed transferee not make these representations and warranties or not provide documentation that is deemed satisfactory by the AIFM or the Investment Manager, or should the Limited Partner not fully complied with the obligations set forth under Articles 33.2, 33.3, 33.4, 33.5 or 33.6 above, the General Partner shall be entitled to withhold its consent to the proposed transfer.

33.12 Each Limited Partner represents and warrants that if any of its direct or indirect members, shareholders, partners and/or holders of beneficial interest wishes to Transfer its interest in a Limited Partner or in any of its Indirect Partners, it shall provide the AIFM or the Investment Manager with renewed representations and warranties mentioned in Articles 33.1 and 33.2 above and with the documents as per this Article 33, updated so as to reflect the consequences of the proposed transfer. Should the Limited Partner not renew these representations and warranties or not provide documentation that is deemed satisfactory by the AIFM or the Investment Manager in this respect, or should the proposed transfer reduce the Limited Partner's capacity to comply with its obligations under Article 33.9 above, the AIFM or the Investment Manager shall be entitled to apply the provisions of Article 32.2 in order to withdraw the Limited Partner from the Fund.

34. FRENCH REAL ESTATE WEALTH TAX

34.1 Each Limited Partner acknowledges that it is expected that the Fund will directly or indirectly own French real estate and therefore that it is expected that the Units shall fall within the scope of the French real estate wealth tax (*impôt sur la fortune immobilière*) set forth under Articles 964 to 983 of the French tax code ("**French Real Estate Wealth Tax**").

34.2 Pursuant to Article 313 BQ quater, I-2 and II-2 of Appendix III to the French tax code and upon the Limited Partner's written request, the AIFM shall provide the Limited Partner, on an annual basis, with a certificate including the relevant up-to-date information at the applicable Accounting Date required for the purposes of the filing of the French Real Estate Wealth Tax return (*impôt sur la fortune immobilière*) provided under Articles 964 et seq. of the French tax code, including *inter alia* the percentage of the NAV per Unit of the Fund corresponding to real estate properties or real estate rights held directly or indirectly by the Fund which are located in France and outside of France, which fall within the taxable scope of the abovementioned French Real Estate Wealth Tax. The AIFM will endeavour to provide the certificate referred to under this Article 34.2 within 90 calendar days following each Accounting Date.

35. POLAND - REPORTING BY POLISH REAL PROPERTY COMPANIES

35.1 Pursuant to Article 27, point 1e of the Polish Corporate Income Tax Act, "real property companies" (together with any entity holding a direct or indirect 5% shareholding (or interests of a similar nature) in a "real property company") are required to report certain information to the Polish tax authorities in respect of their direct and indirect owners.

35.2 Broadly, a "real property company" is defined for these purposes as an entity (other than a natural person) which has a balance sheet (prepared pursuant to applicable accounting practices) which shows:

(a) for an entity beginning its business activity - as at the first day of the tax year, at least 50% of the market value of its assets (directly or indirectly) consists of real estate located in Poland (or rights related thereto) with a market value exceeding PLN 10 million; or

(b) for any other entity:

(i) as at the last day of the preceding tax year, at least 50% of the book value of its assets (directly or indirectly) consists of real estate located in Poland (or rights thereto) with the book value exceeding PLN 10 million; and

(ii) in the preceding tax year, at least 60% of total taxable revenues (broadly, revenues included in the net financial income) derive from:

- letting, subletting, leases (and other similar contracts); or

- the transfer of real estate or rights relating thereto, and from shares in other "real property companies".

35.3 "Real property companies" are required to provide information about any entity or individual holding at least 5% of the rights directly or indirectly in such company by the end of the third month following the end of the relevant financial year (with ownership for these purposes being based on the position as of the last day of the relevant tax/financial year).

35.4 Accordingly, to the extent that the Fund directly or indirectly holds real estate located in Poland, investors may be required to provide the AIFM or the Investment Manager with certain information, including without limitation:

(a) their full legal name and form;

(b) their full address;

(c) any Polish and/or foreign tax identification numbers;

(d) information pertaining to any interests held directly or indirectly in any other Polish “real property companies”.

to enable the Fund to comply with any reporting requirements (which may, for the avoidance of doubt, include disclosure of those details).

36. FAIR TREATMENT

The AIFM guarantees equitable treatment to the Limited Partners holding the same class of Units.

Notwithstanding the foregoing paragraph, a Limited Partner may be granted preferential treatment to the widest extent allowed by this LPA. To the extent that a Limited Partner obtains preferential treatment or the right to obtain preferential treatment, a brief description of such preferential treatment, the type of Limited Partner who obtained such preferential treatment and, where relevant, such Limited Partner’s legal or economic links with the Fund, the AIFM or the Investment Manager will be made available on a confidential basis upon request at the registered office of the Fund, to the extent required by applicable law. For the avoidance of doubt and without limitation, the following shall not be considered as a preferential treatment and shall not be subject to the foregoing paragraph: (i) any right to provide specific reporting (in content or format) or information as required by such Limited Partner's status, (ii) any method of giving notice by one party to another, or (iii) such other administrative arrangements as may be agreed with any Limited Partner from time to time.

37. ACCOUNTING PERIOD

The duration of each Accounting Period shall be twelve (12) months. Each Accounting Period shall begin the day following the preceding Accounting Date, provided that the first Accounting Period shall begin on the Formation Date and end on 31 December 2022 and the last Accounting Period shall end on the Final Liquidation Date.

38. MANAGEMENT REPORTS – IDENTITY OF THE PARTNERS

The Fund will prepare and make available its audited annual report, established in accordance with the accounting framework applicable to the Fund as determined by the Autorité des Normes Comptables ("**French GAAP**"), to the Limited Partners within six (6) months after the end of each Accounting Period. The audited annual report will contain financial statements audited by the Statutory Auditor.

Accounts are prepared in accordance with French GAAP.

The reports and documents cited in Articles 38.1 to 38.3, as well as the last NAV of the Units shall be made available to the Limited Partners at the registered office of the Fund, during its usual opening hours and shall be addressed directly to the Limited Partners according to the procedures specified therein. These reports shall be prepared pursuant to the reporting rules recommended by Invest Europe or such other rules as may be determined in respect of the Fund from time to time, in each case subject to such changes to such rules as may be appropriate.

38.1 Composition of the Assets

The AIFM will prepare and make available to Limited Partners a report on the composition of the Fund Assets (*composition de l'actif*) as at the last day of each half-year period, under the control of the Depositary. This document will be made available to Limited Partners within eight (8) weeks as from the end of each half-year period of the Accounting Period.

38.2 Half-yearly report

At the end of the first half-year period of each Accounting Period, the Fund will establish a half-yearly report (*rapport semestriel*) according to the AMF applicable regulations. This report shall be published at the latest within two (2) months from the end of the first half-year period of the Accounting Period.

38.3 Annual report

An annual report of the Fund shall be drawn up for each Accounting Period, which shall include the annual accounts certified by the Statutory Auditor and a management report prepared in accordance with applicable regulations.

The annual accounts of the Fund for each Accounting Period include a balance sheet, an income statement and the appendices, in accordance with French GAAP. A copy of the annual report will be sent to each Limited Partner as soon as possible after each Accounting Period and, in any event, within six (6) months as from the end of each Accounting Period.

38.4 Additional reports

The Investment Manager may, in its sole discretion, decide to issue and make available to Limited Partners- additional reports (audited or unaudited) at a higher frequency, and in accordance with applicable reporting standards other than French GAAP, including as may be required from time to time under any applicable laws, and any other form of information or communication it deems appropriate.

38.5 Identity of the Limited Partners

The AIFM shall be authorised to notify to all government authorities (including tax authorities) the information concerning the Fund, for which they may demand notification, on the identity of the Limited Partners and their respective holdings in the Fund and to the extent legally required.

38.6 Sustainability information

The AIFM shall comply with Article L. 533-22-1 of the French Monetary and Financial Code and the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**SFDR Regulation**"). Additional information can be found on the website of the AIFM (http://fundrockfranceam.com).

The information related to the consideration of the ESG criteria by the Fund will be published in the Fund's annual report in accordance with Article L. 533-22-1 of the French Monetary and Financial Code and its implementing decree.

The Annex 5 discloses the information referred to in the SFDR Regulation.

In addition, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Taxonomy).

39. MERGER – SPIN-OFF

Subject to a Voting Matters positive decision, the AIFM, following demand of the General Partner, may either merge all or part of the Fund with another fund which it manages and for which the portfolio management function has been delegated prior to such merger to the Investment Manager or its Affiliate, or split the Fund into two or more French funds it manages and for which the portfolio management functions have been delegated prior to such spin-off to the Investment Manager or its Affiliate, in accordance with applicable laws and regulations.

40. DISSOLUTION

Subject to the extension mechanism described in Article 5, the Fund may be dissolved on the Term Date.

Notwithstanding the foregoing, the Fund may be dissolved at any time prior to the Term Date with the approval of the General Partner and a resolution passed in accordance with Article 28.

The Fund may also be dissolved following:

- the termination of the Depositary Agreement entered into by the Fund, or if the Depositary ceases its duties because of the cessation of its business or because of an amicable or mandatory liquidation, or a legal or regulatory impediment to the continuation of its duties, and if no other depositary has been designated;
- the date upon which there is no longer at least one limited partner and one general partner in the Fund.

The issue of new Units and redemptions by the Fund shall cease on the date of publication of the decision to dissolve the Fund. One or more liquidators shall be appointed within the same decision, to realize the assets of the Fund, in the best interests of the Limited Partners. The proceeds of the liquidation of the Fund, net of all liabilities and liquidation expenses, shall be distributed by the liquidators among the holders of Units in each Class in accordance with their respective rights.

Following declaration to the AMF and to the tax office with which the AIFM files its income tax return and in accordance with applicable laws, the Fund may enter into a pre-liquidation period in order to prepare the liquidation of the Fund.

Any decision to put the Fund into liquidation will take into account the best interests of the Limited Partners.

41. LIQUIDATION

The liquidation period starts once the AIFM has declared the dissolution of the Fund in accordance with Article 40. During the liquidation period, the Fund Assets will be realised, settled and wound up (i.e. the liquidation operations) for a final distribution to the Limited Partners.

The Statutory Auditor, the Depositary and the Administrative and Accounting Delegate shall continue to exercise their respective duties until the complete liquidation of the Fund.

The liquidators appointed in accordance with Article 40 will be vested, to such effect, with the broadest powers to sell any Fund Assets, to pay any creditors and to distribute the remaining balance amongst the Limited Partners in proportion to their rights. The liquidation period will end once the Fund has been able to sell or distribute all the Fund Assets that it holds.

42. APPLICABLE LAW

This LPA shall be governed by and construed in accordance with the laws of France.

43. JURISDICTION

Unless otherwise stipulated in this LPA, any dispute concerning the Fund which may arise during its operation or liquidation, whether between the Limited Partners, or between the Limited Partners and the AIFM, the Investment Manager and/or the Corporate Manager, shall be submitted to the exclusive jurisdiction of the competent French courts.

The Corporate Manager, the AIFM, the Investment Manager and the Limited Partners acknowledge that the Fund is a *société en commandite simple*, established pursuant to French laws and regulations and that its creation and management are subject to, *inter alia*, articles L. 214-162-1 *et seq.* of the French Monetary and Financial Code and the provisions of this LPA.

44. INDEMNIFICATION

To the fullest extent permitted by applicable law, none of the members of the Corporate Manager, the AIFM, the Investment Manager, their respective Affiliates or the respective directors, officers, representatives, agents, shareholders, members, partners and employees thereof or any other person who serves at the request of the AIFM or the Investment Manager on behalf of the Fund as a director, officer, agent, member, partner and employee and the members of the Independent Committee (each, an "**Indemnified Party**") will be liable to the Fund or any Limited Partners for (i) any losses due to any act or omission by any Indemnified Party in connection with the conduct of the business of the Fund that is determined by the Indemnified Party in good faith to be in or not opposed to the best interests of the Fund, and, in the case of a criminal action or proceeding, where the Indemnified Party involved had no reasonable cause to believe such conduct was unlawful, unless that act or omission constitutes actual fraud, wilful misconduct, gross negligence (as such term is interpreted in accordance with French law), a material violation of applicable laws, or a material breach of the LPA or the Investment Management Agreement, (ii) any losses due to any action or omission by any other party/Limited Partners, (iii) any losses due to any mistake, action, inaction, negligence, dishonesty, actual fraud or bad faith of any broker, placement agent or other agent as provided in the LPA, or (iv) any change in U.S. federal, state or local or non-U.S. (including France) income tax laws, or in interpretations thereof, as they apply to the Fund or the Limited Partners, whether the change occurs through legislative, judicial or administrative action.

To the fullest extent permitted by applicable law, the Fund will indemnify and hold harmless each Indemnified Party from and against any and all claims, liabilities, damages, losses, costs and expenses of any kind, including legal fees and amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and expenses of investigating or defending against any claim or alleged claim, of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Indemnified Party and arise out of or in connection with the business of the Fund or the performance by the Indemnified Party of any of its responsibilities under the LPA and the constitutive document of any parallel vehicle; provided, that an Indemnified Party will be entitled to indemnification under the LPA only if the Indemnified Party acted in good faith and in a manner the Indemnified Party believed to be in or not opposed to the best interests of the Fund, and the Indemnified Party's conduct did not constitute actual fraud, wilful misconduct, gross negligence (as such term is interpreted in accordance with French law), a material violation of securities laws, or a material breach of the LPA or the Investment Management Agreement and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful, or such liabilities did not arise solely out of a dispute between or among the officers, directors, employees or partners of the AIFM, the Investment Manager or their Affiliates.

The Fund may purchase, at its own expense, insurance to insure the Fund and any Indemnified Party against liability in connection with the activities of the Fund.

45. CURRENCY

The Fund is denominated in euro (EUR) (the "**Reference Currency**"). The NAV is reported to the Limited Partners and returns are calculated and reported in euro. All subscription payments and distributions are made in euro. Gains or losses regarding non-euro Investments may include currency fluctuations relative to the euro.

Individual Classes may be denominated in other currencies. The Fund may hedge Classes of Units which are denominated in any other currency than the Reference Currency of the Fund, however, depending on the prevailing circumstances, the Fund may or may not hedge certain Classes, and has no obligation to hedge any Class at all. In relation to currency hedging undertaken, if any, in the interest of a hedged Class, note that various Classes of Units do not constitute separate portfolios of assets and liabilities. Accordingly, while gains and losses on the hedging transactions and the expenses of the hedging program will be allocated to the hedged Classes only, the Fund, as a whole (including the non-hedged Classes), may be liable for obligations in connection with currency hedges in favour of a specific Class of Units and the BEPIF Aggregator may also be liable for similar obligations in connection with currency hedges with respect to the Fund or a Parallel Entity. Additionally, any financing facilities or guarantees utilized in connection with the hedging program may be entered into by the Fund or the BEPIF Aggregator (in respect of the Fund or a Parallel Entity) and not any specific Class.

46. NOTIFICATIONS

Except where the LPA specifies different means of notification, notices which may be or are required to be given under the LPA by any party to another shall be in writing and shall be deemed to have been properly given if delivered in person or if sent by registered letter with return receipt requested, or by email, to the relevant party at the address mentioned in the following paragraph or any other address notified by the AIFM to each Limited Partner (or by each Limited Partner to the AIFM). Subject to applicable laws and regulations, notices which may be or are required to be given under the LPA to Limited Partners can also be provided to Limited Partners on BEPIF's website.

The first address:

(a) for the Corporate Manager and for the AIFM is the address indicated in Article 1, and

(b) for each Limited Partner is the address indicated in the subscription agreement or the transfer agreement.

47. PUBLICITY

In accordance with applicable laws and regulations, the Fund shall have legal personality only as from its Formation Date corresponding to its registration with the Paris Trade and Companies Register.

The AIFM is required to carry out as soon as possible the formalities regarding publicity as required by applicable laws and regulations and to seek registration of the Fund with the Paris Trade and Companies Register. Full powers are hereby granted to the AIFM to this effect and, to the extent that this is compatible with legislation, the same powers are hereby granted to the bearer of an original, copy or extract of this LPA.

48. ADOPTION OF UNDERTAKINGS PREVIOUSLY CONTRACTED – AUTHORISATION OF FURTHER UNDERTAKINGS

The Partners declare having taken note of the acts performed for the Fund whilst in formation and of the undertakings resulting therefrom before the reading and execution of the LPA and its Annexes.

Execution hereof shall result in the adoption by the Fund of such undertakings which shall be deemed as having at all times bound the Fund once the latter shall have been registered with the Paris Trade and Companies Register.

Furthermore, the Partners hereby give mandate to the AIFM to enter into the following undertakings on behalf of the Fund:

- to open any bank account on behalf of the Fund and to carry out any transactions which are necessary in connection with the operation of such account(s);
- to ensure current expenses; and
- generally to do all things necessary so that the Fund becomes registered at the Paris Trade and Companies Register.

The registration of the Fund with the Paris Trade and Companies Register shall constitute an adoption by the Fund of its undertakings.

49. SEVERABILITY

If one of the provisions of this LPA is or becomes invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions. All possible solutions shall be sought by the Limited Partners and the AIFM in order to replace promptly the invalid or unenforceable provision by a valid and enforceable provision so that the effect of the new provision corresponds as closely as possible to the effect of the invalid or unenforceable provision.

ANNEX 1
RISK FACTORS, POTENTIAL CONFLICTS OF INTEREST AND OTHER CONSIDERATIONS

Parts A, B and C of this Annex 1 are an extract of the prospectus of BEPIF Master FCP and, subject to applicable law, shall apply *mutadis mutandis* with respect to the Fund for so long as the Fund invests in parallel with BEPIF Master FCP. Each capitalised term used in Parts A, B and C of this Annex 1 and not defined in this LPA or in this Annex 1 shall, unless the context otherwise requires, have the meaning ascribed to it in the prospectus of BEPIF Master FCP. For the avoidance of doubt, each reference to "*Unitholders*" in this Annex 1 shall be construed as references to the Limited Partners.

With respect to Part B of this Annex 1, Limited Partners should also refer to Article 24 of this LPA.

Furthermore, in the conduct of its business the AIFM's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the AIFM and the Fund or its Limited Partners and between the interests of one or more Limited Partners and the interests of one or more other Limited Partners. The AIFM has implemented procedures designed to ensure that business activities involving a conflict which may harm the interests of the Fund or its Limited Partners are carried out with an appropriate level of independence and that conflicts are resolved fairly.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the AIFM for the management of conflicts of interest are not sufficient to ensure that risks of damage to the interests of the Fund or its Limited Partners will be prevented. In such case, these non-neutralized conflicts of interest as well as the decisions taken will be reported to Limited Partners.

The following list of risk factors, conflicts and certain other considerations does not purport to be a complete enumeration or explanation of the risks, conflicts and other considerations involved in an investment in the Fund. Potential investors should read the entire LPA and consult with their own advisors before deciding whether to invest in the Fund. In addition, as the Fund's investment program develops and changes over time, an investment in the Fund may be subject to additional and different risk factors, conflicts and other considerations and the LPA will not necessarily be updated to reflect such changes. By subscribing to Units, Limited Partners will be deemed to have acknowledged and consented to the content in this LPA, including the conflicts provided for herein. Although the various risks, conflicts and other considerations discussed herein are generally described separately, potential investors should consider the potential effects of the interplay of multiple matters.

* * *

PART A
Risk Factors

The purchase of Units in BEPIF Master FCP entails a high degree of risk and is suitable for sophisticated investors for whom an investment in BEPIF Master FCP does not represent a complete investment program, and who fully understand BEPIF's strategy, characteristics and risks, including the use of borrowings to leverage Investments and are capable of bearing the risk of an investment in BEPIF Master FCP. Potential Unitholders in BEPIF Master FCP should carefully consider the following risk factors before making a decision to invest in BEPIF Master FCP. If any of the risks described or contemplated below occurs, there could be a material adverse effect on the results and operations of BEPIF Master FCP or its Portfolio Entities, and the Unitholders may experience a total loss on their investment in BEPIF Master FCP. The following considerations are not a complete summary or explanation of the various risks involved in an investment in BEPIF Master FCP, and the interplay of risks can have additional effects not described below. **Most of the following risk factors apply both to BEPIF and to BPPE. Therefore, you should assume references to BEPIF herein include references to BPPE as well, to the extent BEPIF is invested in BPPE, unless the context indicates otherwise.**

Capitalized terms used but not defined in this Section XVI have the meanings given to such terms elsewhere in this Prospectus. The term "Sponsor" is defined in Section XV: "Definitions" to this Prospectus to generally describe, as the context or applicable law requires, individually and collectively, the AIFM and the Investment Manager, and all references herein to the Sponsor or to any rights, powers, responsibilities, or activities of the

Sponsor are qualified in all respects by the terms contained in this Prospectus and the Documents, all of which should be carefully reviewed by each potential investor for, among other things, a more detailed description of the relative rights, powers, responsibilities, and activities of each of the AIFM and the Investment Manager.

General

No Assurance of Investment Return. The Sponsor cannot provide assurance that it will be able to successfully implement BEPIF's investment strategy, or that Investments made by BEPIF will generate expected returns. Moreover, the Sponsor cannot provide assurance that any Unitholder will receive a return of its capital or any distribution from BEPIF or be able to withdraw from BEPIF within a specific period of time. **Past performance of investment entities associated with the Sponsor or the Sponsor's investment professionals is not necessarily indicative of future results or performance and there can be no assurance that BEPIF will achieve comparable results**. **Accordingly, investors should draw no conclusions from the performance of any other investments of the Sponsor and should not expect to achieve similar results.** An investment in BEPIF involves a risk of partial or total loss of capital and should only be considered by potential investors with high tolerance for risk.

Limited Operating History. BEPIF has not commenced operations and therefore has no operating history upon which prospective investors may evaluate its performance. The size and type of Investments to be made by BEPIF could differ from prior Blackstone investments (including prior real estate investments). Valuations are prepared on the basis of certain qualifications, assumptions, estimates and projections, and there is no assurance that the projections or assumptions used, estimates made or procedures followed by Blackstone or any third-party valuation agent are correct, accurate or complete. See also "—Epidemics / Pandemics," "—Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments" and "—Valuations & Returns" herein. In addition, there can be no guarantee that any additional investment opportunities will be identified for BEPIF or that, once identified, such investment opportunities will close or will close at the anticipated acquisition price; furthermore, there can be no guarantee that any additional investment opportunity will generate income or a return of capital or any distribution from BEPIF. All or substantially all of BEPIF's Investments may be interests in BPPE, particularly early on in BEPIF's operations.

Forward Looking Statements. Statements contained in this Prospectus that are not historical facts, including statements regarding trends, market conditions and the expertise or experience of Blackstone, Blackstone Real Estate or the investment team, are based on current expectations, estimates, projections, opinions, and/or beliefs of Blackstone. Such statements are not facts and involve known and unknown risks and uncertainties. Potential investors should not rely on these statements as if they were fact. Moreover, certain information contained in this Prospectus constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including, but not limited to, those set forth in this Section XVI, actual events or results or the actual performance of BEPIF may differ materially from those reflected or contemplated in such forward-looking statements. None of the individual members or any employee or director of Blackstone referred to herein holds itself out to any person for any purpose as general partner. Statements contained herein are not made in any person's individual capacity, but rather on behalf of the Sponsor. References herein to "expertise" or any party being an "expert" are based solely on the belief of Blackstone, are intended only to indicate proficiency as compared to an average person and in no way limit any exculpation provisions or alter any standard of care applicable to Blackstone. Additionally, any awards, honors, or other references or rankings referred to herein with respect to Blackstone or any investment professional are provided solely for informational purposes and are not intended to be, nor should they be construed or relied upon as, any indication of future performance or other future activity. Any such awards, honors, or other references or rankings may have been based on subjective criteria and may have been based on a limited universe of participants, and there are other awards, honors, or other references or rankings given to others and not received by Blackstone and/or any investment professional of Blackstone.

Performance Information. Any performance information included herein or otherwise provided by Blackstone is presented solely for illustrative purposes and may not be representative of all transactions of a given type or of investments generally. In considering investment performance information contained in this Prospectus or otherwise provided, prospective Unitholders should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that BEPIF will achieve comparable results, be able to effectively implement its investment strategy, achieve its investment or asset allocation objectives, be profitable or avoid substantial losses.

In addition, there can be no assurance that the Investment Manager will be successful in identifying investment opportunities. Although BEPIF may invest in BPPE, the investment portfolio of BPPE may differ materially in terms of levels of sectoral and geographic diversification from the current investment strategy of BEPIF.

Furthermore, performance shown may not reflect returns experienced by any particular investor in the applicable fund. Performance for individual investors may vary from BEPIF's overall performance as a result of the timing of an investor's admission (including automatic reinvestment for Accumulation Sub-Class Units) to BEPIF; the redemption or increase of any part of a Unitholder's interest in BEPIF; and the Class of Units in which they invest (including as a result of different Subscription Fees, Servicing Fees or currency fluctuations). Prospective Unitholders should note that certain Parallel Entities may invest through intermediate entities which may pay additional taxes which would further reduce returns experienced by Unitholders participating therein.

The Performance Participation Allocation that the Recipient is entitled to from the BEPIF Aggregator is based on a Total Return metric adjusted to exclude the impact of certain expenses and therefore such Total Return measure will differ from the performance that investors will experience. Further, investors will experience performance that is net of any Performance Participation Allocation received by the Recipient from the BEPIF Aggregator.

Reliance on the Sponsor. The Sponsor will have exclusive responsibility for management and oversight of BEPIF's activities. Unitholders will not have the right to make or evaluate any Investment made by BEPIF, or other decisions concerning direct management of BEPIF and its Portfolio Entities and will not receive some of the financial information with respect to future opportunities that are available to the Sponsor. The Sponsor will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting Investments on behalf of BEPIF (subject to certain specified exceptions). Accordingly, Unitholders are dependent upon the judgment and ability of the Sponsor to source transactions and invest and manage the capital of BEPIF. No potential investor who is unwilling to entrust all aspects of the management of BEPIF to the Sponsor should invest in BEPIF.

Role of Real Estate Professionals. The success of BEPIF will depend in part upon the skill and management expertise of the Sponsor's real estate professionals. Their interests in the Sponsor, and the vesting and potential forfeiture terms to which their interests are subject, should discourage them from leaving the Sponsor, but there is ever increasing competition among industry participants for hiring and retaining qualified investment professionals. There can be no assurance that any professional will continue to be associated with the Sponsor or involved in BEPIF throughout the life of BEPIF or that any new hires or replacements will perform well. In addition, investment decisions are often considered by the Blackstone Real Estate Investment Committee or otherwise by multiple investment professionals. Discussion and debate among them are generally helpful to the investment decision-making process but excessive disagreement could adversely impact BEPIF. Finally, the Sponsor's investment professionals work on a variety of projects and funds, which will result in less than all of their time and attention being allocated to BEPIF.

Market Conditions

Highly Competitive Market for Investment Opportunities; Operators and Other Investors. Identifying, closing and realizing attractive real estate investments that fall within BEPIF's investment mandate is highly competitive and involves a high degree of uncertainty. In addition, developing and maintaining relationships with joint venture or operating partners, on which some of BEPIF's strategy depends, is highly competitive. A failure by the Sponsor to identify attractive investment opportunities, develop new relationships and maintain existing relationships with joint venture partners and other industry participants would adversely impact BEPIF. The Sponsor competes for investment opportunities and potential joint venture and operating partners with individuals, publicly traded and unlisted real estate investment trusts ("**REITs**"), financial institutions (such as investment and mortgage banks, pension funds and real estate operating companies), hedge funds, sovereign wealth funds and other institutional investors. New competitors constantly enter the market, and in some cases existing competitors combine in a way that increases their strength in the market.

General Economic and Market Conditions. The real estate industry generally, and BEPIF's investment activities in particular, are affected by general economic and market conditions, such as interest rates, availability and spreads of credit, credit defaults, inflation rates, economic uncertainty, changes in tax, currency control and other applicable laws and regulations, trade barriers, and national and international political, environmental and socioeconomic circumstances. Market disruptions in a single country could cause a worsening of conditions on a regional and even global level. A worsening of general economic and market conditions would likely affect the level and volatility of securities prices and the liquidity of BEPIF's Investments, which could impair BEPIF's profitability, result in losses and impact the Unitholders' investment returns and limit BEPIF's ability to satisfy Redemption Requests. A depression, recession or slowdown in the global economy or one or more regional real estate markets (or any particular segment thereof) or a weakening of credit markets (including a perceived increase in counterparty default risk) would have a pronounced impact on the Sponsor, BEPIF and BEPIF's Portfolio Entities and could adversely affect their profitability, creditworthiness and ability to execute on their business plans, satisfy existing obligations and redemptions, make and realize Investments successfully, originate or refinance credit or draw on existing financings and commitments. See "—Impact of Market Conditions on Commercial Real Estate Generally" herein.

Financial Market Fluctuations; Availability of Financing. Declines or volatility in financial markets, including the securities and derivatives markets, would adversely affect the value of BEPIF's Investments. A significant market fluctuation often decreases tolerance for counterparty risks, which can negatively impact financial institutions, even causing their failure as occurred in the most recent global economic downturn. BEPIF and its Portfolio Entities expect to regularly seek to obtain new debt and refinance existing debt, including in the liquid debt markets, and significant declines in pricing of debt securities or increases in interest rates, or other disruptions in the credit markets, would make it difficult to carry on normal financing activities, such as obtaining committed debt financing for acquisitions, bridge financings or permanent financings. Tightening of loan underwriting standards, which often occur during market disruptions, can have a negative impact including through reduction of permitted leverage levels and increased requirements for borrower quality. BEPIF's ability to generate attractive investment returns will be adversely affected by any worsening of financing terms and availability.

Inflation. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on the economies and financial markets, particularly in emerging economies. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on Investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on BEPIF's returns.

Region Related Risks

Economic, Political and Social Risks. Certain countries have in the past, and may in the future, experience religious, political and social instability that could adversely affect BEPIF. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, or social conditions or government policies. Governments of many countries have exercised and continue to exercise substantial influence over many aspects of the private sector, and certain industries may be subject to significant government regulation. Additionally, exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on foreign capital inflows, repatriation of investment income or capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of BEPIF. See also "—United Kingdom Exit from the European Union" herein. Additionally, the availability of attractive investment opportunities for BEPIF is expected to depend in part on governments in certain countries continuing to liberalize their policies regarding foreign investment and, in some cases, to further encourage private sector initiatives. In addition, countries may be in the initial stages of their industrial development and have a lower per capita gross national product or a low income economy as compared to the more developed economies. Markets for investments in such countries are not as developed and may be less liquid than markets in more developed countries. Investments in companies domiciled in emerging market countries may be subject to potentially higher risks as compared to the average among investments in more developed countries.

Regional Risk; Interdependence of Markets. Economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. The market and the economy of a particular country in which BEPIF invests is influenced by economic and market conditions in other countries in the same region or elsewhere in the world. Similarly, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. A repeat of either of these crises or the occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally. See also "—United Kingdom Exit from the European Union" herein.

Epidemics / Pandemics. Certain countries have been susceptible to epidemics, which may be designated as pandemics by world health authorities, most recently a novel and highly contagious form of coronavirus ("**COVID-19**"). The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which BEPIF invests), and therefore can be expected to adversely affect the performance of BEPIF's Investments and the ability of BEPIF to achieve its investment objectives. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to the ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to BEPIF and the performance of its Investments or operations. See also "—Force Majeure Risk" and "—Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments" herein.

Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments. Beginning in the first quarter of 2020, there was an outbreak of COVID-19, which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses are also implementing similar precautionary measures. In addition, state, federal and non-U.S. laws and regulations have been implemented (and other laws and regulations are being considered) that place restrictions on lenders and landlords in the real estate sector and other industries from exercising certain of their rights in the event of borrower or tenant defaults or delinquencies, including with respect to foreclosure and eviction rights. For example, certain jurisdictions have implemented debt payment relief packages or suspended the enforcement of residential and commercial evictions. Countries across Europe and Asia have also instituted similar protections, including residential and commercial protections for non-payment of rent, payment holidays, and increased notice periods prior to evictions. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are (i) expected to have a material adverse impact on tenants, real estate lenders and commercial property owners like BEPIF, (ii) creating significant disruption in supply chains and economic activity and (iii) having a particularly adverse impact on hospitality, tourism, entertainment and other industries. Although vaccines for COVID-19 are being made available to the general public in the U.S. and around the world, it will take time for the vaccine to materially affect the spread of the virus and the outbreak could have a continued adverse impact on economic and market conditions.

The extent of the impact of any public health emergency on BEPIF's and its Portfolio Entities' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency; the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels; and the levels of economic activity and the extent of its disruption, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of BEPIF and its Portfolio Entities, BEPIF's ability to source, manage and divest Investments and BEPIF's ability to achieve its investment objectives, all of which could result in significant losses to BEPIF. A public health emergency like COVID-19 may have a greater impact on leveraged assets.

In addition, the operations of BEPIF, its Portfolio Entities, and the Sponsor may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers. See also "—Force Majeure Risk" and "—Epidemics / Pandemics" herein.

Natural Disasters. Certain regions in which BEPIF invests or conducts activities related to Investments are susceptible to natural disasters, such as earthquakes, and disease outbreaks that could have a severe impact on the value of, and even destroy, assets in those regions. Health or other government regulations adopted in response to natural calamities may require temporary closure of corporate and governmental offices upon a disaster, which would severely disrupt BEPIF's operations in the affected area. Catastrophic losses may either be uninsurable or insurable at such high rates as to make coverage impracticable. If a major uninsured loss were to occur with respect to any of BEPIF's Investments, BEPIF could lose both invested capital and anticipated profits.

Weather and Climatological Risks. Certain regions in which BEPIF invests or conducts activities related to Investments may be particularly sensitive to weather and climate conditions. Climate change may cause more extreme weather conditions and increased volatility in seasonal temperatures, which can interfere with operations and increase operating costs, and damage resulting from extreme weather may not be fully insured.

Trade Policy. Political leaders in the U.S. and certain European nations have been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum, and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Other countries, including Mexico, have threatened retaliatory tariffs on certain U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of BEPIF and its Investments. In particular, the U.S. and China have agreed to a partial trade deal with respect to their ongoing trade dispute. However, certain issues remain unresolved, which is expected to be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While this dispute has already had negative economic consequences on U.S. markets, to the extent this trade dispute escalates into a "trade war" between the U.S. and China, there could be additional significant impacts on the industries in which BEPIF participates and other adverse impacts on BEPIF's Investments. Please also see "—United Kingdom Exit from the European Union" herein.

Terrorist Activities. The terrorist attacks on the U.S. on September 11, 2001, and more recently in Paris, London, Madrid and elsewhere, together with the military response by the U.S., the UK, Australia and various other allied countries in Afghanistan, Iraq and elsewhere, have resulted in substantial and continuing economic volatility and social unrest in various regions of the world. Further terrorist attacks in major global cities, and any additional significant military or other response by the U.S. or other countries could materially and adversely affect international financial markets and local economies alike. Any terrorist attacks, including biological or chemical warfare, that occur at or near Portfolio Entities of BEPIF that have a national or regional profile would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage. As a result of global events similar to those above and continued terrorism concerns, insurers significantly reduced the amount of insurance coverage available for liability to persons other than employees for claims resulting from acts of terrorism, war or similar events. As a result of a terrorist attack or terrorist activities in general, BEPIF may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all. In the current environment, there is a risk that one or more of BEPIF's assets will be directly or indirectly affected by terrorist attack, including biological or chemical warfare, and premier, high-profile assets in 24-hour urban markets may be particularly attractive targets. Such an attack could have a variety of adverse consequences for BEPIF, including risks and costs related to the destruction of property, inability to use one or more assets for their intended uses for an extended period, decline in rents achievable or asset values, injury or loss of life and litigation related to the attack. Such risks may or may not be insurable at rates that the Sponsor deems sensible at all times. See "—Availability of Insurance Against Certain Catastrophic Losses" herein. Recourse to BEPIF's service providers and other counterparties in the event of losses may be limited, and such losses may be borne by BEPIF.

Corruption Risk. Corruption can result in huge economic losses due to fraud, theft and waste. Moreover, corruption can corrode critical public institutions, such as the courts, law enforcement and public pension administration, thereby undermining property rights, public confidence and social stability. As a result, corruption dramatically increases the systemic risks that exist in some of the jurisdictions in which BEPIF invests. Corruption scandals are common and likely to remain so going forward. Unitholders in BEPIF are thus exposed to the increased costs and risks of corruption where BEPIF invests, and there can be no assurance that any reform efforts will have a meaningful effect during the term of BEPIF. The U.S. and the UK have the U.S. Foreign Corrupt Practices Act ("**FCPA**") and the UK Bribery Act of 2010 (the "**UK Bribery Act**"), respectively, and other jurisdictions have adopted similar anti-corruption laws. Many of these laws have extraterritorial application. Although the Sponsor conducts FCPA diligence on all Investments, BEPIF may acquire an Investment with risks related to prior non-compliance with one or more of these statutes. Furthermore, although the Sponsor has robust compliance programs, persons acting on behalf of BEPIF or any Portfolio Entity, including related persons of the Sponsor, may engage in conduct that violates one or more of these statutes. In these cases, BEPIF could suffer significant losses from the cost of defense, interruption to ordinary operations and fines and penalties.

Privatization. BEPIF may invest in state-owned enterprises or assets that have been or will be transferred from government to private ownership. There can be no assurance that any privatizations will be undertaken or, if undertaken, will be successfully completed or completed on favorable terms. There can also be no assurance that, if a privatization is undertaken on a private placement basis, BEPIF will have the opportunity to participate in the investing consortium. Furthermore, if BEPIF has the opportunity to participate in a privatization, it is possible the privatization could be re-examined subsequently by local or international regulatory bodies, exposing BEPIF to criticism or investigation. Unitholders should be aware that changes in governments or economic factors could result in a change in a country's policies on privatization. Should these policies change in the future, it is possible that governments may determine to return projects and companies to state ownership. In such a situation, the level of compensation that would be provided to the owners could be substantially less than the amount invested by them.

Foreign Investment Controls. Foreign investment in real estate and in securities of companies in certain countries where BEPIF invests is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain assets, asset classes or sectors of the country's economy. BEPIF may utilize investment structures to comply with such restrictions, but there can be no assurance that a foreign government will not challenge the validity of these structures or change laws in a way that reduces their effectiveness, imposes additional governmental approvals, restricts or prohibits BEPIF's Investments or taxes, or restricts or otherwise prohibits repatriation of proceeds. These restrictions or controls may limit the potential universe of buyers of an asset, thereby reducing the demand for assets BEPIF seeks to sell. For example, the Committee on Foreign Investment in the U.S. may determine a foreign entity cannot buy an asset being sold by BEPIF in the U.S.

Foreign Capital Controls. Countries may require government approval for contributions of foreign capital to the country and distributions of investment income or capital out of the country. Countries may also place limitations on holding their currency abroad. Countries can change capital controls to increase or decrease overall levels of foreign direct investment or currency pricing, to manage the country's balance of payments and for a number of other reasons outside the control of the Sponsor. BEPIF could be adversely affected by delays in, or a refusal to grant, any required governmental approval for payment of dividends and repatriation of capital interests.

Asset Manager in Certain Jurisdictions. Certain local regulatory controls and tax considerations may cause BEPIF to appoint one or more third parties to manage some or all of BEPIF's Investments in certain jurisdictions. Although typically the Sponsor oversees the operations of BEPIF's Investments, such third parties will be delegated responsibilities and may have influence over the affairs and operations of the applicable Investments. The costs and expenses of any such third-party will be borne by BEPIF and will not offset Fund Fees.

Laws Protecting Tenants. Tenants in certain jurisdictions benefit from legal protections and customary contractual provisions that generally do not apply elsewhere. For example, in some jurisdictions, a tenant is entitled to seek a rent reduction when market rents decrease, thereby exposing BEPIF to risk of decreasing revenue in a market decline. In some jurisdictions, tenants have the right to terminate leases before the stated term ends. Residential tenants in some jurisdictions may benefit from rent control programs that reduce the ability of an owner to raise rents. In others, retail leases are subject to special tenant-friendly rules. Finally, even when an owner of real estate has clear legal rights, the judiciary may fail to uphold those rights. All of these considerations significantly increase the risk of holding a real estate asset.

Legal Framework and Corporate Governance. Because the integrity and independence of the judicial systems in some of the countries in which BEPIF invests varies, BEPIF may have difficulty in successfully pursuing claims in the courts of such countries. For example, it is more difficult to enforce contracts in some countries, especially against governmental entities, which could materially and adversely affect revenues and earnings of BEPIF or its Portfolio Entities. If counterparties repudiate contracts or default on their obligations, there may not be adequate remedies available. Furthermore, to the extent BEPIF or a Portfolio Entity obtains a judgment in a country with a strong judiciary but is required to seek its enforcement in the courts of a country with a weak judiciary, there can be no assurance that BEPIF or such Portfolio Entity will be able to enforce the judgment. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries.

Certain markets do not have well-developed shareholder rights, which could adversely affect BEPIF's minority Investments. In these markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Legislation to safeguard the rights of private ownership may not exist in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in financial instruments may not exist or may be subject to inconsistent or arbitrary interpretation.

Accounting Standards. BEPIF generally applies IFRS accounting standards for the calculation of its net asset value, its valuation and the establishment of its audited annual report. BEPIF's accounting standards may not correspond to the accounting standards of other underlying entities, resulting in different financial information appearing on their respective financial statements. Information available to Unitholders in BEPIF's audited annual report may differ from information available in the financial statements of underlying entities, including operations, financial results, capitalization and financial obligations, earnings and securities.

Investments in Emerging Markets. Although not BEPIF's primary strategy, a portion of BEPIF's capital may be deployed in emerging market countries, which may heighten the risks described above as emerging markets tend to be more prone to various risks as compared to developed countries. Risks associated with the following are particularly material in emerging markets: political affairs, corporate governance, judicial independence, political corruption, exchange controls, and changes in rules and regulations and interpretation of them. Accordingly, emerging markets are more volatile and the costs and risks associated with investments in them are generally higher than for investments in other countries.

Potential Collapse of the Euro. BEPIF undertakes Investments in countries within the EU, a significant number of which use the Euro as their national currency. In the recent past the stability of certain European financial markets deteriorated and expectations centered on potential defaults by sovereign states in Europe increased. There is a risk that in the future certain members of the Eurozone default, or expectations of such a default increase, which may lead to the collapse of the Eurozone as it is constituted today or that certain members of the Eurozone may cease to use the Euro as their national currency. Given the interdependence of the global economy, this could have an adverse effect on the performance of Investments both in countries that experience the default and in other countries within the EU. A potential primary effect would be an immediate reduction of liquidity for particular Investments in the affected countries, thereby impairing the value of such Investments. Further, a deteriorating economic environment caused directly or indirectly by such a default or related expectations could have a direct effect on the general economic environment and the real estate market in particular.

Risks Associated with the Euro. The functioning of the Euro as a single currency across the diverse economies comprising the Eurozone has sustained considerable pressure as the result of the recent global financial crisis, and expectations centered on potential defaults by sovereign states in Europe increased. The situation, particularly in those countries where sovereign default is perceived or expected to be most likely, may continue to deteriorate, which may lead to the collapse of the Eurozone as it is constituted today. It is possible that the Euro may cease to be the national currency of some or even all of the countries comprising the Eurozone as a result. If this were to occur, fluctuations in currency exchange rates of the new local currencies may cause borrowers in such countries to find it more difficult to meet their Euro repayment obligations and investors in such countries may find that the cost of meeting their commitment to BEPIF increases by virtue of a comparatively valuable sterling. Given the interdependence of the global economy, this could also have an adverse effect on the performance of investments both in countries that experience the default and in other countries, including outside the Eurozone. A potential primary effect would be an immediate reduction of liquidity for particular investments in the affected countries, thereby impairing the value of such investments. Further, a deteriorating economic environment caused directly or indirectly by such a default or related expectations could have a direct effect on the general economic environment and the real estate market in particular. These events are unprecedented and it is difficult to predict with any certainty the consequences of such events on BEPIF and its Investments.

LIBOR and Other "***IBOR***" ***Rates***. The London Interbank Offered Rate ("**LIBOR**") and other inter-bank lending rates and indices (together with LIBOR, the "**IBORs**") are the subject of ongoing national and international regulatory reform. Most LIBOR-based rates are now transitioned to alternative near risk-free rates (an "**RFR**"), but not all, as discussed further below.

From 1 January 2022, most LIBOR-based rates ceased to be published. The remaining USD LIBOR-based rates will no longer be published after 30 June 2023 (although use of USD LIBOR in most contracts entered into after 31 December 2021 is also restricted). USD LIBOR can therefore still be used in contracts that were in place prior to 1 January 2022. On 16 November 2021, the U.K. Financial Conduct Authority ("**FCA**") confirmed it will allow the temporary use of 'synthetic' sterling and yen LIBOR settings in various types of legacy contracts denominated in the relevant currencies until the end of 2022. There therefore remain certain circumstances where LIBOR-based rates continue to be used in financial instruments for various currencies. Consequently the interest rate on some of BEPIF's Investments may continue to be based in whole or in part on a LIBOR-based rate.

RFRs are conceptually and operationally different to LIBOR-based rates: for example, overnight rate RFRs may only be determinable on a 'backward' looking basis and be known at the end of an interest period, whereas LIBOR-based rates produce 'forward' looking rates. Moreover, certain RFRs (such as SOFR) are not well established in the market, and all RFRs remain novel in comparison to LIBOR-based rates. There remains some uncertainty as to what the economic, accounting, commercial, tax and legal implications of the use of RFRs will be and how they will perform over significant time periods and in times of market stress, particularly as market participants are still becoming accustomed to their use. As a result, it remains possible that the use of RFRs may have an adverse effect on BEPIF and therefore investors.

In the event that BEPIF has entered into a financial instrument that references a LIBOR-based rate then this may have to be transitioned to an RFR during the term of such financial instrument. The process of transitioning from a LIBOR-based rate to an RFR may result in higher volatility and lower liquidity in the LIBOR-based rate in any period before the LIBOR-based rate (or any synthetic version thereof) is definitively discontinued. There may be difficulties and costs associated with such transition, there may be delays or failures in meeting the conditions to amend the terms of the relevant financial instrument, it may not be possible to remediate such financial instrument or mismatches may arise if a hedge and its underlying position cannot be transitioned to the same RFR at the same time. If any such circumstances did arise this could adversely impact BEPIF and therefore investors.

Consequently, investors therefore be aware that BEPIF may incur additional costs and expenses in relation to the cessation of LIBOR and the use of RFRs. Whilst it is generally expected that financial instruments entered into by BEPIF will be linked to RFRs, given the relative novelty of the use of RFRs in financial markets, the exact impact of the use of RFRs remains to be seen. Further, to the extent that BEPIF does enter into a financial instrument referencing a LIBOR-based rate, there may be further costs or other adverse effects incurred by BEPIF in relation to the transition to the relevant RFR in such financial instrument in due course.

United Kingdom Exit from the European Union. There is a heightened risk of market instability and legal and regulatory change following the UK's exit from the European Union.

This may be characterized by: (i) market dislocation; (ii) economic and financial instability in the UK and European Union Member States; (iii) increased volatility and reduced liquidity in financial markets; (iv) an adverse effect on investor and market sentiment; (v) destabilization of Sterling and of the Euro; (vi) reduced deal flow in BEPIF's target markets; (vii) increased counterparty risk; and (viii) reduced availability of capital.

The effects on the UK, European and global economies of the exit of the UK (and/or other European Union Member States) from the EU, or the exit of one or more European Union Member States from the European Monetary Area and/or the redenomination of financial instruments from the Euro to a different currency, are impossible to predict and protect fully against in view of: (i) economic and financial instability in the UK and in European Union Member States; (ii) the severity of the recent global financial crisis; (iii) difficulties in predicting whether the current signs of recovery will be sustained and at what rate; (iv) the uncertain legal position; (v) the impact of macro geopolitical considerations including concurrent European Union trade negotiations with other non-European Union states and heightened flows of displaced persons from outside the EU; (vi) the difficulty in the establishment of a legal framework for ongoing relations between the UK and European Union Member States; and (vii) the fact that many of the risks related to the business are totally, or in part, outside of BEPIF's, the AIFM's and/or the Investment Manager's control.

However, any such event may result in: (a) significant market dislocation, (b) heightened counterparty risk, (c) an adverse effect on the management of market risk and, in particular, asset and liability management due, in part, to redenomination of financial assets and liabilities, (d) a material adverse effect on the ability of the AIFM and/or the Investment Manager to market, raise capital for, manage, operate and invest BEPIF, and (e) an increased legal, regulatory or compliance burden for the BEPIF, the AIFM and/or the Investment Manager, each of which may have a material adverse effect on the operations, financial condition, returns, or prospects of BEPIF, the AIFM and/or the Investment Manager in general. Any adverse changes affecting the economies of the countries in which BEPIF conducts its business (including making Investments) and any further deterioration in global macro-economic conditions could have a material adverse effect on BEPIF's prospects and/or returns.

Real Estate Investing

Real Estate Risks Generally. BEPIF's Investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. Deterioration of real estate fundamentals generally, and in Europe in particular, would negatively impact the performance of BEPIF. These risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic conditions, changes in environmental and zoning laws, casualty or condemnation losses, regulatory limitations on rents, decreases in asset values, changes in the appeal of assets to tenants, changes in supply of and demand for competing assets in an area (as a result, for instance, of overbuilding), fluctuations in the average occupancy, operating income and room rates for hotel assets, the financial resources of tenants, changes in global, national, regional or local economic, demographic or capital market conditions, changes in availability of debt financing which may render the sale or refinancing of Investments difficult or impracticable, future adverse real estate trends, including increasing vacancy rates, declining rental rates and general deterioration of market conditions, increased competition for properties targeted by BEPIF's investment strategy changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, political events, changes in government regulations (such as rent control), changes in real property tax rates and operating expenses, changes in interest rates, and the availability of mortgage funds, which may render the sale or refinancing of Investments difficult or impracticable, increased mortgage defaults, increases in borrowing rates, negative developments in the economy or political climate that depress travel activity, environmental liabilities, contingent liabilities on disposition of assets, acts of God, terrorist attacks, war and other factors that are beyond the control of the Sponsor. In addition, in acquiring an asset or stock, BEPIF may agree to lock-out provisions that materially restrict it from selling that asset or stock for a period of time or that impose other restrictions, such as a limitation on the amount of debt that can be placed on that asset. There can be no assurance that there will be a ready market for the resale of Investments. Illiquidity may result from the absence of an established market for Investments or a disruption in the market.

Real Estate Title. Disputes over ownership of land sometimes occur. In certain jurisdictions, title insurance is readily available to cover this risk, though typical exclusions from policies may render them ineffective in certain cases. Alternatively, BEPIF could rely on opinions of title from lawyers or other professionals, which may prove inaccurate. Furthermore, in some jurisdictions, certain social groups may have claims against property that otherwise appears to be properly entitled in the real estate registries, which may encumber title of property acquired by BEPIF or its Portfolio Entities. In other jurisdictions, the real estate registry commonly does not reflect the true holder of the real estate title, which complicates title research and may result in title problems. Finally, in some jurisdictions, a purchase of real property can be attacked as not meeting "true sale" requirements and recharacterized as secured financing in the event the seller becomes insolvent. If any of these events occurs in relation to any of BEPIF's interests or properties, BEPIF could lose certain of its rights in relation thereto.

Impact of Market Conditions on Commercial Real Estate Generally. In addition to general economic conditions, as described herein under "—General Economic and Market Conditions," the commercial real estate markets in which BEPIF operates are also affected by a number of specific conditions, such as planning, environmental, leasing, tax and other real estate-related laws and regulations, prevailing rental rates, prospective rental growth, occupancy rates, lease lengths, tenant creditworthiness and solvency, and benchmark investment yields and spreads that apply to commercial real estate. Adverse general economic and market conditions, such as those that prevailed during the most recent global economic downturn, could have a material adverse effect on commercial real estate assets, including by decreasing demand for commercial real estate, reducing rental income, decreasing occupancy rates, causing tenants to terminate leases early or enter bankruptcy proceedings, and decreasing the value of real estate assets generally. Declines in rental income on real estate as a result of negative market conditions would not necessarily be accompanied by a decline in significant expenses associated with holding real estate, such as real estate taxes, utility rates, insurance rates, and renovation and maintenance costs. This mismatch would accentuate the impact of a negative market event.

Local Real Estate Market Conditions. The success of each real estate Investment depends upon the performance of the local real estate markets where the assets are located. Local real estate markets can decline for any of a number of reasons, including population decline, poor regional economic performance, excess development leading to oversupply, local government policies and heightened taxes. No assurance can be given that the local real estate markets in which BEPIF invests will improve, or remain constant, over the term of BEPIF. Market conditions can deteriorate due to factors outside the foresight or control of the Sponsor. Actual or perceived trends in real estate markets do not guarantee, predict or forecast future events, which may differ significantly from those implied by such trends.

Leasing Real Estate. BEPIF's Investments for let are subject to various risks related to leasing and tenants. BEPIF competes with other owners of real estate to lease space, and the occupancy and rental rates of its assets depend on leasing market activity. A tenant in one of BEPIF's assets may experience a decline in its business that weakens its financial condition and ability to make rental payments when due, or the tenant's financial results from the asset rented from BEPIF may decline such that the tenant has an incentive to terminate the lease. In some instances, the principal asset of a tenant is its improvements to the leased property, or the liability of the tenant may be contractually limited to its interest in such improvements. In those cases, BEPIF relies only on the tenant's equity interest in the improvements to secure the tenant's obligations under the lease.

Rental income from real property, directly or indirectly, is expected to constitute a significant portion of BEPIF's income. Delays in collecting accounts receivable from tenants could adversely affect BEPIF's cash flows and financial condition. In addition, the inability of a single major tenant or a number of smaller tenants to meet their rental obligations could adversely affect BEPIF's income. Therefore, BEPIF's financial success is expected to be indirectly dependent on the success of the businesses operated by the tenants in BEPIF's properties or in the properties securing debts BEPIF may own. The weakening of the financial condition of or the bankruptcy or insolvency of a significant tenant or a number of smaller tenants and vacancies caused by defaults of tenants or the expiration of leases may adversely affect BEPIF's operations, performance and BEPIF's ability to pay distributions.

Certain of BEPIF's properties may be leased out to single tenants or tenants that are otherwise reliant on a single enterprise to remain in business and BEPIF's hotel properties may be operated by a single operator. Adverse impacts to such tenants, businesses or operators, including as a result of changes in market or economic conditions, natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, political events or other factors that may impact the operation of these properties, may have negative effects on BEPIF's business and financial results. Further, if such tenants default under their leases or such operators are unable to operate BEPIF's properties, BEPIF may not be able to promptly enter into a new lease or operating arrangement for such properties, rental rates or other terms under any new leases or operating arrangements may be less favorable than the terms of the current lease or operating arrangement or BEPIF may be required to make capital improvements to such properties for a new tenant or operator, any of which could adversely impact BEPIF's operating results.

Tenants terminate leases, including before the term ends, for a variety of reasons. In addition, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection or termination of the tenant's lease or other adverse consequences to the landlord. BEPIF may be thwarted in attempts to enforce its rights as lessor and, even where BEPIF is successful in enforcing its rights, BEPIF may not be able to fully mitigate its losses or prevent future losses. After a lease has been terminated, BEPIF nonetheless bears the fixed costs of ownership of the asset, such as real estate taxes, maintenance and other operating expenses and, if applicable, interest and amortizations on any related financing. Property that has been vacated by a tenant may not be relet at the same rental rate (or at all), thereby reducing the operating income from the property, and BEPIF may need to make unexpected capital investments to lease the property again. Any of the risks described herein could be exacerbated to the extent any tenant leases property from more than one of BEPIF's Investments.

BEPIF may not be able to lease properties that are vacant or become vacant because a tenant decides not to renew its lease or by the continued default of a tenant under its lease. In addition, certain of the properties BEPIF acquires may have some level of vacancy at the time of acquisition. Certain other properties may be specifically suited to the particular needs of a tenant and may become vacant after BEPIF acquires them. Even if a tenant renews its lease or BEPIF enters into a lease with a new tenant, the terms of the new lease may be less favorable than the terms of the old lease. In addition, the resale value of the property could be diminished because the market value may depend principally upon the value of the property's leases. If BEPIF is unable to promptly renew or enter into new leases, or if the rental rates are lower than expected, BEPIF's results of operations and financial condition will be adversely affected.

BEPIF may seek to negotiate longer-term leases to reduce the cash flow volatility associated with lease rollovers; *provided* that contractual rent increases are generally included. In addition, where appropriate, BEPIF will seek leases that provide for operating expenses, or expense increases, to be paid by the tenants. These leases may allow tenants to renew the lease with pre-defined rate increases. If BEPIF does not accurately judge the potential for increases in market rental rates, or if BEPIF's negotiated increases provide for a discount to then-current market rental rates (in exchange for lower volatility), BEPIF may set the rental rates of these long-term leases at levels such that even after contractual rental increases, the resulting rental rates are less than then-current market rental rates. Further, BEPIF may be unable to terminate those leases or adjust the rent to then-prevailing market rates. As a result, BEPIF's income and distributions to BEPIF's Unitholders could be lower than if BEPIF did not enter into long-term leases.

Concentration in a Limited Number of Industries, Geographies or Investments. BEPIF's portfolio may be heavily concentrated at any time in only a limited number of industries, geographies or investments, and, as a consequence, BEPIF's aggregate return may be substantially affected by the unfavorable performance of even a single investment. This may be especially so with respect to BEPIF's direct investments that are not shared with BPPE, as such Investments will generally be in sectors and/or geographies not targeted by BPPE. Concentration of BEPIF's Investments in a particular type of asset or geography makes BEPIF more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular type of asset or geography. For Investments that the Investment Manager intends to finance (directly or by selling assets), there is a risk that such financing may not be completed, which could result in BEPIF holding a larger percentage of its assets in a single investment and asset type than desired. Unitholders have no assurance as to the degree of diversification in BEPIF's Investments, either by geographic region or asset type.

Net Lease Investments. BEPIF may invest in commercial properties subject to net leases. Typically, net leases require the tenants to pay substantially all of the operating costs associated with the properties. As a result, the value of, and income from, investments in commercial properties subject to net leases will depend, in part, upon the ability of the applicable tenant to meet its obligations to maintain the property under the terms of the net lease. If a tenant fails or becomes unable to so maintain a property, BEPIF will be subject to all risks associated with owning the underlying real estate. In addition, BEPIF may have limited oversight into the operations or the managers of these properties, subject to the terms of the net leases.

Certain commercial properties subject to net leases in which BEPIF invests may be occupied by a single tenant and, therefore, the success of such Investments are largely dependent on the financial stability of each such tenant. A default of any such tenant on its lease payments to BEPIF would cause it to lose the revenue from the property and cause BEPIF to have to find an alternative source of revenue to meet any loan payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, BEPIF may experience delays in enforcing its rights as landlord and may incur substantial costs in protecting BEPIF's investment and re-letting BEPIF's property. If a lease is terminated, BEPIF may also incur significant losses to make the leased premises ready for another tenant and experience difficulty or a significant delay in re-leasing such property.

In addition, net leases typically have longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years. BEPIF may acquire these investments through sale-leaseback transactions, which involve the purchase of a property and the leasing of such property back to the seller thereof.

Fluctuations in Capitalization Rates. Pricing of commercial real estate is commonly tracked through prevailing market capitalization rates. An asset's capitalization rate is its net operating income divided by its market value. If the market capitalization rate of an asset acquired by BEPIF rises above the capitalization rate at time of its acquisition, the value of the asset and BEPIF's NAV would be negatively affected, absent offsetting increases to net operating income. If BEPIF sells Units at a NAV per Unit below an individual Unitholder's investment basis, such Unitholder's interest would be diluted, and if such Unitholder requests a redemption of its Units, such Units would be redeemed at a price that is lower than the price at which such Unitholder originally purchased its Units. There can be no assurance that capitalization rates will not increase from the time of acquisition.

Non-Control Investments; JV Arrangements. BEPIF is expected to hold from time to time non-controlling or shared control investments in Portfolio Entities, such as joint ventures or other similar arrangements ("**JV Arrangements**"), with third-party co-investors or other partners, including, in certain circumstances, Unitholders or investors in Other Blackstone Accounts or their affiliates ("**Joint Venture Partners**"). In some of these cases, BEPIF could have limited governance rights. In these cases, BEPIF would rely on the efforts of third-party management, Unitholders or boards of directors for oversight of the investment, and these third parties may have other interests that conflict with the interests of BEPIF. Furthermore, there can be no assurance that any rights obtained by BEPIF in a JV Arrangement will provide sufficient protection of BEPIF's interests.

Investments made with Joint Venture Partners involve risks and potential conflicts of interest not present in Investments without a Joint Venture Partner, including related to the following:

- the Joint Venture Partner could have economic or other interests that are inconsistent with or different from the interests of BEPIF, including interests relating to the financing, management, operations, leasing or sale of the assets in the JV Arrangement;
- tax, the 1940 Act and other regulatory requirements applicable to the Joint Venture Partner could cause it to want to take actions that are contrary to the interests of BEPIF;
- the Joint Venture Partner could have joint control or joint governance of the joint venture even though its economic stake in the joint venture is significantly less than that of BEPIF;
- under the applicable JV Arrangement, it is possible that neither BEPIF nor the Joint Venture Partner unilaterally controls the joint venture, in which case deadlocks may occur. Such deadlocks could adversely impact the operations and profitability of the joint venture, including as a result of the inability of the joint venture to act quickly in connection with a potential acquisition or disposition;
- in the case of a governance impasse under the JV Arrangement or other circumstance that results in an acquisition or disposition, BEPIF could be forced to sell its interest in the JV Arrangement and its asset(s), or buy the Joint Venture Partner's share of such assets, at a time when it would not otherwise be in BEPIF's best interest to do so;
- if the Joint Venture Partner charges fees or incentive allocation to the JV Arrangement, the Joint Venture Partner could have an incentive to hold assets longer or otherwise behave to maximize fees and incentive allocation paid, even when doing so is not in the best interests of BEPIF;
- the Joint Venture Partner could have authority to remove the Blackstone-affiliated investment manager of the joint venture. If such removal were to occur, BEPIF would be joint venture partners with a third-party manager, in which case it could be significantly more difficult for BEPIF to implement its investment objective with respect to any of its Investments held through such joint ventures;
- under the applicable JV Arrangement, the Joint Venture Partner and BEPIF could each have pre-emptive rights in respect of future issuances by the joint venture entities, which could limit a joint venture's ability to attract new third-party capital;
- under the applicable JV Arrangement, BEPIF and the Joint Venture Partner could be subject to lock-ups, which could prevent BEPIF from disposing of its interests in the Investment at a time it determines it would be advantageous to exit from the Investment; and
- the Joint Venture Partner could have a right of first offer, tag-along rights, drag-along rights, consent rights or other similar rights in respect of any transfers of the ownership interests in the joint venture entities to third parties, which could have the effect of making such transfers more complicated or limiting or delaying BEPIF from selling its interest in the applicable investment.

Residential Real Estate Investments. BEPIF is expected to invest from time to time in residential real estate assets, which subjects BEPIF to particular economic, operating and regulatory risks. These risks relate to supply of and demand for living space in the local market, wage and job growth in the local market, availability of mortgage financing and homeownership affordability, tenant quality, the physical attributes of the building in relation to competing buildings (*e.g.*, age, condition, design, appearance, amenities and location) and other housing alternatives, access to transportation and changes in regulatory requirements, among other factors.

Increased levels of unemployment in multifamily markets could significantly decrease occupancy and rental rates. In times of increasing unemployment, multifamily occupancy and rental rates have historically been adversely affected by:

- oversupply or reduced demand for apartment homes;
- rental residents deciding to share rental units and therefore rent fewer units;
- potential residents moving back into family homes or delaying leaving family homes;
- a reduced demand for higher-rent units;
- a decline in household formation;
- persons enrolled in college delaying leaving college or choosing to proceed to or return to graduate school in the absence of available employment;
- rent control or rent stabilization laws, or other laws regulating housing, that could prevent BEPIF from raising rents sufficiently to offset increases in operating costs;
- the inability or unwillingness of residents to pay rent increases; and
- increased collection losses.

Substantially all of BEPIF's multifamily leases are expected to be on a short-term basis. Because these leases generally permit the residents to leave at the end of the lease term without penalty, BEPIF's rental revenues would be impacted by declines in market rents more quickly than if BEPIF's leases were for longer terms.

Investments in financing residential assets, such as mortgage loans (including loans that may be in default), involve additional risks. If a residential mortgage loan is in default, foreclosure of the mortgage loan can be a lengthy and expensive process. The ultimate disposition of a foreclosed asset may yield a price insufficient to cover the cost of the foreclosure process and the balance attached to the defaulted mortgage loan. In addition, politicians, regulators, journalists, housing advocates and others have been critical of private investment firms such as Blackstone that have made investments in residential mortgage loans and, in some cases, led protests and social media campaigns. Such opposition could cause BEPIF to forego investment opportunities and subject BEPIF to new legislation, litigation and changes in regulatory oversight. For example, housing advocates in certain Spanish cities have sought to prohibit foreclosure practices through local ordinances, which would have an adverse effect on holders of residential credit in those areas.

Office Real Estate Investments. BEPIF is expected to invest in office properties, which subjects BEPIF to particular economic and operating risks. These risks relate to supply of and demand for office space in the local market, the impact of economic conditions on the local market and the building's tenants, tenant quality, diversification and the physical attributes of the building in relation to competing buildings (*e.g.*, age, condition, design, appearance, amenities and location), and access to transportation. Changes in work patterns, such as telecommuting and shared space among workers, which trends have consolidated in recent years, could depress demand for office space and adversely affect the value of office assets. Some businesses are rapidly evolving to make employee telecommuting, flexible work schedules, open workplaces and teleconferencing increasingly common. These practices enable businesses to reduce their space requirements. A continuation of the movement towards these practices could, over time erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations, each of which could have an adverse effect on BEPIF's financial position, results of operations, cash flows and ability to make expected distributions to BEPIF's Unitholders. BEPIF may also be negatively impacted by competition from other short-term office or shared space leasing companies.

Logistics Investments. BEPIF is expected to invest in logistics assets (including storage and warehouse facilities and distribution centers), which subjects BEPIF to particular economic and operating risks. These risks relate to supply of and demand for such facilities in the local market, the impact of economic conditions on the local market and the building's tenants (including such tenants' products and inventories), tenant quality, diversification and the physical attributes of the building (*e.g.*, age, condition, availability of electricity and/or refrigeration required to store certain products, among others). Declines in demand for the products stored in, or distributed through, such facilities could result in increased vacancies and lower rents, which would adversely affect the value of such assets.

Certain of BEPIF's industrial properties may include special use and/or build-to-suit properties. These types of properties are relatively illiquid compared to other types of real estate and financial assets and this illiquidity will limit BEPIF's ability to quickly change BEPIF's portfolio in response to changes in economic or other conditions. With such properties, if the current lease is terminated or not renewed, BEPIF may be required to renovate the property or to make rent concessions in order to lease the property to another tenant, finance the property or sell the property. In addition, in the event BEPIF is forced to sell the property, BEPIF may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed. These and other limitations may affect BEPIF's ability to sell or relet BEPIF's industrial properties and adversely affect BEPIF's results of operations at such properties.

Retail Investments. BEPIF is expected to invest in retail assets, which subjects BEPIF to particular economic and operating risks. For example, retail properties, like other properties, are subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. A lease termination or business closure by a tenant that occupies a large area of a retail center (commonly referred to as an anchor tenant) could impact leases of other tenants, and other tenants may be entitled to modify the terms of their existing leases in the event of a lease termination by an anchor tenant, or the closure of the business of an anchor tenant that leaves its space vacant even if the anchor tenant continues to pay rent. Any such modifications or conditions could be unfavorable to BEPIF as the property owner and could decrease rents or expense recoveries. Additionally, major tenant closures may result in decreased customer traffic, which could lead to decreased sales at other stores. In the event of default by a tenant or anchor store, BEPIF may experience delays and costs in enforcing its rights as landlord to recover amounts due to it under the terms of its agreements with those parties. Furthermore, most leases with retail tenants contain provisions giving the particular tenant the exclusive right to sell particular types of merchandise or provide specific types of services within the particular retail center. These provisions may limit the number and types of prospective tenants interested in leasing space in a particular retail property. Retailers leasing properties will face continued competition from discount or value retailers, factory outlet centers, wholesale clubs, mail order catalogues and operators, television shopping networks and shopping via the internet. Finally, retailers have been significantly impacted by COVID-19 and may be impacted by similar events in the future. Such competition could adversely affect tenants and, consequently, revenues and funds available for distribution.

Shared Workspace Investments. BEPIF may invest in shared workspace assets and/or operators, as well as other Investments that employ a membership-based business model in which revenues are derived primarily from the sale and renewal of memberships that can be terminated by members on short notice. Such members are often small and medium-sized start-up or venture capital-backed companies focused in technology-related fields. In many cases, the companies have not yet achieved profitability and generally lack significant financial reserves or access to credit. Because of the foregoing factors, the members of shared workspace properties are subject to many of the same risks, such as availability of financing. Any adverse economic conditions affecting one member may be expected to also affect other members and could result in sudden and material losses in overall membership revenues due to terminations or defaults by existing members, decreases in sales to new members and other factors.

Hospitality Real Estate Investments. BEPIF may invest in hospitality properties, which could subject BEPIF to particular economic and operating risks. Hospitality properties are particularly exposed to short-term economic conditions in the global and local markets, as their space is let on a short-term basis. Furthermore, upon acquisition of a hotel, the owner generally has limited visibility into future bookings. Certain hotels acquired by BEPIF may be managed by third-party hotel management companies pursuant to management agreements that may not be terminable for a period of time. In these cases, the hotel's business and operating results would depend in large part upon the performance of a third party, not originally retained by BEPIF. While BEPIF will seek to invest in hotel properties with quality management, there is no guarantee that the third-party management company for any given hotel property will meet BEPIF's performance objectives.

The hospitality or leisure business is seasonal, highly competitive and influenced by factors such as general and local economic conditions, location, room rates, quality, service levels, reputation and reservation systems, among many other factors. The hospitality or leisure industry generally experiences seasonal slowdown in the third quarter and, to a lesser extent, in the fourth quarter of each year. As a result of such seasonality, there will likely be quarterly fluctuations in results of operations of any hospitality or leisure properties that BEPIF may own. There are many competitors in this market, and these competitors may have substantially greater marketing and financial resources than those available to BEPIF. Competition also comes from non-traditional hospitality sources, such as home-sharing platforms. This competition, along with other factors, such as over-building in the hospitality or leisure industry and certain deterrents to traveling, may increase the number of rooms available and may decrease the average occupancy and room rates of hospitality or leisure properties. The demand for rooms at any hospitality or leisure properties that BEPIF may acquire will change much more rapidly than the demand for space at other properties that BEPIF may acquire. In addition, any such properties that BEPIF may own may be adversely affected by factors outside its control, such as extreme weather conditions or natural disasters, terrorist attacks or alerts, outbreaks of contagious diseases (including COVID-19), airline strikes, economic factors and other considerations affecting travel. These factors could have a material adverse effect on BEPIF's financial condition, results of operations and ability to pay distributions to Unitholders.

Investments in Land; Development. Although not its primary strategy, BEPIF may acquire direct or indirect interests in undeveloped land or underdeveloped real estate, which may be non-income producing. To the extent BEPIF seeks to develop real estate, it will be subject to various related risks, including those associated with obtaining zoning, environmental and other regulatory requirements, the cost and time of completing construction (including risks beyond the control of BEPIF, such as weather, labor conditions and material shortages) and the availability of both construction and permanent financing on favorable terms. Development is also more susceptible to irregular accounting or other fraudulent practices. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities. Additionally, development or redevelopment projects can carry an increased risk of litigation with contractors, subcontractors, suppliers, partners and others. Assets under development or assets acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development making the lease-up, cash flow, and value of such development less profitable than anticipated.

Ground Lease Investments. BEPIF may invest in real estate assets that are ground leases or subject to ground leases. As a lessee under a ground lease, BEPIF may be exposed to the possibility of losing the asset upon termination, or an earlier breach by the owner, of the ground lease, which may adversely impact BEPIF's investment performance. Furthermore, ground leases often impose restrictions on the ability to sell the asset, including the obligation to obtain consent from the landlord to any assignment or transfer of rights under the lease. Finally, the value of a ground lease can be more volatile, as its entire value is defined by cash flows to a date certain (*i.e.* the expiration date of the ground lease), after which there is generally no value for the lessee.

Student Housing Investments. BEPIF may invest in student housing properties, which are typically leased during leasing seasons, and any such properties are therefore highly dependent on the effectiveness of marketing and leasing efforts and personnel during such seasons. Additionally, student housing properties are generally on short-term leases, which may expose BEPIF to increased leasing risk. BEPIF may not be able to lease or re-lease properties on similar terms, if BEPIF is able to lease or re-lease properties at all. The terms of renewal or re-lease (including the cost of required renovations) may be less favorable to BEPIF than any prior lease. If BEPIF is unable to lease or re-lease all or a substantial portion of its properties, or if the rental rates upon such leasing or re-leasing are significantly lower than expected rates, BEPIF's cash flows from operations could be adversely affected.

Prior to the commencement of each new lease period, the units would be prepared for new incoming residents. Other than revenue generated by in-place leases for returning residents, lease revenue is not generally recognized during this period, referred to as "turn," as BEPIF would have no leases in place. In addition, during turn, BEPIF would incur expenses preparing its units for occupancy, which would be recognized immediately. This expected lease turn period may result in seasonality in BEPIF's operating results, and as a result, BEPIF may experience significantly reduced cash flows during such periods.

In addition, BEPIF may be adversely affected by a change in university admission policies. For example, if a university reduces the number of student admissions, the demand for student housing properties may be reduced and student housing occupancy rates may decline. Student housing properties also compete with university-owned student housing and other national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators.

Manufactured Housing Investments. BEPIF may invest in manufactured housing properties. The manufactured housing industry is generally subject to many of the same national and regional economic and demographic factors that affect the housing industry generally. These factors, including shortage of consumer financing, public perception, consumer confidence, inflation, regional population and employment trends, availability of and cost of alternative housing, weather conditions and general economic conditions, tend to impact manufactured homes to a greater degree than traditional residential homes. Investments in manufactured housing investments may be adversely affected by: (i) competition from other available manufactured housing sites or available land for the placement of manufactured homes outside of established communities and alternative forms of housing (such as apartment buildings and site built single-family homes) and (ii) local real estate market conditions such as the oversupply of manufactured housing sites or a reduction in demand for manufactured housing sites in an area.

BEPIF may hold loans secured by manufactured homes, which generally have higher delinquency and default rates than standard residential mortgage loans due to various factors, including, among other things, the manner in which borrowers have handled previous credit, the absence or limited extent of borrowers' prior credit history, limited financial resources, frequent changes in or loss of employment and changes in borrowers' personal or domestic situations that affect their ability to repay loans. Any substantial economic slowdown could increase delinquencies, defaults, repossessions and foreclosures with respect to manufactured homes. Also, the value of manufactured homes may depreciate over time, which can negatively impact the manufactured home industry and lead to increased defaults and delinquencies and lower recovery rates upon default.

Self-storage Investments. BEPIF may invest in self-storage investments. Any self-storage investments will be subject to operating risks common to the self-storage industry, which include business layoffs or downsizing, industry slowdowns, relocation of businesses and changing demographics, changes in supply of, or demand for, similar or competing self-storage properties in an area and the excess amount of self-storage space in a particular market, changes in market rental rates and inability to collect rents from customers. The self-storage industry has at times experienced overbuilding in response to perceived increases in demand. A recurrence of overbuilding might cause any self-storage investments to experience a decrease in occupancy levels, as well as limit the ability to increase rents and offer discounted rents.

Gaming Facilities Investments. BEPIF may invest in real estate associated with gaming facilities, which are subject to risks associated with the gaming industry, including changes in consumer trends, the impact of gaming regulations on BEPIF and/or BEPIF's tenants, reductions in discretionary consumer spending and corporate spending on conventions and business development and preferences, changes in laws or foreign monetary policies that impact consumer behavior, and other factors over which BEPIF has no control. Economic contraction, economic uncertainty or the perception by potential customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions. Such investments may also be affected by risks relating to the tourism industry for the geographic areas in which any such properties are located, including cost and availability of air services or other travel methods.

The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, gaming, internet lotteries and other internet wagering gaming services and, in a broader sense, gaming operators face competition from all manner of leisure and entertainment activities. Recently, there has been additional significant competition in the gaming industry as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market, the growth of general internet and electronic sports-related gaming and legislative changes, including relating to sports betting. As competing properties and new markets are opened, BEPIF and BEPIF's tenants may be negatively impacted.

Investments Acquired from Financial Institutions. BEPIF may acquire Investments previously held by financial institutions, which involve specific risks. The financial institution that sold the investment could become insolvent, experience serious financial difficulty, or cease to exist, which may have a negative impact on the investment and BEPIF. Furthermore, if the financial institution that originated the investment inappropriately exercised control over the management and policies of a debtor, the related note acquired by BEPIF may be subordinated to other claims or disallowed, or BEPIF may be found liable for damages suffered by parties as a result of the actions taken by the financial institution. In addition, under certain circumstances under U.S. law, payments to BEPIF and distributions by BEPIF to the Unitholders may be required to be returned if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Non-U.S. jurisdictions may present analogous or different credit issues.

Bankruptcy. BEPIF will, both directly and through Portfolio Entities, be a borrower, and, although unlikely, BEPIF could be a creditor through debt Investments held by it. Bankruptcy laws may delay the ability of BEPIF to realize on collateral for debt held by it, or may adversely affect the priority of debt through equitable subordination and other rules. In addition, a borrower may be involved in restructurings, insolvency proceedings or reorganizations under the laws and regulations of one or more jurisdictions. Applicable bankruptcy laws and regulations may provide inferior protections to creditors that result in a restructuring of debt without the creditor's consent under the "cramdown" provisions of applicable bankruptcy laws and may result in a discharge of all or part of a debt Investment held by BEPIF without payment to BEPIF. On the other hand, BEPIF as a borrower may be adversely affected by bankruptcy or other similar proceedings initiated against it or a Portfolio Entity; BEPIF may not be able to restructure its own debt and instead be forced to sell assets to repay debt, including at inopportune moments, due to laws that afford creditors rights.

Types of Investments

Investments in Open Market Purchases; Publicly Traded Securities. BEPIF may invest in securities that are publicly traded and are, therefore, subject to the risks inherent in investing in public securities. When investing in public securities, BEPIF may be unable to obtain financial covenants or other contractual governance rights. Moreover, BEPIF may not have the same access to information in connection with Investments in public securities, both before and after making the investment, as compared to privately negotiated Investments. Furthermore, BEPIF may be limited in its ability to make Investments, and to sell existing Investments, in public securities if the Sponsor or other Blackstone businesses have material, non-public information regarding the issuer or as a result of other policies or requirements. In addition, securities acquired of a public company may, depending on the circumstances and securities laws of the relevant jurisdiction, be subject to lock-up periods.

Investment via Master-Feeder Structure. BEPIF invests through a "master-feeder" structure. The "master-feeder" fund structure presents certain unique risks to investors. The master fund may become less diverse due to a withdrawal by a larger feeder fund, resulting in increased portfolio risk. The master fund is a single entity and creditors of the master fund may enforce claims against all assets of the master fund. Due to regulatory, tax and/or other considerations that may be applicable to BEPIF, certain Investments may be made through subsidiaries, some of which may be taxable as corporations, which may reduce the overall return to all investors, including the Unitholders in BEPIF.

Illiquid and Long-Term Investments. Most of BEPIF's Investments will be highly illiquid, and there can be no assurance that BEPIF will be able to realize on any Investment at any given time, notwithstanding the need to do so. Although Investments by BEPIF may generate current income, the return of capital and the realization of gains, if any, from an Investment will generally occur only upon the partial or complete disposition or refinancing of the Investment. While an Investment may be sold at any time, it is not generally expected that this will occur for a number of years after such Investment is made. Commercial real estate assets are relatively illiquid in that there may not be ready buyers available and willing to pay fair value at the time BEPIF desires to sell. Moreover, an Investment that initially consists of an interest in assets may be exchanged, contributed or otherwise converted into private or publicly-traded stock of a corporation, interests in a limited liability company or other interests or assets (and vice-versa), and any such exchange, contribution or conversion will likely not constitute a disposition of the type that results in investors receiving distributions. In addition, BEPIF will generally not be able to sell its securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases BEPIF may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. Moreover, if it is determined that BEPIF will dissolve, BEPIF may make Investments which may not be advantageously disposed of prior to the date that BEPIF will be dissolved.

Future Investment Techniques and Instruments. Subject to the terms of the Management Regulations, this Prospectus and applicable law, BEPIF may employ new investment techniques or invest in new instruments that the Sponsor believes will help achieve BEPIF's investment objectives, whether or not such investment techniques or instruments are specifically described herein. Such investments may entail risks not described herein. New investment techniques or instruments may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to BEPIF. In addition, any new investment technique or instrument developed by BEPIF may be more speculative than earlier investment techniques or instruments and may involve material and unanticipated risks.

Technological Innovations. Recent technological innovations have disrupted numerous established industries and those with incumbent power in them. As technological innovation continues to advance rapidly, it could impact one or more of BEPIF's strategies. For example, the value of hospitality properties is affected by competition from the non-traditional hospitality sector (such as short-term rental services), office properties are affected by competition from shared office spaces (including co-working environments), retail properties may be affected by changes in consumer behavior, including increased shopping via the internet, and warehouse industrial properties may be affected if supply chains evolve in a way that decreases the need for traditional warehousing. Any of these new approaches could damage BEPIF Investments, significantly disrupt the market in which BEPIF operates and subject BEPIF to increased competition, which could materially and adversely affect BEPIF's business, financial condition and results of Investments. Moreover, given the pace of innovation in recent years, the impact on a particular Investment may not have been foreseeable at the time BEPIF made such Investment and may adversely impact BEPIF and/or its Portfolio Entities. Furthermore, the Sponsor could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

Investments in Real Estate Debt.

Real Estate Debt Generally. The debt and other interests in which BEPIF may invest may include secured or unsecured debt at various levels of an issuer's capital structure. The real estate debt in which BEPIF may invest may not be protected by financial covenants or limitations upon additional indebtedness, may be illiquid or have limited liquidity, and may not be rated by a credit rating agency. Real estate debt is also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligation and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. BEPIF's Investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by BEPIF earlier than expected, resulting in a lower return to BEPIF than anticipated or reinvesting in a new obligation at a lower return to BEPIF.

During periods of declining interest rates, the issuer of a security or borrower under a loan may exercise its option to prepay principal earlier than scheduled, forcing BEPIF to reinvest the proceeds from such prepayment in lower yielding securities or loans, which may result in a decline in BEPIF's return. Debt investments frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met. An issuer may choose to redeem debt if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. In addition, the market price of BEPIF's Investments will change in response to changes in interest rates and other factors. During periods of declining interest rates, the market price of fixed-rate debt investments generally rises. Conversely, during periods of rising interest rates, the market price of such investments generally declines. The magnitude of these fluctuations in the market price of debt investments is generally greater for securities with longer maturities. If relevant central banks increase benchmark interest rates, this could also negatively impact the price of debt instruments and could adversely affect the value of BEPIF's Investments and the NAV and price per Unit.

BEPIF's securities Investments involve credit or default risk, which is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt when due. The risk of default and losses on real estate debt instruments will be affected by a number of factors, including global, regional and local economic conditions, interest rates, the commercial real estate market in general, an issuer's equity and the financial circumstances of the issuer, as well as general economic conditions. Such default risk will be heightened to the extent BEPIF makes relatively junior investments in an issuer's capital structure since such investments are structurally subordinate to more senior tranches in such issuer's capital structure, and BEPIF's overall returns would be adversely affected to the extent one or more issuers is unable to meet its debt payment obligations when due. To the extent BEPIF holds an equity or "mezzanine" interest in any issuer that is unable to meet its debt payment obligations, such equity or mezzanine interest could become subordinated to the rights of such issuer's creditors in a bankruptcy. Furthermore, the financial performance of one or more issuers could deteriorate as a result of, among other things, adverse developments in their businesses, changes in the competitive environment or an economic downturn. As a result, underlying properties or issuers that BEPIF expected to be stable may operate, or expect to operate, at a loss or have significant fluctuations in ongoing operating results, may otherwise have a weak financial condition or be experiencing financial distress and subject BEPIF's Investments to additional risk of loss and default.

High Yield Securities. Debt that is, at the time of purchase, rated below investment grade (below Baa by Moody's and below BBB by S&P and Fitch), has an equivalent rating assigned by another nationally recognized statistical rating organization or is unrated but judged by the Investment Manager to be of comparable quality are commonly referred to as "high-yield" securities.

Investments in high-yield securities generally provide greater income and increased opportunity for capital appreciation than investments in higher quality securities, but they also typically entail greater price volatility and principal and income risk, including the possibility of issuer default and bankruptcy. High-yield securities are regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. Debt instruments in the lowest investment grade category also may be considered to possess some speculative characteristics by certain rating agencies. In addition, analysis of the creditworthiness of issuers of high-yield securities may be more complex than for issuers of higher quality securities.

High-yield securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high-yield security prices because the advent of a recession could lessen the ability of an issuer to make principal and interest payments on its debt obligations. If an issuer of high-yield securities defaults, in addition to risking non-payment of all or a portion of interest and principal, BEPIF may incur additional expenses to seek recovery. The market prices of high-yield securities structured as zero-coupon, step-up or payment-in-kind securities will normally be affected to a greater extent by interest rate changes, and therefore tend to be more volatile than the prices of securities that pay interest currently and in cash.

The secondary market on which high-yield securities are traded may be less liquid than the market for investment grade securities. Less liquidity in the secondary trading market could adversely affect the price at which BEPIF could sell a high-yield security, and could adversely affect the NAV of Units. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high-yield securities, especially in a thinly-traded market. When secondary markets for high-yield securities are less liquid than the market for investment grade securities, it may be more difficult to value the securities because such valuation may require more research, and elements of judgment may play a greater role in the valuation because there is less reliable, objective data available. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly and BEPIF may have greater difficulty selling its portfolio securities. BEPIF will be more dependent on the Investment Manager's research and analysis when investing in high-yield securities.

CMBS Risks. BEPIF may invest a portion of BEPIF's assets in pools or tranches of collateralized mortgage-backed securities ("**CMBS**"), including horizontal and other risk-retention investments. The collateral underlying CMBS generally consists of commercial mortgages on real property that has a multifamily or commercial use, such as retail space, office buildings, warehouse property and hotels, and which from time to time include assets or properties owned directly or indirectly by one or more Other Blackstone Accounts. CMBS have been issued in a variety of issuances, with varying structures including senior and subordinated classes. The commercial mortgages underlying CMBS generally face the risks described below in "—Mortgage Loan Risk."

Mortgage-backed securities may also have structural characteristics that distinguish them from other securities. The interest rate payable on these types of securities may be set or effectively capped at the weighted average net coupon of the underlying assets themselves. As a result of this cap, the return to investors in such a security would be dependent on the relevant timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Applicable law may also affect the return to investors by capping the interest rates payable by certain mortgagors. Certain mortgage-backed securities may provide for the payment of only interest for a stated period of time. In addition, in a bankruptcy or similar proceeding involving the originator or the servicer of the CMBS (often the same entity or an affiliate), the assets of the issuer of such securities could be treated as never having been truly sold to the originator to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer.

The credit markets, including the CMBS market, have periodically experienced decreased liquidity on the primary and secondary markets during periods of market volatility. Such market conditions could re-occur and would impact the valuations of BEPIF's Investments and impair its ability to sell such Investments if BEPIF were required to liquidate all or a portion of BEPIF's CMBS Investments quickly. Additionally, certain of BEPIF's securities Investments, such as horizontal or other risk-retention Investments in CMBS, may have certain holding period and other restrictions that limit BEPIF's ability to sell such Investments.

Mortgage Loan Risk. BEPIF may invest from time to time in commercial mortgage loans, including mezzanine loans and B-notes, which are secured by multifamily, commercial or other properties and are subject to risks of delinquency and foreclosure and risks of loss. Commercial real estate loans are generally not fully amortizing, which means that they may have a significant principal balance or balloon payment due on maturity. Full satisfaction of the balloon payment by a commercial borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, as well as other factors such as the value of the property, the level of prevailing mortgage rates, the borrower's equity in the property and the financial condition and operating history of the property and the borrower. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a commercial borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan secured by an income-producing property will depend upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Furthermore, BEPIF may not have the same access to information in connection with Investments in commercial mortgage loans, either when investigating a potential investment or after making an investment, as compared to publicly traded securities.

Commercial mortgage loans are usually non-recourse in nature. Therefore, if a commercial borrower defaults on the commercial mortgage loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which BEPIF directly or indirectly invests increase, the performance of BEPIF's Investments related thereto may be adversely affected. Default rates and losses on commercial mortgage loans will be affected by a number of factors, including global, regional and local economic conditions in the area where the mortgaged properties are located, the borrower's equity in the mortgaged property, the financial circumstances of the borrower, tenant mix and tenant bankruptcies, property management decisions, including with respect to capital improvements, property location and condition, competition from other properties offering the same or similar services, environmental conditions, real estate tax rates, tax credits and other operating expenses, governmental rules, regulations and fiscal policies, acts of God, terrorism, social unrest and civil disturbances. A continued decline in specific commercial real estate markets and property valuations may result in higher delinquencies and defaults and potentially foreclosures. In the event of default, the lender will have no right to assets beyond collateral attached to the commercial mortgage loan. The overall level of commercial mortgage loan defaults remains significant and market values of the underlying commercial real estate remain distressed in many cases. It has also become increasingly difficult for lenders to dispose of foreclosed commercial real estate without incurring substantial investment losses, ultimately leading to a decline in the value of such investments.

In the event of any default under a mortgage or real estate loan held directly by BEPIF, BEPIF will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage or real estate loan, which could have a material adverse effect on BEPIF's profitability. In the event of the bankruptcy of a mortgage or real estate loan borrower, the mortgage or real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court).

Subordinated Debt Risk. BEPIF may from time to time invest in debt instruments, including junior tranches of CMBS and "mezzanine" or junior mortgage loans (*e.g.*, B-Notes), that are subordinated in an issuer's capital structure. To the extent BEPIF invests in subordinated debt of an issuer's capital structure, including subordinated CMBS bonds or other "mezzanine" debt, such Investments and BEPIF's remedies with respect thereto, including the ability to foreclose on any collateral securing such Investments, will be subject to the rights of holders of more senior tranches in an issuer's capital structure and, to the extent applicable, contractual inter-creditor, co-lender and participation agreement provisions.

Investments in subordinated debt involve greater credit risk of default and loss than the more senior classes or tranches of debt in an issuer's capital structure. Subordinated tranches of debt instruments (including mortgage-backed securities) absorb losses from default before other more senior tranches of such instruments, which creates a risk particularly if such instruments (or securities) have been issued with little or no credit enhancement or equity. As a result, to the extent BEPIF invests in subordinate debt instruments (including mortgage-backed securities), BEPIF would likely receive payments or interest distributions after, and must bear the effects of losses or defaults on, the senior debt (including underlying mortgage loans, senior mezzanine debt or senior CMBS bonds) before, the holders of other more senior tranches of debt instruments with respect to such issuer.

Mezzanine Loan Risk. Although not directly secured by the underlying real estate, mezzanine loans are also subject to risk of subordination and share certain characteristics of subordinate loan interests described above. As with commercial mortgage loans, repayment of a mezzanine loan is dependent on the successful operation of the underlying commercial properties and, therefore, is subject to similar considerations and risks. Mezzanine loans may also be affected by the successful operation of other properties, but mezzanine loans are not secured by interests in the underlying commercial properties.

With most mezzanine loans, the bulk of the loan balance is payable at maturity with a one-time "balloon payment." Full satisfaction of the balloon payment by a borrower is heavily dependent on the availability of subsequent financing or a functioning sales market, and full satisfaction of a loan will be affected by a borrower's access to credit or a functioning sales market. In certain situations, and during periods of credit distress, the unavailability of real estate financing may lead to default by a borrower. In addition, in the absence of any such takeout financing, the ability of a borrower to repay a loan may be impaired. Moreover, mezzanine loans are usually non-recourse in nature. Therefore, if a borrower defaults on the loan, then the options for financial recovery are limited in nature. To the extent the underlying default rates with respect to the pool or tranche of commercial real estate loans in which BEPIF directly or indirectly invests increase, the performance of BEPIF's Investments related thereto may be adversely affected.

Real Estate Corporate Debt. BEPIF may invest in corporate debt obligations of varying maturities issued by corporations and other business entities, which may include loans, corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities. Bonds are fixed or variable rate debt obligations, including bills, notes, debentures, money market instruments and similar instruments and securities. Corporate debt is generally used by corporations and other issuers to borrow money from investors. The issuer pays the investor a rate of interest and normally must repay the amount borrowed on or before maturity. The rate of interest on corporate debt may be fixed, floating or variable, and may vary inversely with respect to a reference rate. The rate of return or return of principal on some debt obligations may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies. Debt instruments may be acquired with warrants attached. Certain bonds are "perpetual" in that they have no maturity date.

BEPIF's Investments in real estate-related corporate credit are subject to a number of risks, including interest rate risk, credit risk, high-yield risk, issuer risk, foreign (non-U.S.) investment risk, inflation/deflation risk, liquidity risk, smaller company risk and management risk. BEPIF generally will not have direct recourse to real estate assets owned or operated by the issuers of the corporate debt obligations that BEPIF invests in and the value of such corporate debt obligations may be impacted by numerous factors and may not be closely tied to the value of the real estate held by the corporate issuer.

Repurchase and Reverse Repurchase Agreements Risk. BEPIF may use reverse repurchase agreements as a form of leverage to finance its securities Investments, and the proceeds from reverse repurchase agreements are generally invested in additional securities. There is a risk that the market value of the securities acquired from the proceeds received in connection with a reverse repurchase agreement may decline below the price of the securities underlying the reverse repurchase agreement that BEPIF has sold but remains obligated to repurchase. Reverse repurchase agreements also involve the risk that the counterparty liquidates the securities delivered to it under the reverse repurchase agreements following the occurrence of an event of default under the applicable repurchase agreement by BEPIF. In addition, there is a risk that the market value of the securities BEPIF retains may decline. If the buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experiences insolvency, BEPIF may be adversely affected. Furthermore, BEPIF's counterparty may require it to provide additional margin in the form of cash, securities or other forms of collateral under the terms of the derivative contract. Also, in entering into reverse repurchase agreements, BEPIF bears the risk of loss to the extent that the proceeds of the reverse repurchase agreement are less than the value of the underlying securities. In addition, the interest costs associated with reverse repurchase agreements transactions may adversely affect BEPIF's results of operations and financial condition, and, in some cases, BEPIF may be worse off than if it had not used such instruments.

Spread Widening Risks. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the market spreads of the securities in which BEPIF invests may increase substantially causing the securities prices to fall. It may not be possible to predict, or to hedge against, such "spread widening" risk. Perceived discounts in pricing may still not reflect the true value of the real estate assets underlying such real estate debt in which BEPIF may invest, and therefore further deterioration in value with respect thereto may occur following BEPIF's Investment therein. In addition, mark-to-market accounting of BEPIF's Investments will have an interim effect on the reported value prior to realization of an Investment.

Convertible Securities. A convertible security may be subject to call at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by BEPIF is called for withdrawal, BEPIF generally is required to permit the issuer to withdraw the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could reduce the expected return and otherwise have an adverse effect on BEPIF's ability to achieve its investment objectives.

Fixed Income Securities. Although not its primary strategy, BEPIF may invest in fixed income securities. Investments in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed income securities are subject to the risk that the issuer or guarantor cannot make principal and interest payments and are subject to price volatility as a result of interest rates, creditworthiness of the company and general market dynamics.

Risks Related to Outside Events

Environmental Risks and Potential Liabilities. BEPIF may be exposed to claims and losses arising from undisclosed or unknown environmental contamination from pollutants or other hazardous materials, or health or occupational safety matters. BEPIF could also suffer losses if reserves or insurance proceeds prove inadequate to cover any such matters. Under the laws, rules and regulations of various jurisdictions, an owner of real property can be liable for the costs of removal or remediation of certain hazardous or toxic substances, including asbestos, on or in the asset. Liability can be joint and several, which can result in a party being held liable without regard to whether the party knew of, or was responsible for, the contamination. The presence of environmental contamination on a property, whether known or latent, could result in personal injury to persons removing such materials, as well as contamination and damage to other property, which could give rise to liability to third parties. The cost to perform any remediation, and the cost to defend against any related claims, could exceed the value of the relevant Investment, and in such cases BEPIF could be forced to satisfy the claims from other assets and Investments. The failure to properly remediate contamination may adversely affect the owner's ability to develop, use or sell the real estate or to borrow funds using such asset as collateral and may result in fines and other sanctions. BEPIF may have an indemnity from a third party purporting to cover these liabilities, but there can be no assurance as to the financial viability of any indemnifying party at the time a claim arises. In addition, some environmental laws create a lien on a contaminated asset in favor of governments or government agencies for costs they may incur in connection with the contamination.

Zoning, Siting and Permitting Risks. BEPIF and its Portfolio Entities may invest in assets that are subject to zoning, siting, permitting and other requirements, which may be long, burdensome and costly, and may subject BEPIF and its Portfolio Entities to governmental and public scrutiny. Zoning and permitting processes vary depending on the nature and location of the assets in question and, depending on the asset and activity to be conducted, the approval of multiple federal, state, local and other authorities may be required. Obtaining these approvals may be outside of the control of BEPIF. In addition, zoning, siting and permitting processes often face local opposition and may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts. Beyond the time-consuming process of applying for the necessary permits, BEPIF and its Portfolio Entities may be required to undergo public hearings at which local communities will decide whether or not to grant the proper land use designations. Highly motivated citizens in many local communities often oppose plans to develop new properties or to expand existing properties, in many cases demonstrating the "Not in My Backyard" phenomenon. Such factors could make it difficult to develop new development sites and to expand existing assets. The failure to receive, renew or maintain any required permits or approvals may result in increased compliance costs, the need for additional capital expenditures or a suspension of a Portfolio Entity's operations.

Governmental Action Risk. BEPIF's Investments may become subject to condemnation, seizure, eminent domain or other similar actions by governmental authorities. Such an action could have a material adverse effect on the financial viability and marketability of BEPIF's Investment and there can be no assurance that BEPIF will have, or be able to effectively enforce, any rights to prevent such action. In addition, BEPIF may not be able to anticipate and/or insure against any such losses of property and ultimately may not receive adequate or timely compensation for the cost of its Investment and any improvements or other costs relating thereto.

Force Majeure Risk. BEPIF and its Portfolio Entities may be affected by force majeure events (*e.g.*, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). Force majeure events could adversely affect the ability of BEPIF, a Portfolio Entity or a counterparty to perform its obligations. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by BEPIF or a Portfolio Entity. Certain force majeure events, such as war, earthquakes, fires or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting BEPIF and the Sponsor. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control, could result in a loss to BEPIF if an Investment or Portfolio Entity is affected, and any compensation provided by the relevant government may not be adequate.

Russian Invasion of Ukraine. On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this material, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which BEPIF invests), and therefore could adversely affect the performance of BEPIF's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to BEPIF and the performance of its investments and operations, and the ability of BEPIF to achieve its investment objectives. Similar risks will exist to the extent that any Portfolio Entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Insurance

Availability of Insurance Against Certain Catastrophic Losses. BEPIF and Portfolio Entities generally maintain liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that the Sponsor, or, if applicable, Portfolio Entity management, believes are customary and reasonable. However, certain losses of a catastrophic nature, such as wars, natural disasters, terrorist attacks or other similar events, may be either uninsurable or insurable only at uneconomically high rates such that no insurance coverage exists. In general, losses related to terrorism are becoming harder and more expensive to insure against. In some cases, the insurers exclude terrorism, in others the coverage against terrorist acts is limited, or available only for a significant price. A similar dynamic has been unfolding with respect to certain weather events, fires and earthquakes. As a result, not all Investments may be insured against all risks. Furthermore, even when insurance is available and has been procured, formalities must be followed to obtain the benefit of the insurance in the case of a loss event, such as timely delivery of a notice of claim; a failure to follow these formalities could result in voidance of coverage.

If a major loss for which insurance is unavailable occurs, BEPIF could lose both invested capital in and anticipated profits from the affected Investments.

Capital Requirements and Distributions

Capital Intensive. Real estate investing is capital intensive. BEPIF could acquire assets that have defects, and normal wear and tear on BEPIF's assets necessitate repairs. BEPIF may acquire an asset with a capital expenditure plan, but the condition of the asset may cause the capital requirements to exceed expectations. Furthermore, BEPIF may be required to expend funds to correct defects or to make improvements before an Investment in an asset can be sold. In all these cases, BEPIF could be required to expend capital on the asset in excess of the Sponsor's business plan. No assurance can be given that BEPIF will have the necessary funds available to meet the capital requirements of any particular asset or that any such efforts or expenditures will be successful.

Additional Capital Requirements. Although not its primary strategy, BEPIF may invest in real estate development projects. Such projects are often conducted in phases, each of which has working capital requirements. Similarly, the strategy underlying an Investment may have distinct phases. BEPIF may commence a phase of an Investment without funding in place to complete all phases. At a later date, capital market conditions could change, and capital required to complete a subsequent phase may be more expensive or not available at all, which would have a negative impact on BEPIF's existing Investment. In addition, BEPIF may make additional debt and equity Investments or exercise warrants, options, convertible securities or other rights that were acquired in the initial investment in such Portfolio Entity in order to preserve BEPIF's proportionate ownership when a subsequent financing is planned, or to protect BEPIF's Investment when such Portfolio Entity's performance does not meet expectations. There can be no assurance that BEPIF or any Portfolio Entity will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source when needed.

Adequacy of Reserves. BEPIF may establish holdbacks or reserves, including for estimated accrued expenses, Management Fees, pending or anticipated liabilities, Investments, claims and contingencies relating to BEPIF. Estimating the appropriate amount of such reserves is difficult and inadequate or excessive reserves could impair the investment returns to Unitholders. If BEPIF's reserves are inadequate and other cash is unavailable, BEPIF may be unable to take advantage of attractive investment opportunities or protect its existing Investments. Further, the allocation of investment opportunities among BEPIF and Other Blackstone Accounts may depend, in part, on their respective reserves at the time of allocating the opportunity, possibly resulting in different investment allocations if any such reserves are inadequate or excessive.

Deployment of Capital. In light of the nature of BEPIF's continuous offering in relation to BEPIF's investment strategy and the need to be able to deploy potentially large amounts of capital quickly to capitalize on potential investment opportunities, if BEPIF has difficulty identifying and purchasing suitable properties on attractive terms, there could be a delay between the time it receives net proceeds from the sale of Units in this offering or any private offering and the time BEPIF invests the net proceeds. BEPIF may also from time to time hold cash pending deployment into Investments or have less than its targeted leverage, which cash or shortfall in target leverage may at times be significant, particularly at times when BEPIF is receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. Such cash may be held in an account for the benefit of Unitholders that may be invested in money market accounts or other similar temporary investments, each of which are subject to the Management Fee.

In the event BEPIF is unable to find suitable Investments such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect BEPIF's ability to pay regular distributions of cash flow from operations to you. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary investments pending deployment into Investments will generate significant interest, and Unitholders should understand that such low interest payments on the temporarily invested cash may adversely affect overall returns. In the event BEPIF fails to timely invest the net proceeds of sales of Units or does not deploy sufficient capital to meet its targeted leverage, BEPIF's results of operations and financial condition may be adversely affected.

Sourcing and Payment of Distributions. BEPIF has not established a minimum distribution payment level, and BEPIF's ability to make distributions to its Unitholders may be adversely affected by a number of factors, including the risk factors described in this Prospectus. BEPIF has a limited track record and may not generate sufficient income to make distributions to BEPIF's Unitholders. BEPIF's Board of Directors or its delegate will make determinations regarding distributions based upon, among other factors, BEPIF's financial performance, debt service obligations, debt covenants, tax requirements and capital expenditure requirements. Among the factors that could impair BEPIF's ability to make distributions to its Unitholders are:

- BEPIF's inability to invest the proceeds from sales of BEPIF Master FCP Units on a timely basis;
- BEPIF's inability to realize attractive risk-adjusted returns on BEPIF's Investments;
- high levels of expenses or reduced revenues that reduce BEPIF's cash flow or non-cash earnings; and
- defaults in BEPIF's investment portfolio or decreases in the value of BEPIF's Investments.

As a result, BEPIF may not be able to make distributions to its Unitholders at any time in the future, and the level of any distributions BEPIF does make to Unitholders may not increase or even be maintained over time, any of which could materially and adversely affect the value of your investment.

BEPIF may not generate sufficient cash flow from operations to fully fund distributions to Unitholders, particularly during the early stages of BEPIF's operations. Therefore, BEPIF may fund distributions to BEPIF's Unitholders from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales from BEPIF Units or BEPIF Aggregator units). The extent to which BEPIF pays distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in BEPIF's Accumulation Sub-Classes, the extent to which the Investment Manager elects to receive its Management Fee and Performance Participation Allocation in Units or units of the BEPIF Aggregator and the Recipient elects to receive distributions on its Performance Participation Allocation in units of BEPIF Aggregator, how quickly BEPIF invests the proceeds from this and any future offering and the performance of BEPIF's Investments, including BEPIF's real estate debt portfolio. Funding distributions from the sales of assets, borrowings, return of capital or proceeds of the offering will result in BEPIF having less funds available to acquire Properties or other real estate-related Investments. As a result, the return you realize on your investment may be reduced. Doing so may also negatively impact BEPIF's ability to generate cash flows. Likewise, funding distributions from the sale of additional securities will dilute your interest in BEPIF on a percentage basis and may impact the value of your investment especially if BEPIF sells these securities at prices less than the price you paid for your Units. BEPIF may be required to continue to fund BEPIF's regular distributions from a combination of some of these sources if BEPIF's Investments fail to perform, if expenses are greater than BEPIF's revenues or due to numerous other factors. BEPIF has not established a limit on the amount of its distributions that may be paid from any of these sources.

To the extent BEPIF borrows funds to pay distributions, it would incur borrowing costs and these borrowings would require a future repayment. The use of these sources for distributions and the ultimate repayment of any liabilities incurred could adversely impact BEPIF's ability to pay distributions in future periods, decrease BEPIF's NAV, decrease the amount of cash BEPIF has available for operations and new investments and adversely impact the value of your investment.

BEPIF may also defer operating expenses or pay expenses (including the fees of the Investment Manager or distributions to the Recipient) with BEPIF Units or units of the BEPIF Aggregator in order to preserve cash flow for the payment of distributions. The ultimate repayment of these deferred expenses could adversely affect BEPIF's operations and reduce the future return on your investment. BEPIF may redeem Units or redeem units of the BEPIF Aggregator from the Investment Manager or the Recipient shortly after issuing such units or Units as compensation. The payment of expenses in BEPIF Units or with units of the BEPIF Aggregator will dilute your ownership interest in BEPIF's portfolio of assets. There is no guarantee any of BEPIF's operating expenses will be deferred and the Investment Manager and Recipient are under no obligation to receive future fees or distributions in BEPIF Units or units in the BEPIF Aggregator and may elect to receive such amounts in cash.

In-Kind Remuneration to the Investment Manager and/or Recipient. The Investment Manager or the Recipient may choose to receive BEPIF Units or units of the BEPIF Aggregator in lieu of certain fees or distributions. The holders of all units of the BEPIF Aggregator are entitled to receive cash from operations *pro rata* with the distributions being paid to BEPIF and such distributions to the holder of units of the BEPIF Aggregator will reduce the cash available for distribution to BEPIF and to its Unitholders. Furthermore, under certain circumstances units of the BEPIF Aggregator held by the Investment Manager or the Recipient are required to be redeemed, in cash at the holder's election, and there may not be sufficient cash to make such a redemption payment; therefore, BEPIF may need to use cash from operations, borrowings, offering proceeds or other sources to make the payment, which will reduce cash available for distribution to you or for investment in BEPIF's operations. Redemptions of BEPIF Units or BEPIF Aggregator units from the Investment Manager paid to the Investment Manager as a Management Fee are not subject to the monthly and quarterly volume limitations or the Early Redemption Deduction, and such sales receive priority over other Units being put for redemption during such period. Redemptions of BEPIF Units or BEPIF Aggregator units from the Recipient distributed to the Recipient with respect to its Performance Participation Allocation are not subject to the Early Redemption Deduction, but, in the case of Units, such redemptions are subject to the monthly and quarterly volume limitations and do not receive priority over other Units being put for redemption during such period.

Portfolio Entities

Risks Relating to Due Diligence of Investments. Before making Investments, the Sponsor will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances known at that time. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental, social, governance, real property and legal issues. When conducting due diligence and making an assessment regarding an Investment, the Sponsor will rely on the resources available to it, including information provided by the counterparty and, in some circumstances, third-party investigations. However, representations made by a counterparty could be inaccurate, and third-party investigations may not uncover risks. As a result, due diligence investigations conducted with respect to any investment opportunity may not reveal or highlight all relevant facts necessary or helpful to make the investment decision. Moreover, such an investigation will not necessarily result in an Investment being successful. There can be no assurance that attempts to provide downside protection with respect to an Investment, including pursuant to risk management procedures described in this Prospectus, will achieve their desired effect and potential investors should regard an investment in BEPIF as being speculative and having a high degree of risk. There can be no assurance that the Sponsor will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor an Investment on an ongoing basis or that any risk management procedures implemented by the Sponsor will be adequate.

Consultants, legal advisors, appraisers, accountants, investment banks and other third parties may be involved in the due diligence process and/or the ongoing operation of BEPIF's Portfolio Entities to varying degrees. For example, certain asset management, finance, administrative and other similar functions may be outsourced to a third-party service provider whose fees and expenses will be borne by the Portfolio Entities or BEPIF and will not offset Fund Fees. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the Sponsor's reduced control of the functions that are outsourced. In addition, if the Sponsor is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. See "—Portfolio Entity Relationships Generally" herein.

Reliance on Portfolio Entity Management and Third Parties. In many instances, the management team of a Portfolio Entity will have significant responsibility for the day-to-day operations of one or more of BEPIF's Investments. Although the Sponsor will be responsible for monitoring the performance of BEPIF's Investments and intends to acquire and invest in Portfolio Entities with strong management teams or build strong management teams at each of them, there can be no assurance that the management team of any Portfolio Entity will operate in accordance with the Sponsor's expectations. Moreover, a Portfolio Entity can lose employees, as the market for high performing executive talent is competitive. There can be no assurance that a Portfolio Entity will be able to attract, develop, integrate and retain suitable management team members over the life of BEPIF and, as a result, such Portfolio Entity and BEPIF may be adversely affected thereby.

Furthermore, consultants, legal advisors, appraisers, accountants, investment banks and other third parties will be involved in the due diligence process and/or the ongoing operation of BEPIF and its Portfolio Entities to varying degrees. For example, certain asset management, finance, administrative and other similar functions, such as data entry relating to a Portfolio Entity, may be outsourced to a third party or affiliated service provider whose fees and expenses will be borne by such Portfolio Entity or BEPIF and will not offset Fund Fees. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the Sponsor's reduced control over the functions that are outsourced. In addition, if the Sponsor is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected.

Outsourcing. The Sponsor is expected to outsource to third parties many of the services performed for BEPIF and/or its Portfolio Entities, including services (such as administrative, legal, accounting, tax or other related services) that can be or historically have been performed in-house by the Sponsor and its personnel. The fees, costs and expenses of such third-party service providers will be borne by BEPIF as Fund Expenses, even if the Sponsor would have borne such amounts if such services had been performed in-house (which, for the avoidance of doubt, would be in addition to any fees borne by BEPIF as Fund Expenses for similar services performed by the Sponsor in-house in lieu of or alongside (and/or to supplement or monitor) such third parties, subject to the terms of the Management Regulations).

The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by the Sponsor in its discretion, taking into account such factors as it deems relevant under the circumstances. Certain third-party service providers and/or their employees will dedicate substantially all of their business time to BEPIF, Other Blackstone Accounts and/or their respective Portfolio Entities, while others will have other clients. In certain cases, third-party service providers and/or their employees may spend a significant amount of time at Blackstone offices, have dedicated office space at Blackstone, receive administrative support from Blackstone personnel or participate in meetings and events for Blackstone personnel, even though they are not Blackstone employees or affiliates. The Sponsor will have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne by BEPIF as Fund Expenses (with no reduction or offset to Management Fees) and retaining third parties will reduce the Sponsor's internal overhead and compensation costs for employees who would otherwise perform such services in-house. The involvement of third-party service providers may present a number of risks due to the Sponsor's reduced control over the functions that are outsourced. There can be no assurances that the Sponsor will be able to identify, prevent or mitigate the risks of engaging third-party service providers. BEPIF may suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. Outsourcing may not occur uniformly for all Blackstone managed vehicles and accounts and, accordingly, certain costs may be incurred by (or allocated to) BEPIF through the use of third-party service providers that are not incurred by (or allocated to) Other Blackstone Accounts.

Risks in Effecting Operating Improvements. In some cases, the success of an investment strategy will depend, in part, on BEPIF's ability to restructure and effect improvements in the operations of a Property. The activity of identifying and implementing restructuring programs and operating improvements at a Property entails a high degree of uncertainty. For example, cooperation of employees, consultants and other stakeholders required to make improvements could be difficult to obtain, or those employees, consultants and stakeholders may not be effective at making change. Furthermore, technology that the Sponsor expects to aid improvements may not be as effective or easily implemented as anticipated. For these and other reasons, there can be no assurance that BEPIF will be able to successfully identify and implement such restructuring programs and improvements.

Expedited Transactions. Investment analyses and decisions by the Sponsor may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Sponsor at the time of making an investment decision may be limited, and the Sponsor may not have access to detailed information regarding assets, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting a Property. Therefore, no assurance can be given that the Sponsor will have knowledge of all circumstances that may adversely affect an Investment at the time the investment decision is made, and BEPIF may make Investments which it would not have made if more extensive due diligence had been undertaken.

Portfolio Entity Liabilities. Liabilities of Portfolio Entities, including those related to activities that occurred prior to BEPIF's investment therein, could have an adverse impact on BEPIF. For example, various jurisdictions permit certain classes of creditors and government authorities to make claims (including, by way of example only, environmental, consumer protection, antitrust and pension and labor law matters and liabilities) against shareholders of a company if the company does not have resources to pay out the claim. BEPIF could, as a result, become liable for certain classes of claims against its Portfolio Entities. Finally, it is possible that creditors of Portfolio Entities owned by Other Blackstone Accounts may seek to make certain claims (including, by way of example only, environmental, consumer protection and pension/labor law matters and liabilities) against BEPIF due to its common control relationship with Other Blackstone Accounts. The laws of certain jurisdictions provide not only for carve-outs from limited liability protection for a Portfolio Entity that has incurred certain liabilities, but also for recourse to assets of other entities under common control with, or that are part of the same economic group as, such company. For example, if a Portfolio Entity of BEPIF or an Other Blackstone Account is subject to bankruptcy or insolvency proceedings in a jurisdiction and is found to have liabilities under the local consumer protection laws, the laws of that jurisdiction may permit authorities or creditors to file a lien on, or to otherwise have recourse to, assets held by entities under common control or that form part of the same economic group, potentially including Portfolio Entities of BEPIF.

Risks from Operations of Other Portfolio Entities. BEPIF and Other Blackstone Accounts have made, and will continue to make investments in Portfolio Entities that have operations and assets in many jurisdictions around the world. It is possible that the activities of one Portfolio Entity may have adverse consequences on one or more other Portfolio Entities (including BEPIF's Portfolio Entities), even in cases where the Portfolio Entities are held by Other Blackstone Accounts and have no other connection to each other. For example, a violation of a rule by a Portfolio Entity of an Other Blackstone Account could prevent BEPIF or one of its Portfolio Entities from obtaining a permit, or have other adverse consequences.

Leverage

Volatility of Credit Markets May Affect Ability to Finance and Consummate Investments. The volatility of the global credit markets could make it more difficult to obtain favorable financing or re-financings for Investments. During periods of volatility, which often occur during economic downturns, generally credit spreads widen, interest rates rise, and investor demand for high-yield debt declines. These trends result in reduced willingness by investment banks and other lenders to finance or refinance new private equity investments and could lead to a deterioration in available terms. BEPIF's ability to generate attractive investment returns for its Unitholders will be adversely affected to the extent BEPIF is unable to obtain favorable financing. Moreover, to the extent that such marketplace events are not temporary, they could have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the economy, which could restrict the ability of BEPIF to sell or liquidate Investments at favorable times or for favorable prices or otherwise may have an adverse impact on the business and operations of BEPIF.

Leverage. BEPIF intends to utilize leverage to finance the operations of BEPIF and its Portfolio Entities. The use of leverage involves a high degree of financial risk and will increase BEPIF's exposure to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Investments. Although borrowings by BEPIF and its subsidiaries and Portfolio Entities have the potential to enhance overall returns, they will further diminish returns (or increase losses on capital) to the extent overall returns on Investments are less than BEPIF's cost of funds. This leverage may also subject BEPIF's Investments to restrictive financial and operating covenants, which may limit flexibility in responding to changing business and economic conditions. For example, leveraged entities may be subject to restrictions on making interest payments and other distributions. In addition, the amount of leverage used to finance an Investment may fluctuate over the life of an Investment.

BEPIF expects to incur indebtedness and enter into guarantees and other credit support arrangements for any proper purpose, including, without limitation, to fund Investments, cover Fund Expenses, Organizational and Offering Expenses and Management Fees, provide permanent financing or refinancing, provide cash collateral to secure outstanding letters of credit, provide funds for distributions to Unitholders, and to fund redemptions. Borrowings and guarantees by BEPIF may be deal-by-deal or on a portfolio basis, and may be on a joint, several, joint and several or cross-collateralized basis (which may be on an investment-by-investment or portfolio wide basis) with any Parallel Entities, co-investment vehicles, Other Blackstone Accounts, Joint Venture Partners and managers of such Joint Venture Partners. Such arrangements will not necessarily impose joint and several obligations on such other vehicles that mirror the obligations of BEPIF (*e.g.*, BEPIF may provide credit enhancement through recourse to assets outside of a loan pool, whereas other vehicles may not provide such enhancement). The interest expense of any such borrowings will generally be allocated among BEPIF and such other vehicles or funds *pro rata* (and therefore indirectly to the Unitholders *pro rata*) based on principal amount outstanding, but other fees and expenses, including upfront fees and origination costs, could be allocated by a different methodology, including entirely to BEPIF. Furthermore, in the case of indebtedness on a joint and several or cross-collateralized basis, BEPIF could be required to contribute amounts in excess of its *pro rata* share of the indebtedness, including additional capital to make up for any shortfall if the other joint and several obligors are unable to repay their *pro rata* share of such indebtedness. BEPIF could lose its interests in performing Investments in the event such performing Investments are cross-collateralized with poorly performing or non-performing Investments of BEPIF and such other vehicles. BEPIF may also be obligated in some circumstances to reimburse co-investors for their losses resulting from cross-collateralization of their investments with assets of BEPIF that are in default.

The aggregate amount of borrowings by BEPIF are subject to certain limits (as more fully set forth in Section III: "Investment Information—Leverage"). These limits do not include leverage on Investments (including Investment alongside BPPE) in which BEPIF does not exercise majority control, that could include Investments in a collective investment scheme or any other investment vehicle which provides investors access to a diversified pool of assets or minority joint ventures, even though leverage at such entities could increase the risk of loss on such Investments. The limits also do not apply to guarantees of indebtedness, even though BEPIF may be obligated to fully fund such guarantees, "bad boy" guarantees (see "—'Bad Boy' Guarantees") or other related liabilities that are not indebtedness for borrowed money. There can be no assurance that the limits described above are appropriate in all circumstances and would not expose BEPIF to financial risks.

BEPIF may organize Parallel Entities, portfolio vehicles or other subsidiary entities ("**Bond Financing Entities**") for the purpose of providing BEPIF with access to the unsecured bond market in Europe. Many of BEPIF's Investments may be financed with such unsecured bonds rather than with individual non-recourse mortgage debt. If an investment held by any Parallel Entity organized in connection with a bond financing program for BEPIF were to be unable to service or repay its pro rata share of such bond financing, BEPIF could be required to fund the shortfall. In addition, such bond financing may be on a joint and several basis (which may be on an investment-by-investment or portfolio wide basis) with co-investment vehicles or Other Blackstone Accounts, and, as such, there is a risk that BEPIF could be required to contribute amounts in excess of its *pro rata* share of such financing, including additional capital (i) to make up for any shortfall if the co-investment vehicles or Other Blackstone Accounts are unable to service or repay their pro rata share of such financing or (ii) to reimburse such co-investment vehicles or Other Blackstone Accounts for proceeds that would have been distributed to such investors but instead are used to service or repay such Bond Financing Entity financing relating to investments in which such entities do not participate.

"Bad Boy" Guarantees. Generally, commercial real estate financings are structured as non-recourse to the borrower, which limits a lender's recourse to the property pledged as collateral for the loan, and not the other assets of the borrower or to any parent of borrower, in the event of a loan default. However, lenders customarily require that a creditworthy party enter into so-called "non-recourse carve-out" or "bad boy" guarantees to protect the lender against intentional acts of bad faith by the borrower in violation of the loan documents. BEPIF itself, or a creditworthy subsidiary, generally provides these guarantees with respect to financings of BEPIF and its Portfolio Entities, and may even provide these guarantees with respect to financings of Parallel Entities, alternative investment vehicles, co-investment vehicles, Other Blackstone Accounts or Joint Venture Partners associated with BEPIF's Investments. These guarantees typically provide that the lender can recover losses from the guarantor for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, the guarantees typically provide that the loan will become a full personal recourse obligation of the guarantor upon occurrence of certain events, such as a prohibited transfer of collateral, change of control or voluntary bankruptcy of the borrower. BEPIF may in certain circumstances, but will not always, receive an indemnity or a fee or other consideration for providing guarantees for the benefit of a Parallel Entity, co-investment vehicle, Other Blackstone Account or joint venture vehicles or partners associated with BEPIF's Investments. The entity providing the indemnity may not, however, have resources to pay on a claim at the time asserted. Also, "bad boy" guarantees will generally not be included as part of BEPIF's Leverage Ratio calculation.

FX & Hedging

Foreign Currency and Exchange Rate Risks. BEPIF's assets generally will be denominated in the currency of the jurisdiction where the assets are located. Consequently, the return realized on any Investment by investors whose functional currency is not the currency of the jurisdiction in which the Investments are located may be adversely affected by movements in currency exchange rates, costs of conversion and exchange control regulations, in addition to the performance of the Investment itself. Moreover, BEPIF may incur costs when converting one currency into another. The value of an Investment may fall substantially as a result of fluctuations in the currency of the country in which the Investment is made as against the value of the euro. The Sponsor may in certain circumstances (but is not obliged to) attempt to manage currency exposures using hedging techniques where available and appropriate. BEPIF is therefore expected to incur costs related to currency hedging arrangements. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that any particular currency exposure will be hedged.

Unitholders with a functional currency other than euros are exposed to fluctuations in the Euro foreign exchange rate. Except as provided for any hedged Class of Units, investments in BEPIF and distributions from BEPIF will be denominated in euros and Unitholders may incur transaction costs associated with the conversion of euros into their local currency. Furthermore, there may be foreign exchange regulations applicable in certain jurisdictions where this Prospectus is being issued.

Exchange Rate Risk. BEPIF may attempt to reduce or minimize the effect of fluctuations in the exchange rate between the Reference Currency and the currency of denomination of currency hedged Classes of Units on the value of the currency hedged Classes of Units. Accordingly, while gains and losses on the hedging transactions and the expenses of the hedging program will be allocated to the hedged Classes only, BEPIF, as a whole (including the non-hedged Classes), may be liable for obligations in connection with currency hedges in favor of a specific Class of Units and the BEPIF Aggregator may also be liable for similar obligations in connection with currency hedges with respect to BEPIF or a Parallel Entity. Additionally, any financing facilities or guarantees utilized in connection with the hedging program may be entered into by BEPIF (in respect of a Sub-Fund) or the BEPIF Aggregator (in respect of BEPIF or a Parallel Entity) and not any specific Class. The NAV of each Class (including non-hedged Classes) may account for obligations in connection with financing facilities applicable to BEPIF as a whole which are utilized in connection with the hedging program for specific Classes of Units denominated in currencies other than the Reference Currency. Due to the foregoing, each Class of Units may differ from each other in their overall performance. It is expected that the extent to which the currency exposures of each hedged Class of Units will be hedged may from time to time be less than or more than 100% of the Net Asset Value attributable to the relevant Class, whereupon BEPIF will keep the situation under review. Over-hedged or under-hedged positions may arise based on the Investment Manager's decision or due to factors outside the control of BEPIF or the Investment Manager. There is no guarantee that any foreign exchange hedging for currency hedged Classes of Units will achieve the objective of reducing the effect of exchange rate fluctuations. Unitholders of a currency hedged Class should be aware that the hedging strategy may substantially limit them from benefitting if the Class currency falls in value against the Reference Currency.

Hedging Risks/Derivatives. While it is not currently anticipated that BEPIF will use derivative instruments for long-term hedging or speculative purposes as a material component of its investment strategy, BEPIF may utilize a wide variety of derivative financial instruments for risk management purposes. The successful utilization of hedging and risk management strategies requires different skills than used in selecting and monitoring Investments and such transactions may entail greater than ordinary investment risks. Additionally, costs related to derivatives and other hedging arrangements (including legal expenses) will be borne by BEPIF. There can be no assurance that any derivatives and other hedging transactions will be effective in mitigating risk in all market conditions or against all types of risk, thereby resulting in losses to BEPIF. Engaging in derivatives and other hedging transactions may result in a poorer overall performance for BEPIF than if it had not engaged in any such transaction. The Sponsor may not be able to effectively hedge against, or choose not to hedge or mitigate, certain risks that may adversely affect BEPIF's investment portfolio. In addition, BEPIF's investment portfolio will always be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties as well as internal rate and foreign exchange risks. BEPIF will utilize derivatives and other hedging transactions only as determined by the Sponsor in its sole discretion. Co-investors may not receive the benefit of any derivative or hedging activities engaged in by BEPIF, even in cases where such activity is primarily related to BEPIF's exposure to a particular Investment in which such co-investors participate.

Diversification

Risk of Limited Number of Investments; Lack of Diversification. BEPIF will not directly or indirectly invest more than 20% of its Net Asset Value at the time of acquisition in any single Property; *provided*, that no remedial action will be required if such restriction is exceeded for any reason other than the acquisition of a new Property (including the exercise of rights attached to Investments).

This 20% diversification requirement will not apply during a ramp-up period of up to four years after the initial subscription is accepted. For purposes of this restriction, BEPIF will treat its proportionate interest in each of BPPE's property investments as a Property Investment for BEPIF's investment limitations. There is no limit on the amount of Investments BEPIF can make in BPPE, and such Investments may represent a substantial portion of BEPIF's overall portfolio, particularly in the early stages of its operations. BPPE is subject to investment restrictions as more fully set forth in Section III: "Investment Information —Investment Restrictions of BEPIF."

Despite these restrictions, BEPIF can participate in a limited number of Investments and, as a consequence, the aggregate return of BEPIF may be substantially affected by the unfavorable performance of even a single Investment. Furthermore, although BEPIF could make an acquisition with the intent to refinance all or syndicate a portion of the capital invested (directly or by selling assets), there is a risk that any such planned refinancing or syndication may not be completed, which could result in BEPIF holding a larger percentage of BEPIF's NAV in a single Investment and asset type than desired and could result in lower overall returns. As more fully set forth in Section III: "Investment Information —Investment Restrictions of BEPIF," BEPIF is also subject to restrictions as to BEPIF's NAV that may be invested at any time in real estate development projects. Other than these restrictions and others set forth in this Prospectus, investors have no assurance as to the degree of diversification in BEPIF's Investments, either by geographic region or asset type.

Broad Strategy. Except for a requirement to invest in real estate and real estate debt, broadly defined, the Sponsor is expected to implement on behalf of BEPIF whatever strategies or discretionary approaches within such broad mandate the Sponsor believes from time to time may be best suited to prevailing market conditions. BPPE may also invest in asset classes other than substantially stabilized office, logistics, residential and retail assets in major European markets and gateway cities. There can be no assurance that the Sponsor will be successful in applying any strategy or discretionary approach to BEPIF's trading or investment activities. The investment strategies of these entities may involve risks that are not described in this Prospectus. Such risks could prove substantial and therefore investments in BEPIF are suitable only for investors that are able to bear the potential loss of their entire investment.

Legal & Regulatory—Investment

Litigation at the Property Level. The acquisition, ownership, operation and disposition of real assets carry certain specific litigation risks. Litigation may be commenced with respect to activities that took place prior to the acquisition of the asset by BEPIF or Portfolio Entity. In addition, at the time of disposition of an individual asset, a potential buyer that does not win the auction may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made. Similarly, successful buyers may later sue BEPIF under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

Documentation and Legal Risks. BEPIF, its Portfolio Entities and the Investments are governed by a complex series of legal documents and contracts. The intent of the legal documents and contracts might not be clear, and even clear drafting can be misconstrued by counterparties and judges. A dispute over interpretation of any of these documents or contracts could arise, which may result in unenforceability of the contract or other outcome that is adverse to BEPIF.

Permits, Approvals and Licenses. A license, approval or permit may be required to acquire certain Investments and their direct or indirect holding companies, or registration may be required before an acquisition can be completed. Examples of permits, approvals and licenses necessary to make an Investment include antitrust approvals, environmental licenses, foreign investment approvals and registrations, and other similar matters. BEPIF may require some or all of these licenses, approvals and permits to acquire an asset, and counterparties may also require some or all of these licenses, approvals and permits to acquire assets from BEPIF. There can be no guarantee of when and if such a license, approval or permit will be obtained or if the registration will be effected, which may adversely affect BEPIF's ability to acquire and sell assets.

Liabilities on Disposition of Investments. In connection with the disposition of an Investment, BEPIF may be required to make representations about the business, financial affairs and other aspects of such Investment, such as environmental matters, property conditions, tax liabilities, insurance coverage and litigation. BEPIF also may be required to indemnify the purchasers of an Investment for losses related to the inaccuracy of any representations and warranties and other agreed upon liabilities. Buyers of BEPIF's assets may sue BEPIF under various theories, including breach of contract and tort, for losses they suffer. BEPIF may book contingent liabilities on its financial statements, or create cash reserves, at the time of sale to account for any potential liabilities, but these may be insufficient. In addition, at the time of disposition of an individual asset, a potential buyer that does not win the auction may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made.

Legal & Regulatory—General

Legal, Tax and Regulatory Risks. BEPIF's ability to achieve its investment objectives, as well as the ability of BEPIF to conduct its operations, is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect BEPIF's ability to achieve its investment objectives, as well as the ability of BEPIF to conduct its operations. The effects of regulatory changes could also be indirect. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by BEPIF and the ability of BEPIF to effectively employ its investment and trading strategies. Increased scrutiny and newly proposed legislation applicable to private investment funds and their sponsors may also impose significant administrative burdens on the Sponsor and may divert time and attention from portfolio management activities. In addition, BEPIF will be required to register under certain additional foreign laws and regulations, and will need to engage additional distributors or other agents in certain non-U.S. jurisdictions in order to market Units to potential investors. The effect of any future regulatory change on BEPIF could be substantial and adverse. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

Compliance with the AIFM Directive. BEPIF Master FCP is an "alternative investment fund" and the AIFM is an alternative investment fund manager within the meaning of the Directive 2011/61/EC of the European Parliament and of the Council (the "**AIFM Directive**"). The AIFM is authorized and regulated by the CSSF in Luxembourg as authorized alternative investment fund manager. The AIFM Directive seeks to regulate the AIFM's activities and prohibit the AIFM from managing AIFs or marketing shares, units or interests of such AIFs unless authorization is granted to the AIFM by its supervisory authorities. The AIFM Directive includes certain restrictions on asset stripping and remuneration arrangements as well as requiring compliance with reporting, disclosure, notification, risk management, capital, depositary and authorization requirements.

Under the AIFM Directive, in order to maintain such authorization and ensure compliance with the AIFM Directive and any additional conditions imposed by individual member states where BEPIF is marketed, the AIFM may incur additional costs, to be borne by BEPIF. Accordingly, Unitholders will indirectly bear the cost of the AIFM complying with the AIFM Directive and any additional requirements imposed by the European Securities and Markets Authority or individual member states. Additional requirements and compliance costs (including with respect to reporting obligations) may be imposed on the AIFM as regulatory authorities implement the AIFM Directive and as best practices develop.

These requirements of the AIFM Directive may also impact BEPIF's investment and divestment program, including with respect to timing. The management structure of BEPIF contemplates the delegation of certain portfolio and/or risk management functions by the AIFM, whose role has been designed to take account of, and comply with, applicable law, regulation and regulatory guidance; however, there can be no assurance that the law, regulation or regulators' practice and/or interpretations with respect to the provisions of the AIFM Directive relating to delegation will not change. In such circumstances BEPIF could incur related expenses or costs. It is anticipated that the AIFM Directive will be replaced during the life of BEPIF by a further EU directive ("**AIFM Directive 2**"), which may result in certain changes to the rights and obligations of the AIFM under the AIFM Directive.

OFAC and Sanctions Considerations. Economic sanction laws in the U.S. and other jurisdictions prohibit Blackstone, Blackstone's professionals and BEPIF from transacting in certain countries and with certain individuals and companies. In the U.S., the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. Accordingly, BEPIF requires investors to represent that they are not named on a list of prohibited entities and individuals maintained by OFAC or under similar EU regulations, and are not operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the U.S., United Nations or EU (collectively "**Sanctions Lists**"). If an investor is on a Sanctions List, BEPIF may be required to cease any further dealings with the investor's interest in BEPIF until such sanctions are lifted or a license is sought under applicable law to continue dealings. Although Blackstone expends significant effort to comply with the sanctions regimes in the countries where it operates, one of these rules could be violated by the Sponsor's or BEPIF's activities, which would adversely affect BEPIF.

Corruption; FCPA. Blackstone, the Blackstone professionals and BEPIF, where relevant, are committed to complying with the FCPA, the UK Bribery Act and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, BEPIF may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for BEPIF to execute on investment opportunities and obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the UK Bribery Act, adopted in 2010, is broader in scope than the FCPA and applies to private and public sector corruption and holds companies liable for failure to prevent bribery unless they have adequate procedures in place to prevent bribery. Other countries have also adopted or improved their anti-corruption legal regimes in recent years. While Blackstone has implemented robust compliance programs designed to ensure strict compliance by Blackstone and its personnel with the FCPA and the UK Bribery Act and other similar laws, even reasonable compliance programs may not be effective in all instances at preventing violations. In addition, in spite of Blackstone's policies and procedures, Portfolio Entities, particularly in cases where BEPIF or an Other Blackstone Account does not control such Portfolio Entity, and third-party consultants, managers and advisors may engage in activities that could result in a violation under the FCPA, UK Bribery Act or other similar laws. Any determination that a related entity not controlled by Blackstone or BEPIF, or Blackstone or BEPIF themselves, have violated the FCPA, the UK Bribery Act or other applicable anti-corruption laws or anti-bribery laws could subject Blackstone and BEPIF to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence.

Derivatives; Registration under the U.S. Commodity Exchange Act. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. Registration of the Sponsor with the CFTC as a "commodity pool operator" or any change in BEPIF's operations necessary to maintain the Sponsor's ability to rely upon an exemption from registration could adversely affect BEPIF's ability to implement its investment program, conduct its operations and/or achieve its objectives and subject BEPIF to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the Sponsor to cease or to limit holding or investing in interests which may be treated as "commodity interests" in order to comply with the regulations of the CFTC may have a material adverse effect on BEPIF's ability to implement its investment objectives and to hedge risks associated with its operations.

European Market Infrastructure Regulation. On August 16, 2012, the European Market Infrastructure Regulation (EU) No. 648/2012 ("**EMIR**") entered into force. EMIR introduces certain requirements in respect of derivative contracts, which will apply primarily to "financial counterparties" ("**FCs**") such as EU authorized investment firms, credit institutions, insurance companies, UCITS and alternative investment funds managed by

EU authorized alternative investment fund managers, such as BEPIF, and "non-financial counterparties" ("**NFCs**") which are entities established in the EU that are not financial counterparties. NFCs whose transactions in over-the-counter ("**OTC**") derivative contracts exceed EMIR's prescribed clearing thresholds ("**NFC+s**") are generally subject to more stringent requirements under EMIR than NFCs whose transactions in OTC derivative contracts do not exceed such clearing thresholds (including because such contracts are excluded from the threshold calculation on the basis that they are entered into in order to reduce risks directly relating to the NFC's commercial activity or treasury financing activity) ("**NFC-s**"). Broadly, EMIR's requirements in respect of derivative contracts are (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts (such as the exchange and segregation of collateral); and (iii) reporting and record-keeping requirements in respect of all derivative contracts. BEPIF qualifies as an FC under EMIR.

EMIR was amended by Regulation (EU) 2019/834 of the European Parliament and of the Council (the "**EMIR REFIT**") which came into effect on June 17, 2019. The EMIR REFIT expanded the definition of FC to capture EU alternative investment funds ("**AIFs**") (irrespective of the location of the alternative investment fund manager) and, where relevant, their EU alternative investment fund managers, in addition to, as under the original definition, AIFs (irrespective of location) with an authorized or registered alternative investment fund managers.

EMIR REFIT also impacts the classification of a non-EU AIF with a non-EU alternative investment fund manager. Originally, such non-EU AIFs were classified as third country entities that would be NFCs if they were established in the EU. However, from June 17, 2019, non-EU AIFs with non-EU alternative investment fund managers will be re-classified as third country entities that would be financial counterparties if they were established in the EU. The effective dates for the clearing obligation vary, depending on the asset class in question, and are largely all phased in, with the exception of limited extensions available under the EMIR REFIT in certain circumstances.

BEPIF, being an FC under EMIR, will be subject to the margining requirement, unless it is able to rely on certain exemptions. If BEPIF is an FC+ entity under EMIR, it will also be subject to the clearing obligation.

BEPIF may enter into OTC derivative contracts using an asset-holding or a hedging vehicle. To the extent that it does so, the clearing obligation and the margining requirement will likely also apply to that vehicle where: (i) the vehicle is an FC under EMIR and its group's derivatives activity exceeds one or more of the clearing thresholds referred to above; (ii) the vehicle is an NFC under EMIR and the non-hedging derivatives activity of the non-financial parties in its group exceeds one or more of the clearing thresholds referred to above; or (iii) the vehicle is a third-country equivalent of an entity described in (i) or (ii) above and contracts with an in-scope entity. Where the vehicle is a NFC or a third-country equivalent of a NFC, the clearing obligation will be limited to derivative contracts in those asset classes in respect of which the clearing threshold is exceeded.

In the event BEPIF uses financial derivative instruments, it will comply with applicable EMIR requirements.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR and EMIR REFIT but has been further amended and supplemented by Directive 2014/65/EU of 15 May 2014 on markets and financial instruments and Regulation (EU) No 600/2014 of 15 May 2014 on markets and financial instruments ("MiFID **II**"). In particular, MiFID II requires certain transactions between FCs and NFC+s in sufficiently liquid OTC derivatives to be executed on a trading venue that meets the requirements of the MiFID II regime. It is difficult to predict the full impact of these regulatory developments on BEPIF. Prospective investors should be aware that the regulatory changes arising from EMIR, EMIR REFIT and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect BEPIF's ability to engage in transactions in derivatives.

It is difficult to predict the full impact of these regulatory developments on BEPIF. Prospective investors should be aware that the regulatory changes arising from EMIR and MiFID II may significantly increase the cost of entering into derivative contracts and may adversely affect BEPIF and any subsidiary asset-holding or hedging vehicle's ability to enter into in-scope transactions and therefore the AIFM's ability to implement hedging arrangements with respect to Investments and other transactions.

MiFID II Obligations. MiFID II came into effect on January 3, 2018 and imposed regulatory obligations in respect of the provision of financial services in the EEA by EEA banks and EEA investment firms providing regulated services (each an "**Investment Firm**"). The Investment Manager is a non-EEA investment company and is, therefore, not directly subject to MiFID II, but may be indirectly affected. The regulatory obligations imposed by MiFID II may impact and constrain the implementation of the investment strategy of BEPIF.

Access to Research. MiFID II restricts Investment Firms' ability to obtain research in connection with the provision of an investment service. For example, Investment Firms providing portfolio management or independent investment advice may purchase investment research only at their own expense or out of specifically dedicated research payment accounts agreed upon with their clients. Research must also be unbundled and paid separately from trading commission. EEA broker-dealers will unbundle research costs and invoice them to Investment Firms separated from dealing commissions. Therefore, in light of the above, MiFID II could have an adverse effect on the ability of the Sponsor and its MiFID-authorized EEA affiliates to obtain and to provide research. The requirements regarding the unbundling of research costs under MiFID II are not consistent with market practice in the United States and the regulatory framework concerning the use of commissions to acquire research developed by the SEC, although the SEC has issued temporary no-action letters to facilitate compliance by firms with the research requirements under MiFID II in a manner that is consistent with the U.S. federal securities laws. The Sponsor's access to third-party research may nonetheless be significantly limited. Some EEA jurisdictions have extended certain MiFID II obligations to market participants other than Investment Firms (*e.g.*, alternative investment fund managers) under national law.

Equities—Mandatory On-Exchange Trading. Pursuant to MiFID II, an EU regulated firm may execute certain equities trades only on an EU trading venue (or with a firm which is a systematic internalizer or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU trading venue, including those with only a secondary listing in the EU (although if the primary liquidity is outside of the EU, an exemption should be available). The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU listed equities with EU counterparties. The overall impact of this rule on the Sponsor's ability to implement BEPIF's investment objective and investment strategy, particularly in the context of the UK's exit from the EU, is uncertain.

OTC Derivatives. MiFID II requires certain standardized OTC derivatives (including all those subject to a mandatory clearing obligation under EMIR) to be executed on regulated trading venues when executed by certain types of counterparty. In addition, MiFID II introduced a new type of trading venue, the "organized trading facility," which is intended to provide greater price transparency and competition for bilateral trades. The overall impact of such changes on BEPIF remains uncertain and it remains unclear how the OTC derivatives markets will continue to adapt to this new regulatory regime.

Commodity Position Limits and Reporting. MiFID II introduced position limit and position reporting requirements within the EU for the first time in relation to certain commodity derivatives. These measures impose restrictions on the positions that BEPIF may hold in certain commodity derivatives. As a result, the Sponsor is required to monitor and if necessary reduce BEPIF's positions so as to remain within the position limit thresholds, which may impact the Sponsor's ability to implement BEPIF's investment objective and strategy.

Securities Financing Transactions and TRS. As required by the AIFM Rules and EU Regulation 2015/2365 of the European Parliament and of the Council of November 25, 2015 on transparency of securities financing transactions and of reuse and amending EU Regulation 648/2012 (the "**SFTR**"), the AIFM or the Investment Manager will make available to any investors upon request at the registered office of the AIFM or such other means as is determined by the AIFM and/or the Investment Manager any information regarding the use of Securities Financing Transactions by BEPIF and TRSs in accordance with the provisions of the SFTR, including amongst others general description of instruments used. With respect to any such securities financing transactions and TRSs, the information provided will include the rationale for their use, the type of assets that can be subject to them, the maximum and expected proportion of assets under management subject to them, criteria to select counterparties, acceptable collateral, valuation methodology, and information on safekeeping of assets and collateral.

Sustainability Risks. The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. Blackstone, the AIFM (or its delegate), BEPIF, BEPIF's Portfolio Entities, and other parties, such as service providers or BEPIF or Portfolio Entity counterparties, may be negatively affected by sustainability risks. If appropriate for an investment, the AIFM (or its delegate) may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materializes. Blackstone, the AIFM (or its delegate), BEPIF, BEPIF's Portfolio Entities, and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Sustainability risks may therefore adversely affect the performance of BEPIF and its investments.

European Commission Action Plan on Financing Sustainable Growth

The European regulatory environment for alternative fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "**EU Action Plan**") to set out an EU strategy for sustainable finance. The EU Action Plan identified several legislative initiatives, including the SFDR which will apply beginning March 10, 2021. The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in an alternative investment fund manager's processes and the provision of sustainability-related information with respect to AIFs, which may have an impact on the AIFM and BEPIF.

The AIFM will be subject to the requirements of the SFDR, which include: (i) publishing information on its website about its policies on the integration of sustainability risks in its investment decision-making process, (ii) publishing on its website: (A) a detailed statement on its due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking into account its size, the nature and scale of their activities, or (B) clear reasons for why it does not do so, including, where relevant, information as to whether and when it intends to consider such adverse impacts, (iii) publishing on its website and including in its remuneration policies maintained in accordance with sectoral legislation, information on how remuneration policies are consistent with the integration of sustainability risks, and (iv) ensuring that marketing communications do not contradict the information disclosed pursuant to the SFDR. The SFDR also requires alternative investment fund managers to include sustainability related information in an AIF's pre-contractual disclosures and periodic reports, and, depending on the strategy of its AIF(s), on websites.

As a delegate undertaking portfolio management for an authorized alternative investment fund manager, the Investment Manager will be subject to remuneration requirements similar to those applicable to the AIFM. Any required changes to compensation structures and practices could make it harder for the Investment Manager to recruit and retain key personnel, thereby potentially affecting BEPIF. The SFDR could expose the Investment Manager to conflicting regulatory requirements in the United States when acting as a delegate of the AIFM.

BEPIF Master FCP will bear (pro rata with any Parallel Entity and the BEPIF Aggregator, based on invested capital or available capital, as applicable, or in a different manner if the Sponsor determines in good faith that doing so is more equitable or appropriate under the circumstances) the costs and expenses of compliance with the SFDR and any other applicable legislation or regulations related to the EU Action Plan, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports, in addition to other matters that relate solely to marketing and regulatory matters which otherwise would apply solely to BEPIF. It is difficult to predict the full extent of the impact of the SFDR and the EU Action Plan on BEPIF and the Sponsor. The Sponsor will reserve the right to adopt such arrangements as it deems necessary or desirable to comply with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan.

EU Risk Retention Requirements and Securitization Regulation

Risk retention and due diligence requirements (the "**EU Risk Retention Rules**") apply under EU legislation in respect of various types of investors, including credit institutions, investment firms, authorized alternative investment fund managers and insurance and reinsurance undertakings (together, "**Affected Unitholders**"). The current EU Risk Retention Rules are contained in the Regulation (EU) 2017/2402 (the "**Securitization Regulation**"), which repealed and replaced the prior EU Risk Retention Rules and applies from January 1, 2019 (or subject to certain transitional provisions regarding securitizations the securities of which were issued before January 1, 2019). Amongst other things, such requirements restrict an investor who is subject to the EU Risk Retention Rules (including the AIFM acting on behalf of BEPIF) from investing in securitizations issued on or after January 1, 2019 (or securitizations issued before that date but in respect of which new securities are issued on or after January 1, 2019), unless certain provisions of the EU Risk Retention Rules are complied with, including that the originator, sponsor or original lender in respect of the relevant securitization (the "**Risk Retention Holder**") has explicitly disclosed that it will retain, on an ongoing basis, a net economic interest of not less than 5%. Risk Retention Holders must hold the retained net economic interest throughout the life of the securitization, and may not enter into any arrangement designed to mitigate the credit risk in relation thereto. Unitholders should be aware that there are material differences between the EU Risk Retention Rules imposed prior to January 1, 2019 and the EU Risk Retention Rules contained in the Securitization Regulation. For example, the Securitization Regulation imposes a direct retention obligation on sponsors and originators of securitizations. Moreover, the Securitization Regulation expands on the types of Affected Unitholder to which the due diligence requirements apply.

Investments by BEPIF which involve the tranching of credit risk associated with an exposure or pool of exposures (such as collateralized loan obligations ("**CLOs**")) are likely to be treated as "securitizations" under the EU Risk Retention Rules. If such Investments are "securitizations" within the EU Risk Retention Rules, the sponsor or originator of the transaction (which could be the AIFM, the Investment Manager or their affiliates or BEPIF in certain cases) may be required to act as the Risk Retention Holder. The requirements in the EU Risk Retention Rules could increase the costs of such Investments for BEPIF. Further, the range of investment strategies and Investments that BEPIF is able to pursue may be limited by the EU Risk Retention Rules, for example, where, as maybe determined by the AIFM with the support of the Investment Manager, BEPIF is ineligible to invest in certain CLOs and other securitization investments in which BEPIF is eligible to invest, because such Investments are not compliant with the EU Risk Retention Rules. As a result, BEPIF may be adversely affected, BEPIF may not be able to invest in opportunities they might otherwise be able to invest in, and the performance and the portfolio of BEPIF may diverge from that of BPPE, such that the investment returns generated by BPPE may be more or less than those generated by BEPIF. There may be other adverse consequences for investors and their subscriptions in BEPIF as a result of the EU Risk Retention Rules, including the changes to the EU Risk Retention Rules introduced through the Securitization Regulation.

The EU Risk Retention Rules and Securitization Regulation may be subject to change, or their application or interpretation may change. Such changes may adversely affect BEPIF, including that BEPIF may dispose of such Investments when it would not otherwise have determined to do so or at a price that is not as advantageous as it would have otherwise. To the extent that there is any lack of clarity regarding the application of such regulations to investments made by BEPIF, there may be risks to BEPIF of non-compliance, including because the Investment Manager's interpretation of the regulations is ultimately not the same as a regulatory authority's interpretation of the regulations. Prospective investors, including Affected Unitholders, should consult with their own legal, accounting, regulatory and other advisors and/or regulators to determine whether, and to what extent, the information set out in this Prospectus and in any investor report provided in relation to this offering is sufficient for the purpose of satisfying any of their obligations under the Securitization Regulation and the EU Risk Retention Rules, and such investors are required to independently assess and determine the sufficiency of the information for such purpose. Prospective investors are themselves also responsible for monitoring and assessing changes to the EU Risk Retention Rules, and any regulatory capital requirements applicable to the investor, including any such changes introduced through the Securitization Regulation.

Political Activities. A Portfolio Entity may, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in U.S. or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. Portfolio Entities are not considered affiliates of the Sponsor (and in some cases are not controlled by the Sponsor), and therefore such activities are not subject to relevant policies of the Sponsor and may be undertaken by a Portfolio Entity without the knowledge or direction of the Sponsor. In other circumstances, there may be initiatives where such activities are coordinated by Blackstone for the benefit of certain Portfolio Entities. The interests advanced by a Portfolio Entity through such activities may, in certain circumstances, not align with or be adverse to the interests of other Portfolio Entities, BEPIF or the Unitholders. The costs of such activities may be allocated among those Portfolio Entities (and borne indirectly by the Unitholders). While the costs of such activities will typically be borne by the Portfolio Entity undertaking such activities, such activities may also directly or indirectly benefit other Portfolio Entities, other Investments, Other Blackstone Accounts or Blackstone. There can be no assurance that any such activities will be successful in advancing the interests of a Portfolio Entity or otherwise benefit such Portfolio Entity or BEPIF.

Financial Industry Regulation. The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), as well as future related legislation, may have an adverse effect on the private equity industry generally or on Blackstone or BEPIF, specifically. There can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on Blackstone or otherwise impede BEPIF's activities. The current regulatory environment in the U.S. may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. The U.S. Department of the Treasury has issued a series of recommendations in several reports for streamlining banking regulation and changing key features of the Dodd-Frank Act and other measures taken by regulators following the most recent financial crisis. Potential investors should note that any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on BEPIF and its activities. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or BEPIF or Blackstone, specifically. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "**Reform Act**") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying the so-called "Volcker Rule" to exempt depository institutions that do not have, and are not controlled by a company that has, more than $10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule's current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds and family wealth management vehicles (the "**Covered Fund Amendments**"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments should therefore expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and these regulatory developments on BEPIF and its activities remain uncertain. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on, or otherwise impede, BEPIF's or Blackstone's activities.

Financial services regulation, including regulations applicable to BEPIF, has increased significantly in recent years, and may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or congressional leadership. Although BEPIF cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the U.S. or any other jurisdiction, changes to legal rules and regulations, or interpretation or enforcement of them, could have a negative financial effect on BEPIF.

While the Investment Manager is currently registered under the Advisers Act, the enactment of these reforms and/or other similar legislation could nonetheless have an adverse effect on the private investment funds industry generally and on Blackstone and/or BEPIF specifically, and may impede BEPIF's ability to effectively achieve its investment objectives.

As a registered investment adviser under the Advisers Act, the Sponsor and its affiliates are required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including, without limitation, the obligation of the Sponsor and its affiliates to make regulatory filings with respect to BEPIF and its activities under the Advisers Act (including, without limitation, Form PF and Form ADV)). In addition, the Sponsor is required to comply with a variety of regulatory reporting and compliance-related obligations under other applicable laws (including AIFM Directive, SFDR and CFTC). In light of the heightened regulatory environment in which BEPIF and the Sponsor operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for BEPIF, the Sponsor and their affiliates to comply with such regulatory reporting and compliance-related obligations. For example, Form PF requires that the Sponsor report the regulatory assets under management of BEPIF, and because BEPIF will be required to bear BEPIF's share of expenses relating to compliance-related matters and regulatory filings, BEPIF will bear the *pro rata* costs and expenses of initial and ongoing Form PF compliance, including costs and expenses of collecting and calculating data and the preparation of such reports and filings. Certain of these expenses are likely to be material, including on a cumulative basis over the life of BEPIF. Any further increases in the regulations applicable to private investment funds generally or BEPIF and the Sponsor in particular may result in increased expenses associated with BEPIF's activities and additional resources of the Sponsor being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for Unitholders and have an adverse effect on the ability of BEPIF to effectively achieve its investment objective.

Furthermore, various federal, state and local agencies have been examining the role of placement agents, finders and other similar service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new proposed rules and regulations in this arena may increase the possibility that the Sponsor and its affiliates may be exposed to claims and actions that could require a Unitholder to withdraw from BEPIF. As a related matter, Blackstone may be required to provide certain information regarding some of the investors in BEPIF to regulatory agencies and bodies in order to comply with applicable laws and regulations, including the FCPA. In addition, as a publicly-traded global alternative asset manager whose broad range of businesses include the management of direct and secondary private equity funds, hedge funds, real estate opportunity funds, real estate debt funds, "core" or "core plus" real estate funds, credit-oriented funds, opportunistic funds, mutual funds, and other private investment funds and products, Blackstone is from time to time subject to litigation and claims relating to its businesses, as well as governmental and/or regulatory inquiries, investigations and/or proceedings. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone's public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K) and filings of the Sponsor on Form ADV, which may be accessed through the website of the SEC (www.sec.gov), and (ii) materials made available through Blackstone's investor data site. Any such disclosures in Blackstone's or the Sponsor's public filings or which are otherwise made available to Unitholders, including by way of posting to Blackstone's investor data site, are incorporated herein by reference, to the extent applicable, including with respect to litigation, investigations, settlements and similar proceedings. Blackstone is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the U.S., are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against Blackstone or its personnel. Moreover, the SEC has specifically focused on the alternative investment industry. The SEC's list of examination priorities includes, among other things, alternative investment firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interest. Blackstone is regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which Blackstone routinely cooperates and, in the current environment, even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction, or the sanction imposed against Blackstone or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of sanctions could harm Blackstone and BEPIF.

Change of Law Risk. In addition to the risks regarding regulatory approvals, it should be noted that government counterparties or agencies, including the CSSF, may have the discretion to implement or change or increase regulation of the operations of BEPIF and its Portfolio Entities. BEPIF and its Portfolio Entities also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by or from a Portfolio Entity or gains recognized by BEPIF on its investment in a Portfolio Entity, that could impact the Portfolio Entity's business as well as BEPIF's return on investment.

Legal & Regulatory—Tax

Tax Liability. Any change of BEPIF's tax status or in taxation legislation or any interpretation thereof in Luxembourg or any country where BEPIF has assets or operations could affect the value of the assets held by BEPIF or BEPIF's ability to achieve its investment strategy or provide favorable returns to Unitholders. Any such change could also adversely affect the net amount of any distributions made to Unitholders. If BEPIF is treated as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its interests are managed, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax in the place of such permanent establishment. In order for BEPIF to maintain its tax status, continued attention must be paid to ensure that all relevant conditions are satisfied in all the jurisdictions which BEPIF operates in order to avail itself of any benefits.

Base Erosion, Profit Shifting and Related Measures. OECD together with the G20 countries has committed to reduce perceived abusive global tax avoidance, referred to as base erosion and profit shifting ("**BEPS**"). As part of this commitment, an action plan has been developed to address BEPS with the aim of securing tax revenue by realigning taxation with economic activities and value creation by creating a single set of consensus based international tax rules. As part of the BEPS project, new rules dealing with the operation of double tax treaties, the definition of permanent establishments, interest deductibility and the taxation of hybrid instruments and hybrid entities have already been introduced and will continue to be introduced in relevant tax legislation of participating OECD countries. Depending on if and how these proposals are implemented, they may have a material impact on how returns to investors are taxed. Such implementation may also give rise to additional reporting and disclosure obligations for BEPIF and/or investors. As part of the global OECD BEPS project, Luxembourg has signed (together with more than 100 jurisdictions) the so-called multilateral instrument ("**MLI**") that will transpose anti-BEPS measures into the treaties Luxembourg has concluded. Luxembourg ratified the MLI through the law dated March 7, 2019 and has deposited its instrument of ratification on April 9, 2019 with the OECD. As a result, the MLI entered into force in Luxembourg on August 1, 2019. The MLI notably introduces a "principal purpose test" ("**PPT**") denying tax treaty benefits to companies when obtaining such benefits was "one of the principle purposes of any arrangement or transaction that resulted directly or indirectly in” these benefits, unless granting these benefits under the given circumstances would be “in accordance with the object and purpose of the relevant provisions” of the tax treaty. Whether a Luxembourg entity relying on tax treaty benefits can be construed as being part of such type of arrangement will predominantly depend on source state views.

Anti-Tax Avoidance Directives. In addition to national implementation of BEPS, the EU has adopted the Anti-Tax Avoidance Directive (“**ATAD 1**”) that addresses many of the items of the BEPS project, including among others hybrid mismatch rules, interest deduction limitation, controlled foreign companies rules and a general anti-abuse rule (GAAR). Luxembourg implemented the ATAD 1 into its national law as of December 21, 2018 and, as with all other member states of the EU (“**EU Member States**”), must apply those provisions as of January 1, 2019. On February 21, 2017, the Economic and Financial Affairs Council of the EU reached political agreement on amendments to ATAD 1 to neutralize hybrid mismatch structures involving non-EU countries (“**ATAD 2**”). While ATAD 1 contains rules combatting certain hybrid mismatches between EU Member States, ATAD 2 extends the scope to (i) a variety of other mismatches between EU Member States and (ii) mismatches between EU Member States and third countries. ATAD 2 provisions had to be implemented into domestic law by January 1, 2020. As an exception, implementation of a specific provision targeting so-called reverse hybrids can be postponed by EU Member States until January 1, 2022.

ATAD 2 was transposed into Luxembourg legislation by the law on December 20, 2019 (the “**ATAD 2 Law**”) was voted on by the parliament of Luxembourg. Most of the provisions of the ATAD 2 Law came into force on January 1, 2020.

The effect of BEPS, MLI, ATAD 1 and ATAD 2 could lead to additional taxes being imposed on BEPIF, intermediate entities or Portfolio Entities which may adversely affect the value of the Investments held by investors in BEPIF. In addition, certain information may be requested from investors to enable BEPIF to comply with these requirements. To the extent that the Sponsor determines in its sole discretion that such additional taxes imposed on BEPIF, intermediate entities or Portfolio Entities are properly attributable to a Unitholder or group of Unitholders (including as a result of a hybrid mismatch because of the tax classification of the entities or instruments in a Unitholder’s local jurisdiction or a Unitholder’s failure to provide information which may avoid the application of the rules described in the foregoing), such taxes may be deemed distributed to or otherwise allocated to such Unitholder or group of Unitholders. The Sponsor also has the ability to restructure BEPIF and/or use alternative investment structures to take into account these rules and mitigate their adverse impact. Prospective investors should consult their own tax advisors regarding all aspects of the implementation of these laws and directives as it affects their particular circumstances.

DAC6. On May 25, 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) (“**DAC6**”) that imposes mandatory disclosure requirements for certain EU cross-border tax arrangements which satisfy certain “hallmarks” provided for in DAC6 and which may have a tax advantage as the main or expected benefit (the “**Reportable Arrangements**”). In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement. The reporting obligation in principle rests with persons that design, market or organize the Reportable Arrangement and professional advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation. The information reported will be automatically exchanged between the tax authorities of all EU Member States.

DAC6 was transposed into Luxembourg domestic legislation by the law of 25 March 2020 (the “**DAC6 Law**”) and is applicable as from July 1, 2020. Further to the Luxembourg law dated 24 July 2020, the first reporting on DAC6 will start on January 1, 2021 at which point Reportable Arrangements must be reported within 30 days. In addition, Reportable Arrangements (the first step of which was implemented between June 25, 2018 and June 30, 2020 will have to be reported by February 28, 2021). In light of the broad scope of DAC6 and DAC6 Law, transactions carried out by BEPIF may fall within the scope of DAC6 and DAC6 Law and thus be reportable.

In light of the broad scope of DAC6, transactions carried out by BEPIF may fall within the scope of DAC6 and thus be reportable.

Potential investors should consult their own tax advisors regarding all aspects of the implementation of these laws and directives as it affects their particular circumstances.

Potential investors should also note the considerations discussed in Section XII: “Regulatory and Tax Considerations—Tax Information and Tax Liability.”

FATCA. As described in Section XIII: "Regulatory and Tax Considerations—Foreign Account Tax Compliance Act," under the Foreign Account Tax Compliance Act ("**FATCA**"), all entities in a broadly defined class of foreign financial institutions ("**FFIs**") must comply with a complicated and expansive reporting regime or be subject to a 30% U.S. withholding tax on certain U.S. payments and non-U.S. entities which are not FFIs must either certify they have no substantial U.S. beneficial ownership or report certain information with respect to their substantial U.S. beneficial ownership or be subject to a 30% U.S. withholding tax on certain U.S. payments. FATCA also contains complex provisions requiring participating FFIs to withhold on certain "foreign passthru payments" made to nonparticipating FFIs and to holders that fail to provide the required information. The definition of a "foreign passthru payment" is still reserved under the current regulations, however the term generally refers to payments that are from non-U.S. sources but that are "attributable to" certain U.S. payments. Under proposed regulations, on which taxpayers may rely, withholding on these payments is not set to apply before the date that is two years after the date of publication of final regulations defining the term "foreign passthru payment". In general, non-U.S. investment funds, such as underlying entities in which BEPIF may invest are expected to be considered FFIs. The reporting requirements imposed under FATCA require FFIs to enter into agreements with the IRS to obtain and disclose information about certain investors to the IRS or, if subject to an intergovernmental agreement ("**IGA**"), register with the IRS and comply with the reporting requirements regime of the IGA and any implementing legislation enacted thereunder. IGAs are generally intended to result in the automatic exchange of tax information through reporting by an FFI to the government or tax authorities of the country in which such FFI is domiciled, followed by the automatic exchange of reported information with the IRS. The Sponsor intends that any non-U.S. partnership that constitutes an FFI would comply, to the extent reasonably practicable, with the reporting requirements to avoid the imposition of the withholding tax, but if such FFI does not do so (because, for example, investors fail to provide the required information), certain payments made to any such FFI may be subject to a withholding tax, which would reduce the cash available to investors. Further, these reporting requirements may apply to underlying entities in which BEPIF invests, and BEPIF may not have control over whether such entities comply with the reporting regime. Such withheld amounts that are allocable to a Unitholder may be deemed to have been distributed to such Unitholder to the extent the taxes reduce the amount otherwise distributable to such Unitholder. In addition, non-U.S. investment funds, such as non-U.S. alternative investment vehicles, non-U.S. feeder funds, and underlying entities in which BEPIF may invest, may be subject to reporting requirements in other jurisdictions under legislation similar to FATCA, such as legislation implementing the OECD Standard for Automatic Exchange of Financial Account Information. Potential investors should consult their own tax advisors regarding all aspects of FATCA as it affects their particular circumstances.

Possible Legislative or Other Developments. All statements contained in this Prospectus concerning the income tax consequences of any investment in BEPIF are based upon existing law and the interpretations thereof. Therefore, no assurance can be given that the currently anticipated income tax treatment of an investment in BEPIF will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of Unitholders. Additionally, tax authorities in jurisdictions where BEPIF maintains Investments may change their tax codes so as to materially increase the tax burden associated with an investment in BEPIF or to force or attempt to force increased disclosure from or about BEPIF and/or its Unitholders as to the identity of all persons having a direct or indirect interest in BEPIF. Such additional disclosure may take the form of additional filing requirements on Unitholders.

Legislation Adversely Affecting Blackstone Employees and Other Service Providers. U.S. tax reform legislation enacted in 2017 (the "**Tax Reform Bill**") requires the Sponsor to hold an Investment for at least three years in order for an incentive allocation related to such Investment to be treated as long-term capital gains for tax purposes, and the Biden administration has indicated that it may eliminate the preferential tax rate for long-term capital gains. Further, in addition to the changes implemented by the Tax Reform Bill, Congress has previously considered other proposals that would treat incentive allocations as ordinary income for U.S. federal income tax purposes. Enactment of any such legislation could adversely affect employees or other individuals performing services for BEPIF and/or its Portfolio Entities who hold direct or indirect interests in the Sponsor and benefit from incentive allocations, which could make it more difficult for Blackstone to incentivize, attract and retain individuals to perform services for BEPIF and/or its Portfolio Entities.

Any such developments could thus adversely affect BEPIF's investment returns allocable to the Unitholders. It is unclear whether any such proposed legislation will be enacted or if enacted how it would apply to Blackstone, the Sponsor, and any other individual involved with BEPIF who benefit from incentive allocations.

Taxation in Certain Jurisdictions. BEPIF, vehicles through which BEPIF makes Investments, or Unitholders may be subject to income or other tax in the jurisdictions in which Investments are made. Additionally, withholding tax or branch tax may be imposed on earnings of BEPIF (or vehicles through which it invests) from Investments in such jurisdictions. Local and other tax incurred in non-U.S. jurisdictions by BEPIF or vehicles through which it invests may not be creditable to or deductible by a Unitholder under the tax laws of the jurisdiction where such Unitholder resides, including the U.S. There can be no assurance that tax authorities in such jurisdictions will not treat BEPIF (or any of its affiliates) as if it has a permanent establishment in the local jurisdiction, which would result in additional local taxation. Changes to taxation treaties (or their interpretation) between countries in Europe and countries through which BEPIF invests may adversely affect BEPIF's ability to efficiently realize income or capital gains. Consequently, it is possible that BEPIF (or vehicles through which it invests) may face unfavorable tax treatment in such countries which may materially adversely affect the value of BEPIF's Investments.

Potential investors should also note the considerations discussed in Section XII: "Regulatory and Tax Considerations—Taxation."

Changes in Tax Law. Changes in applicable law or interpretations of such law may in particular adversely affect BEPIF's ability to efficiently realize income or capital gains. To the extent possible, BEPIF seeks to structure its Investments and activities to minimize its tax liability; however, there can be no assurance that BEPIF will be able to eliminate its tax liability or reduce it to a specified level. Unitholders should be aware that the described tax effects are based on the currently applicable law and its interpretation by jurisprudence and the respective tax authorities.

French 3% Tax. It is expected that BEPIF will own real estate assets in France and therefore fall within the scope of the French 3% Tax provided under Article 990 D of the French tax code, as more particularly described in Section XII: "Regulatory and Tax Considerations—French 3% Tax." Potential investors which are not an individual investing directly in BEPIF and for its own benefit (and not as a nominee, agent or trustee for another) are strongly urged to obtain advice from their own tax advisers regarding their ability and the ability of each of their Upstream Entities to rely on an exemption from such tax.

French Real Estate Wealth Tax. It is expected that BEPIF will directly or indirectly own real estate assets and therefore its Units will fall within the scope of the French Real Estate Wealth Tax, as more particularly described in Section XII: "Regulatory and Tax Considerations—French Real Estate Wealth Tax." Potential investors (including non-residents for French tax purposes) are strongly urged to obtain advice from their own tax advisers regarding their position with respect to French Real Estate Wealth Tax.

Legal & Regulatory—ERISA

Risk Arising from Potential Control Group Liability. Under ERISA, upon the termination of a U.S. tax-qualified single employer defined benefit pension plan, the sponsoring employer and all members of its "controlled group" will be jointly and severally liable for 100% of the plan's unfunded benefit liabilities whether or not the controlled group members have ever maintained or participated in the plan. In addition, the U.S. Pension Benefit Guaranty Corporation may assert a lien with respect to such liability against any member of the controlled group on up to 30% of the collective net worth of all members of the controlled group. Similarly, in the event a participating employer partially or completely withdraws from a multiemployer (union) defined benefit pension plan, any withdrawal liability incurred under ERISA will represent a joint and several liability of the withdrawing employer and each member of its controlled group.

A "controlled group" includes all "trades or businesses" under 80% or greater common ownership. This common ownership test is broadly applied to include both "parent-subsidiary groups" and "brother-sister groups" applying complex exclusion and constructive ownership rules. However, regardless of the percentage ownership that a fund holds in one or more of its portfolio companies, the fund itself cannot be considered part of an ERISA controlled group unless the fund is considered to be a "trade or business."

While there are a number of cases that have held that managing investments is not a "trade or business" for tax purposes, in 2007 the PBGC Appeals Board ruled that a private equity fund was a "trade or business" for ERISA controlled group liability purposes and at least one U.S. Federal Circuit Court has similarly concluded that a private equity fund could be a trade or business for these purposes based upon a number of factors including the fund's level of involvement in the management of its portfolio companies and the nature of any management fee arrangements.

If BEPIF were determined to be a trade or business for purposes of ERISA, it is possible, depending upon the structure of the Investment by BEPIF and/or its affiliates and other co-investors in a Portfolio Entity and their respective ownership interests in the Portfolio Entity, that any tax-qualified single employer defined benefit pension plan liabilities and/or multiemployer plan withdrawal liabilities incurred by the Portfolio Entity could result in liability being incurred by BEPIF, with a resulting need for additional capital contributions, the appropriation of BEPIF's assets to satisfy such pension liabilities and/or the imposition of a lien by the PBGC on certain BEPIF's assets. Moreover, regardless of whether or not BEPIF were determined to be a trade or business for purposes of ERISA, a court might hold that one of BEPIF's Portfolio Entities could become jointly and severally liable for another portfolio company's unfunded pension liabilities pursuant to the ERISA "controlled group" rules, depending upon the relevant investment structures and ownership interests as noted above.

Cyber Security & Operational Risk

Cyber Security Breaches. Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The information and technology systems of Blackstone, BEPIF, its Portfolio Entities and other related parties, such as service providers, may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches or usage errors by their respective professionals or service providers. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including non-public personal information related to Unitholders (and their beneficial owners) and material non-public information. Although Blackstone has implemented, and Portfolio Entities and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Blackstone does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers may have limited indemnification obligations to Blackstone, BEPIF and its Portfolio Entities, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Blackstone's, its affiliates', BEPIF's and a Portfolio Entity's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Unitholders (and their beneficial owners), material non-public information and the intellectual property and trade secrets and other sensitive information in the possession of Blackstone and Portfolio Entities. Blackstone, BEPIF or a Portfolio Entity could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity, other events that may affect their business and financial performance.

Operational Risk. BEPIF depends on the Sponsor to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in BEPIF's operations may cause BEPIF to suffer financial losses, the disruption of its business, liability to third parties, regulatory intervention or damage to its reputation. BEPIF depends on the Sponsor to develop the appropriate systems and procedures to control operational risk. BEPIF relies heavily on its financial, accounting and other data processing systems. The ability of its systems to accommodate transactions could also constrain BEPIF's ability to properly manage the portfolio. Generally, the Sponsor will not be liable to BEPIF for losses incurred due to the occurrence of any errors.

BEPIF is subject to the risk that its trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failure or human error. As a result, BEPIF could be unable to achieve the market position selected by the Sponsor or might incur a loss in liquidating its positions. Since some of the markets in which BEPIF may effect transactions are over-the-counter or interdealer markets, the participants in such markets are typically not subject to credit evaluation or regulatory oversight comparable to that which members of exchange based markets are subject. BEPIF is also exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions, thereby causing BEPIF to suffer a loss.

Transfers & Liquidity

No Market for Units; Restrictions on Transfers. Units in BEPIF have not been registered under the U.S. Securities Act of 1933, as amended from time to time (the "**1933 Act**"), the securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be sold unless they are subsequently registered under the 1933 Act and other applicable securities laws, or an exemption from registration is available. It is not contemplated that registration under the 1933 Act or other securities laws will ever be effected. There is no public market for the Units in BEPIF and one is not expected to develop. Each Unitholder will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Units for investment purposes and not with a view to resale or distribution and that it will only sell and transfer its Units to a qualified investor under applicable securities laws or in a manner permitted by the Management Regulations, this Prospectus and consistent with such laws. A Unitholder will not be permitted to assign, sell, exchange or transfer any of its interest, rights or obligations with respect to its Units, except by operation of law, without the prior written consent of the Sponsor. Unitholders must be prepared to bear the risks of owning Units for an extended period of time.

Lack of Liquidity. There is no current public trading market for the Units, and the Sponsor does not expect that such a market will ever develop. Therefore, redemption of Units by BEPIF will likely be the only way for you to dispose of your Units. BEPIF expects to redeem Units at a price equal to the applicable NAV as of the Redemption Date and not based on the price at which you initially purchased your Units. Subject to limited exceptions, Units redeemed within one year of the date of issuance will be redeemed at 95% of the applicable NAV as of the Redemption Date. As a result, you may receive less than the price you paid for your Units when you sell them to BEPIF pursuant to BEPIF's redemption program. See Section V: "Subscriptions, Redemptions and Other Transactions—Early Redemption Deduction."

The aggregate NAV of total redemptions (on an aggregate basis (without duplication) across BEPIF, including redemptions at all Parallel Entities and the BEPIF Aggregator, but excluding any Early Redemption Deduction applicable to the redeemed Units) is generally limited to 2% of aggregate NAV per month of all Parallel Entities and the BEPIF Aggregator (measured using the aggregate NAV as of the end of the immediately preceding month) and 5% of such aggregate NAV per calendar quarter (measured using the average of such aggregate NAV as of the end of the immediately preceding three months), except in the event of exceptional circumstances described below.

In exceptional circumstances and not on a systematic basis, BEPIF Master FCP may make exceptions to, modify or suspend, in whole or in part the redemption program if in the Investment Manager's reasonable judgment it deems such action to be in BEPIF's best interest and the best interest of BEPIF's investors, such as when redemptions of Units would place an undue burden on BEPIF's liquidity, adversely affect BEPIF's operations, risk having an adverse impact on BEPIF that would outweigh the benefit of redemptions of Units or as a result of legal or regulatory changes. Material modifications, including any amendment to the 2% monthly or 5% quarterly limitations on redemptions and suspensions of the redemption program will be promptly disclosed to Unitholders on BEPIF's website. If the redemption program is suspended, the Investment Manager will be required to evaluate on a monthly basis whether the continued suspension of the redemption program is in BEPIF's best interest and the best interest of BEPIF's investors.

In the event that, pursuant to the limitations above, not all of the Units submitted for redemption during a given month are to be accepted for redemption by BEPIF Master FCP, Units submitted for redemption during such month will be redeemed on a *pro rata* basis (measured on an aggregate basis (without duplication) across BEPIF if applicable). All unsatisfied Redemption Requests will be automatically resubmitted for the next available Redemption Date, unless such a Redemption Request is withdrawn or revoked by a Unitholder before such Redemption Date in the manner as described above in Section V: "Subscriptions, Redemptions and Other Transactions—Redemption of Units". Settlements of any redemptions will generally be made within 60 calendar days from the Redemption Date. As a result you will experience significant delays in realizing liquidity even when your redemption is accepted.

The vast majority of BEPIF's assets are expected to consist of Properties and other Investments (including investments in BPPE) that cannot generally be readily liquidated without impacting BEPIF's ability to realize full value upon their disposition. See also "—Investments in BPPE—Risks Related to Redemptions from BPPE." Therefore, BEPIF may not always have a sufficient amount of cash to immediately satisfy Redemption Requests. As a result, your ability to have your Units redeemed by BEPIF may be limited and at times you may not be able to liquidate your investment. See Section V: "Subscriptions, Redemptions and Other Transactions—Redemption of Units."

Effect of Redemption Requests. Economic events affecting the European economy, such as the general negative performance of the real estate sector, could cause Unitholders to seek to sell their Units to BEPIF pursuant to BEPIF's redemption program at a time when such events are adversely affecting the performance of BEPIF's assets. Even if the Sponsor decides to satisfy all resulting Redemption Requests, BEPIF's cash flow could be materially adversely affected. In addition, if BEPIF determines to sell assets to satisfy Redemption Requests, it may not be able to realize the return on such assets that it may have been able to achieve had is sold at a more favorable time, and BEPIF's results of operations and financial condition, including, without limitation, breadth of its portfolio by property type and location, could be materially adversely affected.

Mandatory Withdrawal. The Sponsor may require the withdrawal of all or any part of the Units of any Unitholder from BEPIF at any time and for any reason, regardless of any outstanding withdrawal requests and any priority given thereto. Any such mandatory withdrawals will generally be subject to the same terms as voluntary withdrawals of Unitholders (including the limitations imposed thereon), unless otherwise determined by the Sponsor in its sole discretion.

Investments in BPPE

This section of risk factor disclosure does not directly apply to BEPIF other than with respect to its Investments in BPPE.

General Risks. BEPIF may invest in BPPE as a means to gain exposure to Investments, subject to the terms and conditions of BPPE's governing documents and offering materials. There is no limit on the amount of Investments BEPIF can make in BPPE, and such Investments may represent a substantial portion of BEPIF's overall portfolio, particularly in the early stages of its operations. BEPIF will not pay or otherwise bear carried interest, management fees or other incentive compensation paid to the BPPE General Partner or any of its affiliates with respect to BEPIF's Investments into BPPE. However, BEPIF will indirectly bear other expenses of BPPE, including all investment related expenses and expenses paid to affiliates of the Investment Manager, administrative expenses and other expenses included in the definition of "Fund Expenses" above as applicable to BPPE.

The Sponsor may face conflicts of interest in determining whether to invest BEPIF's assets in BPPE. Unitholders acknowledge that (i) the BPPE General Partner and its affiliates may receive (a) fees relating to the Investments for any management, construction, leasing, development and other property management services or purchasing services, as well as services related to mortgage servicing, group purchasing, healthcare consulting/brokerage, capital markets (including with respect to syndications or placements of debt and/or equity securities or instruments issued by portfolio companies or entities formed to invest therein), credit origination, loan servicing, property, title and/or other types of insurance (including brokerage and/or placement thereof), data management services, management and other consulting and other similar operational matters performed by the BPPE General Partner, the AIFM or their affiliates on arm's-length terms and at competitive market rates, (b) fees for advisory services (including investment banking services, including underwriting) provided to entities (or with respect to assets) in which BEPIF, directly or indirectly, has an interest, on arm's length terms and at competitive market rates and (c) fees at market rates for any other services for BEPIF or the person representing the investment and (ii) BEPIF's Management Fee shall not be reduced by any portion of such fees and BEPIF and the Unitholders will not receive the benefit of any such fees.

Risks Related to Borrowings by BPPE; Subscription Line of Credit; Bond Financings. Borrowings by BPPE can be secured by the undrawn commitments of its limited partners or by BPPE's assets. In connection therewith, BEPIF, as a limited partner of BPPE, will execute an investor acknowledgement for the benefit of the lenders under the subscription credit facility and may be required to acknowledge its obligations to pay its share of indebtedness up to BEPIF's undrawn commitments. If BPPE defaults on indebtedness secured by an Investment, the lender may foreclose, resulting in a loss of the entire Investment, and BPPE could thereafter issue a drawdown notice for the purpose of repaying the secured indebtedness, depending on its terms. In connection with one or more subscription credit facilities entered into by BPPE, distributions to its limited partners, including BEPIF, may be subordinated to payments required in connection with any indebtedness contemplated thereby. The exercise by any lenders of their drawdown right under a subscription credit facility would reduce the amount of capital otherwise available to BPPE for making investments and may negatively impact BPPE's ability to make investments or achieve its investment objectives.

In addition, a wholly-owned subsidiary of BPPE has established a Euro Medium Term Notes program to provide BPPE with access to the unsecured bond market in Europe. A majority of BPPE's investments are expected to be financed with such unsecured bonds rather than with individual non-recourse mortgage debt. If an investment held by the BPPE subsidiary is unable to service or repay its *pro rata* share of such bond financing, BPPE could be required to fund the shortfall. In addition, such bond financing is expected to be on a joint and several basis (which may be on an investment-by-investment or portfolio wide basis) with co-investment vehicles or Other Blackstone Accounts, and, as such, there is a risk that BEPIF, through its investment in BPPE, could be required to contribute amounts in excess of its *pro rata* share of such financing, including additional capital (i) to make up for any shortfall if the co-investment vehicles or Other Blackstone Accounts are unable to service or repay their *pro rata* share of such financing or (ii) to reimburse such co-investment vehicles or Other Blackstone Accounts for proceeds that would have been distributed to such investors but instead are used to service or repay such financing relating to investments in which such entities do not participate.

Risks Related to Subscriptions to BPPE. Shareholders in BPPE make capital commitments and become limited partners to the BPPE partnership. BEPIF (through the BEPIF Aggregator) will be treated as single limited partner in BPPE for purposes of commitments to BPPE. BPPE generally draws down commitments on an as-needed basis; *provided*, that all commitments from a previous BPPE closing must be called in their entirety before capital commitments from later closings are called. Pending capital calls, BEPIF may use committed capital to make other Investments, however, BEPIF may need to make more Investments in liquid assets than it otherwise would in order to be able to quickly raise proceeds to meet capital calls for its commitments to BPPE, which could adversely impact BEPIF's total return. There is no guarantee that BEPIF's capital commitments to BPPE will be called on an efficient basis or at all.

Risks Related to Redemptions from BPPE. Shareholders in BPPE may request a withdrawal of their investment on a quarterly basis with 90 days' prior written notice; to address informational timing disparities with respect to BPPE's other limited partners, BEPIF may seek to submit withdrawal requests from BPPE with greater notice than other BPPE investors, as determined by the Investment Manager in its sole discretion. BPPE withdrawal requests with respect to any contribution made by BEPIF to BPPE can only be made after the expiration of the 24 month period following the date on which BEPIF made such capital contribution to BPPE.

BPPE will satisfy redemption requests only to the extent it has sufficient cash available to honor such requests, as determined in the sole discretion of the BPPE General Partner, and in that regard BPPE will not be obligated to sell any property or assets, borrow funds, cease making investments, reduce reserves or cause any adverse tax implications to BPPE, the BPPE General Partner, and/or any BPPE investment or proposed BPPE investment in order to satisfy any withdrawal request. It is understood that available cash for withdrawals may only be the result of additional commitments being made to BPPE, and if so, it is possible that withdrawals will not be satisfied for an extended period of time.

As a result, BEPIF's investment in units of BPPE will generally be illiquid and should not be relied upon by Unitholders as a source of liquidity for BEPIF's own redemption program. This means that BEPIF may need to make more Investments in liquid assets than it otherwise would in order to support potential redemption requests, which could adversely impact BEPIF's total return.

Valuations & Returns

Valuations. For the purposes of calculating BEPIF's monthly NAV, BEPIF's Properties will generally initially be valued at cost based on BEPIF's percentage ownership of such Investment, which BEPIF expects to represent fair value at that time; however, to the extent the AIFM does not believe an Investment's cost reflects the current market value, the AIFM may adjust such valuation. Thereafter, valuations of Properties will be determined by the AIFM, in each case with the support of the Investment Manager, and based in part on appraisals of each of BEPIF's Properties by independent third-party appraisal firms at least once per year in accordance with the Valuation Policy approved by the AIFM. For the avoidance of doubt, the Investment Manager will not make the final valuation decision. Annual appraisals may be delayed for a short period in exceptional circumstances. A portfolio of Properties may be valued as a single Investment and the AIFM may determine what Properties should be grouped in a portfolio. The AIFM will select one or more independent valuation advisors to review and confirm for reasonableness the AIFM's Property valuations quarterly. Investments in real estate debt and other securities with readily available market quotations will be valued monthly at fair market value. Certain investments, such as mortgages, preferred stock and mezzanine loans, are unlikely to have market quotations. The initial value of preferred equity and private company Investments will generally be the acquisition price of such Investment until such time as the AIFM subsequently revalues the Investment. The AIFM and the Investment Manager may utilize generally accepted valuation methodologies to value such Investments. In the case of loans acquired by BEPIF, such initial value will generally be the acquisition price of such loan. In the case of loans originated by BEPIF, such initial value will generally be the par value of such loan. Each such Investment will then be valued by the AIFM with the support of the Investment Manager within the first three full months after BEPIF invests in such Investment and no less than quarterly thereafter in accordance with the procedures described in this Prospectus. Additionally, in supporting the Central Administration in determining the NAV under the oversight of the AIFM, the Investment Manager may in its discretion, but is not obligated to, consider material market data and other information (as of the applicable month-end for which NAV is being calculated) that becomes available after the end of the applicable month in valuing BEPIF's assets and liabilities and calculating BEPIF's NAV. None of the AIFM, the Investment Manager, the BPPE General Partner or the BPPE Investment Advisor is obligated to monitor BPPE's investments for events that could be expected to have a material impact on BPPE's NAV during a quarter. For more information regarding BEPIF's valuation process, see Section VI: "Calculation of Net Asset Value."

Although the valuation of each of BEPIF's real Properties will be reviewed and confirmed for reasonableness by one or more independent valuation advisors on a quarterly basis, such reviews may be delayed for a short period in exceptional circumstances and will be based on asset- and portfolio-level information provided by the AIFM and/or Investment Manager, including historical operating revenues and expenses of the Properties, lease agreements on the Properties, revenues and expenses of the Properties, information regarding recent or planned capital expenditures and any other information relevant to valuing the real Property, which information will not be independently verified by the independent valuation advisors. The information provided may lead to a different result of the valuations than that of an annual appraisal. The independent valuation advisors will also not review the AIFM's valuations of BEPIF's debt and other securities Investments, with the exception of real estate debt and securities without readily available market quotations. Such valuations and updates will be subject to inherent uncertainty and will be made under a number of assumptions which may not ultimately be realized.

Within the parameters of the Valuation Policy, the valuation methodologies used to value BEPIF's Properties and certain of BEPIF's Investments will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Valuations and appraisals of BEPIF's Properties and other Investments will be only estimates of fair value. Because these fair value calculations will involve significant professional judgment in the application of both observable and unobservable attributes, the calculated fair value of BEPIF's assets may differ from their actual realizable value or future fair value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond BEPIF's control and the control of the AIFM, the Investment Manager and BEPIF's independent valuation advisor. Further, valuations do not necessarily represent the price at which an asset would sell, since market prices of assets can only be determined by negotiation between a willing buyer and seller. As such, the carrying value of an asset may not reflect the price at which the asset could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the appraisal. There will be no retroactive adjustment in the valuation of such assets, the offering price of BEPIF's Units, the price BEPIF paid to redeem BEPIF Units or NAV-based or performance-based fees it paid, directly or indirectly, to the AIFM, Investment Manager and the Recipient to the extent such valuations prove to not accurately reflect the realizable value of BEPIF's assets. While BEPIF believes its NAV calculation methodologies are consistent with standard industry practices, there are other methodologies available to calculate NAV. As a result, other private real estate funds may use different methodologies or assumptions to determine NAV. BPPE faces similar risks with respect to valuation and BEPIF will incorporate the value of BPPE's NAV per unit into BEPIF's NAV to the extent BEPIF has invested in BPPE. In addition, the BPPE NAV per unit used to calculate BEPIF's NAV may be as of a date several months earlier than the date as of which BEPIF's NAV is calculated and, as a result, BEPIF's NAV will often not incorporate the current NAV per unit of BPPE.

Changes in Appraised Values. BEPIF anticipates that the annual appraisals of its Properties will be conducted on a rolling basis, such that Properties may be appraised at different times but each Property would be appraised at least once per year. When these appraisals are considered by the AIFM and Investment Manager for purposes of valuing the relevant Property, there may be a material change in BEPIF's NAV per Unit amounts for each class of BEPIF Units from those previously reported. In addition, actual operating results for a given month may differ from what BEPIF originally budgeted or forecasted for that month, which may cause a material increase or decrease in the NAV per Unit amounts. BEPIF will not retroactively adjust the NAV per Unit of each class reported for the previous month. Therefore, because a new annual appraisal may differ materially from the prior appraisal or the actual results from operations may be better or worse than what BEPIF previously budgeted for a particular month, the adjustment to take into consideration the new appraisal or actual operating results may cause the NAV per Unit for each Class of BEPIF Units to increase or decrease, and such increase or decrease will occur in the month the adjustment is made.

Limitations of NAV. The AIFM's determination of BEPIF's monthly NAV per Unit will be based in part on appraisals of each of its Properties provided annually by independent third-party appraisal firms in individual appraisal reports and quarterly valuations of BEPIF's real estate debt and other securities for which market prices are not readily available provided by the AIFM, each in accordance with Valuation Policy. As a result, BEPIF's published NAV per Unit in any given month may not fully reflect any or all changes in value that may have occurred since the most recent appraisal or valuation.

The AIFM will review appraisal reports and may, but is not obligated to, monitor BEPIF's real estate and real estate debt, and may notify the independent valuation advisors of the occurrence of any Property-specific or market-driven event it believes may cause a material impact on BEPIF's NAV as a whole and may, but is under no obligation to, adjust the valuation of any Property based on such events, subject to the quarterly review and confirmation for reasonableness by one or more independent valuation advisors selected by the AIFM. Any adjustments in the value of BEPIF's Properties will be estimates of the market impact of specific events as they occur, based on assumptions and judgments that may or may not prove to be correct, and may also be based on the limited information readily available at that time. In general, BEPIF expects that any adjustments to appraised values will be calculated promptly after a determination that a material change has occurred and the financial effects of such change are quantifiable by the AIFM, with the support of the Investment Manager. For example, an unexpected termination or renewal of a material lease, a material increase or decrease in vacancies or an unanticipated structural or environmental event at a Property may cause the value of a Property to change materially, yet obtaining sufficient relevant information after the occurrence has come to light and/or analyzing fully the financial impact of such an event may be difficult to do and may require some time. In addition, none of the AIFM, the Investment Manager, the BPPE General Partner or the BPPE Investment Advisor is obligated to monitor BPPE's investments for events that could be expected to have a material impact on BPPE's NAV during a quarter. As a result, the NAV per Unit may not reflect a material event until such time as sufficient information is available and analyzed, and the financial impact is fully evaluated, such that BEPIF's NAV may be appropriately adjusted in accordance with the Valuation Policy. Depending on the circumstance, the resulting potential disparity in BEPIF's NAV may be in favor or to the detriment of either Unitholders who redeem their Units, or Unitholders who buy new Units, or existing Unitholders.

The methods used by BEPIF's AIFM and the Central Administration to calculate BEPIF's NAV, including the components used in calculating BEPIF's NAV, is not prescribed by rules of the CSSF, the SEC or any other regulatory agency. Further, there are no accounting rules or standards that prescribe which components should be used in calculating NAV, and BEPIF's NAV is not audited by BEPIF's independent registered public accounting firm. BEPIF calculates and publishes NAV solely for purposes of establishing the price at which BEPIF sells and redeems Units, and you should not view BEPIF's NAV as a measure of BEPIF's historical or future financial condition or performance. The components and methodology used in calculating BEPIF's NAV may differ from those used by other companies now or in the future.

In addition, calculations of BEPIF's NAV, to the extent that they incorporate valuations of BEPIF's assets and liabilities, are not prepared in accordance with IFRS. These valuations may differ from liquidation values that could be realized in the event that BEPIF were forced to sell assets.

Additionally, errors may occur in calculating BEPIF's NAV, which could impact the price at which BEPIF sells and redeems its Units and the amount of the Management Fee, the Performance Participation Allocation and the AIFM Fee. The AIFM, with the support of the Investment Manager, has implemented certain policies and procedures to address such errors in NAV calculations. If such errors were to occur, the AIFM, with the support of the Investment Manager, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which BEPIF Units were sold or redeemed or on the amount of the Investment Manager's Management Fee, the Recipient's Performance Participation Allocation or the AIFM Fee, may determine in its sole discretion to take certain corrective actions in response to such errors, including, subject to Blackstone's policies and procedures, making adjustments to prior NAV calculations. You should carefully review the disclosure of the Valuation Policy and how NAV will be calculated Section VI: "Calculation of Net Asset Value."

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PART B
Potential Conflicts of Interest

Blackstone has conflicts of interest, or conflicting loyalties, as a result of the numerous activities and relationships of Blackstone, the Sponsor, BEPIF, the Other Blackstone Accounts, the Portfolio Entities of BEPIF and Other Blackstone Accounts and affiliates, partners, members, shareholders, officers, directors and employees of the foregoing, some of which are described herein. Not all potential, apparent and actual conflicts of interest are included in this Prospectus, and additional conflicts of interest could arise as a result of new activities, transactions or relationships commenced in the future. Potential Unitholders should review this section and the Sponsor's Form ADV carefully before making an investment decision.

If any matter arises that the Sponsor determines in its good faith judgment constitutes an actual and material conflict of interest, the Sponsor and relevant affiliates will take the actions they determine appropriate to mitigate the conflict, which will be deemed to fully satisfy any fiduciary duties they may have to BEPIF or the Unitholders. Thereafter, the Sponsor and relevant affiliates will be relieved of any liability related to the conflict to the fullest extent permitted by law.

Actions that could be taken by the Sponsor or its affiliates to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described in this Prospectus, (ii) obtaining from the Board of Managers (or its delegate or any other non-affiliated members of a governing body within BEPIF) advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the Board of Managers to address the conflict, (iii) disposing of the investment or security giving rise to the conflict of interest, (iv) disclosing the conflict to the Board of Managers or its delegate, including non-affiliated members of the Board of Managers, as applicable, or Unitholders (including, without limitation, in distribution notices, financial statements, letters to Unitholders or other communications), (v) appointing an independent representative to act or provide consent with respect to the matter giving rise to the conflict of interest, (vi) in the case of conflicts among clients, creating groups of personnel within Blackstone separated by information barriers (which may be temporary and limited purpose in nature), each of which would advise or represent one of the clients that has a conflicting position with other clients, (vii) implementing policies and procedures reasonably designed to mitigate the conflict of interest, or (viii) otherwise handling the conflict as determined appropriate by the Sponsor in its good faith reasonable discretion.

BEPIF is subject to certain conflicts of interest arising out of BEPIF's relationship with Blackstone, including the AIFM and its affiliates. Members of the Board of Managers are also executives of Blackstone and/or one or more of its affiliates. There is no guarantee that the policies and procedures adopted by BEPIF, the terms of its Management Regulations, the terms and conditions of the Investment Management Agreement, that the policies and procedures adopted by the Board of Managers, AIFM, the Investment Manager, Blackstone and their affiliates, will enable BEPIF to identify, adequately address or mitigate these conflicts of interest, or that the Sponsor will identify or resolve all conflicts of interest in a manner that is favorable to BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts or have any right to consent to them.

Performance-Based Compensation. The Performance Participation Allocation creates a greater incentive for the Sponsor to make more speculative Investments on behalf of BEPIF or time the purchase or sale of Investments in a manner motivated by the personal interest of Blackstone personnel than if such performance-based compensation did not exist, as the Sponsor receives a disproportionate share of profits above the preferred return hurdle. In addition, the Tax Reform Bill provides for a lower capital gains tax rate on performance-based compensation from Investments held for at least three years, which may incentivize the Sponsor to hold Investments longer to ensure long-term capital gains treatment or dispose of Investments prior to any change in law that would result in a higher effective income tax rate on the Performance Participation Allocation. Furthermore, upon the liquidation of BEPIF, the Sponsor may receive a Performance Participation Allocation with respect to a distribution in-kind of non-marketable securities. The amount of the Performance Participation Allocation will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the Sponsor and could incentivize the Sponsor to value the securities higher than if there were no Performance Participation Allocation. The Sponsor can engage a third party to determine the value of securities distributed in-kind or non-marketable securities and rely upon the third-party opinion of value, but there can be no assurance such an opinion will reflect value accurately.

In addition, the AIFM and the Investment Manager will each be paid a fee for their services based on the NAV of BEFM Managed Entities and BEPIF's NAV respectively, which will be calculated by the Central Administration, based on valuations provided by the AIFM. The AIFM will receive the AIFM Fee, amounting to up to 0.10% per annum of the NAV of BEFM Managed Entities, and payable to the AIFM in cash in consideration for its services. The Investment Manager will receive the Management Fee, equal to 1.25% of BEPIF's NAV per annum. The

Investment Manager may elect to receive the Management Fee in cash, other Feeder Vehicles shares, Units, units of the BEPIF Aggregator and/or shares or units of Parallel Entities (where applicable). The Management Fee and the AIFM Fee will be payable to the Investment Manager and the AIFM respectively in consideration for their services. In addition, the distributions to be received by the Recipient with respect to its performance participation interest in the BEPIF Aggregator will be based in part upon the BEPIF Aggregator's net assets (which is a component of BEPIF's NAV) and the BEPIF Aggregator's Total Return as calculated pursuant to this Prospectus, which differs from BEPIF Master FCP's NAV and returns. The calculation of BEPIF's NAV includes certain subjective judgments with respect to estimating, for example, the value of BEPIF's portfolio and its accrued expenses, net portfolio income and liabilities (*e.g.*, exclusion of potentially subjective or contingent liabilities that may arise on or subsequent to the sale of an investment), and therefore, BEPIF's NAV may not correspond to realizable value upon a sale of those assets. The Investment Manager may benefit from BEPIF retaining ownership of its assets at times when Unitholders may be better served by the sale or disposition of BEPIF's assets in order to avoid a reduction in its NAV. If BEPIF's NAV is calculated in a way that is not reflective of its actual NAV, then the purchase price of Units or the price paid for the redemption of your Units on a given date may not accurately reflect the value of BEPIF's portfolio, and your Units may be worth less than the purchase price or more than the redemption price.

Allocation of Personnel. The Sponsor will devote such time to BEPIF as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, including members of the Blackstone Real Estate Investment Committee, will work on other projects, serve on other committees (including boards of directors) and source potential investments for and otherwise assist the investment programs of Other Blackstone Accounts and their Portfolio Entities, including other investment programs to be developed in the future. Time spent on these other initiatives diverts attention from the activities of BEPIF, which could negatively impact BEPIF and Unitholders. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the Blackstone Real Estate group share in the fees and performance-based compensation from BEPIF; similarly, the Blackstone Real Estate group personnel share in the fees and performance-based compensation generated by Other Blackstone Accounts. These and other factors create conflicts of interest in the allocation of time by Blackstone personnel. The Sponsor's determination of the amount of time necessary to conduct BEPIF's activities will be conclusive, and Unitholders rely on the Sponsor's judgment in this regard.

Outside Activities of Principals and Other Personnel and their Related Parties. Certain personnel of Blackstone will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to BEPIF, Other Blackstone Accounts and their respective Portfolio Entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of BEPIF, including if such other entities compete with BEPIF for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than the performance of BEPIF. This involvement may create conflicts of interest in making Investments on behalf of BEPIF and such other funds, accounts and other entities. Although the Sponsor will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for BEPIF. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interest. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by BEPIF or Other Blackstone Accounts, or otherwise relate to companies or issuers in which BEPIF has or acquires a different principal investment (including, for example, with respect to seniority). There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of BEPIF. Unitholders will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to BEPIF.

Additionally, certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in industries and sectors in which BEPIF invests or have business, personal, financial or other relationships with companies in such industries and sectors (including the advisors and service providers described above) or other industries, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential Investments of BEPIF or other counterparties of BEPIF and its Portfolio Entities and/or assets. Moreover, in certain instances, BEPIF or its Portfolio Entities can be expected to purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. To the extent Blackstone determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Sponsor. The Unitholders rely on the Sponsor to manage these conflicts in its sole discretion.

Secondments and Internships. Certain personnel of Blackstone, including Consultants (as defined herein), will, in certain circumstances, be seconded to one or more Portfolio Entities, vendors, service providers and vendors or Unitholders of BEPIF and Other Blackstone Accounts to provide finance, accounting, operation support, data management and other similar services, including the sourcing of Investments for BEPIF or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Blackstone or the organization for which the personnel are working or both. In addition, personnel of Portfolio Entities, vendors, service providers (including law firms and accounting firms) and Unitholders of BEPIF and Other Blackstone Accounts will, in certain circumstances, be seconded to, serve internships at or otherwise provide consulting services to, Blackstone, BEPIF, Other Blackstone Accounts and the Portfolio Entities of BEPIF and Other Blackstone Accounts. While often BEPIF, Other Blackstone Accounts and their Portfolio Entities are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor or service provider also provides services to BEPIF, Other Blackstone Accounts, their Portfolio Entities or Blackstone in the ordinary course. Blackstone or the Portfolio Entity may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Entity pays the cost it will be borne directly or indirectly by BEPIF. Blackstone, BEPIF, Other Blackstone Accounts or their Portfolio Entities could receive benefits from these arrangements at no cost, or alternatively could pay all or a portion of the fees, compensation or other expenses in respect of these arrangements. Fund Fees will not be offset or reduced as a result of these secondments or internships or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Blackstone, BEPIF, Other Blackstone Accounts, Portfolio Entities, each of their respective affiliates and related parties, and any costs of such personnel may be allocated accordingly. Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to Blackstone, BEPIF, Other Blackstone Accounts, Portfolio Entities and other parties based on time spent by the personnel or another methodology Blackstone deems appropriate in a particular circumstance.

Other Benefits. The Sponsor, its affiliates and their personnel and related parties will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of BEPIF, the value of which will not offset or reduce Management Fees or otherwise be shared with BEPIF, its Portfolio Entities or the Unitholders. For example, airline travel or hotel stays will result in "miles" or "points" or credit in loyalty or status programs, and such benefits will, whether or not *de minimis* or difficult to value, inure exclusively to the benefit of the Sponsor, its affiliates or their personnel or related parties receiving it, even though the cost of the underlying service is borne by BEPIF as Fund Expenses or by its Portfolio Entities. See also "—Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers" herein. Similarly, the Sponsor, its affiliates and their personnel and related parties, and third parties designated by the foregoing, also receive discounts on products and services provided by Portfolio Entities and customers or suppliers of such Portfolio Entities. The Unitholders consent to the existence of these arrangements and benefits.

Advisors, Consultants and Partners. The Sponsor, its affiliates and their personnel and related parties engage and retain strategic advisors, consultants, senior advisors, industry experts, joint venture and other partners and professionals, any of whom might be current or former executives or other personnel of the Sponsor, its affiliates or Portfolio Entities of BEPIF or Other Blackstone Accounts (collectively, "**Consultants**"), to provide a variety of services. Similarly, BEPIF, Other Blackstone Accounts and their Portfolio Entities retain and pay compensation to Consultants to provide services, or to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. Any amounts paid by BEPIF or a Portfolio Entity to Consultants in connection with the above services, including cash fees, profits, or equity interests in a Portfolio Entity, discretionary bonus awards, performance-based compensation (*e.g.*, promote), retainers and expense reimbursements, will be treated as Fund Expenses or expenses of the Portfolio Entity, as the case may be, and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Sponsor, be chargeable to the Sponsor or deemed paid to or received by the Sponsor, or offset or reduce any Management Fees to the Sponsor or be subordinated to return of the Unitholder's capital. Amounts charged by Consultants will not necessarily be confirmed as being comparable to market rates for such services. Also, Consultants often co-invest alongside BEPIF in Portfolio Entities and Investments, participate in long-term incentive plans of a Portfolio Entity, and invest directly in BEPIF or in vehicles controlled by BEPIF, with reduced or waived Management Fees and incentive allocation and such co-investment or participation (which generally will result in BEPIF being allocated a smaller share of an Investment and less co-investment being available to Unitholders) may or may not be considered part of Blackstone's side-by-side co-investment rights, as determined by the

Sponsor in its sole discretion. Consultants' benefits described in this paragraph will, in certain circumstances, continue after termination of status as a Consultant.

The time, dedication and scope of work of a Consultant varies considerably. In some cases, a Consultant advises the Sponsor on transactions, provides the Sponsor with industry-specific insights and feedback on investment themes, assists in transaction due diligence, and makes introductions to, and provides reference checks on, management teams. In other cases, Consultants take on more extensive roles, including serving as executives or directors on the boards of Portfolio Entities and contributing to the identification and origination of new investment opportunities. BEPIF may rely on these Consultants to recommend the Sponsor and BEPIF as a preferred investment partner and carry out its investment program, but there is no assurance that any Consultant will continue to be involved with BEPIF for any length of time. The Sponsor and BEPIF can be expected to have formal or informal arrangements with Consultants that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement. In certain cases, Consultants have attributes of Blackstone "employees" (*e.g.*, they can be expected to have dedicated offices at Blackstone, receive administrative support from Blackstone personnel, participate in general meetings and events for Blackstone personnel or work on Blackstone matters as their primary or sole business activity, have Blackstone-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Blackstone employees), even though they are not Blackstone employees, affiliates or personnel, and their salary and related expenses are paid by BEPIF as Fund Expenses or by Portfolio Entities without any reduction or offset to Management Fees. Some Consultants work only for BEPIF and its Portfolio Entities, while other Consultants may have other clients. In particular, in some cases, Consultants, including those with a "Senior Advisor" title, have been and will be engaged with the responsibility to source and recommend transactions to the Sponsor potentially on a full-time and/or exclusive basis and, notwithstanding any overlap with the responsibilities of the Sponsor under the Investment Management Agreement, the compensation to such Consultants could be borne fully by BEPIF and/or Portfolio Entities (with no reduction or offset to Management Fees) and not the Sponsor. Consultants could have conflicts of interest between their work for BEPIF and its Portfolio Entities, on the one hand, and themselves or other clients, on the other hand, and the Sponsor is limited in its ability to monitor and mitigate these conflicts. Additionally, Consultants could provide services on behalf of both BEPIF and Other Blackstone Accounts, and any work performed by Consultants retained on behalf of BEPIF could benefit such Other Blackstone Accounts (and alternatively, work performed by Consultants on behalf of Other Blackstone Accounts could benefit BEPIF), and the Sponsor shall have no obligation to allocate any portion of the costs to be borne by BEPIF in respect of such Consultant to such Other Blackstone Accounts.

In addition, BEPIF will in certain circumstances, enter into an arrangement from time to time with one or more individuals (who may be former personnel of Blackstone or current or former personnel of Portfolio Entities of BEPIF or Other Blackstone Accounts, may have experience or capability in sourcing or managing investments, and may form a management team) to undertake a build-up strategy to acquire and develop assets and businesses in a particular sector or involving a particular strategy. The services provided by such individuals or relevant Portfolio Entity, as the case may be, could include: origination or sourcing, due diligence, evaluation, negotiation, servicing, development, management (including turnaround) and disposition. The individuals or relevant Portfolio Entity could be compensated with a salary and equity incentive plan, including a portion of profits derived from BEPIF or a Portfolio Entity or asset of BEPIF, or other long term incentive plans. Compensation could also be based on assets under management or other similar metric. BEPIF could bear the cost of overhead (including rent, utilities, benefits, salary or retainers for the individuals or their affiliated entities) and the sourcing, diligence and analysis of Investments, as well as the compensation for the individuals and entity undertaking the build-up strategy. Such expenses could be borne directly by BEPIF as Fund Expenses (or broken deal expenses, if applicable) or indirectly through expenditures by a Portfolio Entity. None of such Portfolio Entities or Consultants will be treated as affiliates of the Sponsor for any reason and none of the fees, costs or expenses described above will reduce or offset Fund Fees.

In addition, the Sponsor could engage third parties as senior advisors (or another similar capacity) in order to advise it with respect to existing Investments, specific investment opportunities, and economic and industry trends. Such senior advisors could receive reimbursement of reasonable related expenses by Portfolio Entities or BEPIF and could have the opportunity to invest in a portion of the assets available to BEPIF for investment which could be taken by the Sponsor and its affiliates. If such senior advisors generate investment opportunities on BEPIF's behalf, such senior advisors could receive special additional fees or allocations comparable to those received by a third party in an arm's length transaction and such additional fees or allocations would be borne fully by BEPIF and/or Portfolio Entities (with no reduction or offset to Management Fees) and not the Sponsor.

Multiple Blackstone Business Lines. Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, BEPIF, its Portfolio Entities and Other Blackstone Accounts and third parties will, in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone may come into possession of information that limits BEPIF's ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the Sponsor that would be relevant to monitoring BEPIF's Investments and other activities. Additionally, Blackstone or Other Blackstone Accounts can be expected to enter into covenants that restrict or otherwise limit the ability of BEPIF or its Portfolio Entities and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Accounts could have granted exclusivity to a joint venture partner that limits BEPIF and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Accounts could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact BEPIF's ability to implement its investment program. See also "—Other Blackstone Accounts; Allocation of Investment Opportunities." Finally, Blackstone personnel who are members of the investment team or the Investment Committee may be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, including other business activities, in which case BEPIF will not benefit from their experience. The Unitholders will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

Other Blackstone Business Activities. Blackstone, Other Blackstone Accounts, their Portfolio Entities, and personnel and related parties of the foregoing will receive fees and compensation, including performance-based and other incentive fees, for products and services provided to BEPIF and its Portfolio Entities, such as fees for asset management (including management fees and carried interest/incentive arrangements), development and property management; arranging, underwriting, syndication or refinancing of a loan or investment (or other additional fees, including acquisition fees, loan modification or restructuring fees); loan servicing; special servicing or other servicing; administrative services; other advisory services on purchase or sale of an asset or company; advisory services; investment banking and capital markets services; placement agent services; fund administration; internal legal and tax planning services; information technology products and services; insurance procurement, brokerage, solutions and risk management services; data extraction and management products and services; fees for monitoring and oversight of loans or title insurance; and other products and services (including but not limited to restructuring, consulting, monitoring, commitment, syndication, origination, organizational and financing, and divestment services). Such fees shall not be applied to offset Fund Fees and Unitholders will not share therein. Such parties will also provide products and services for fees to Blackstone, Other Blackstone Accounts and their Portfolio Entities, and their personnel and related parties, as well as third parties, as applicable. Through its Innovations group, Blackstone incubates businesses that can be expected to provide goods and services to BEPIF and Other Blackstone Accounts and their respective Portfolio Entities, as well as other Blackstone related parties and third parties. By contracting for a product or service from a business related to Blackstone, BEPIF and its Portfolio Entities would provide not only current income to the business and its stakeholders, but could also create significant enterprise value in them, which would not be shared with BEPIF or its Unitholders and could benefit Blackstone directly and indirectly. Also, Blackstone, Other Blackstone Accounts and their Portfolio Entities, and their personnel and related parties will, in certain circumstances, receive compensation or other benefits, such as through additional ownership interests or otherwise, directly related to the consumption of products and services by BEPIF and its Portfolio Entities. BEPIF and its Portfolio Entities will incur expense in negotiating for any such fees and services, which will be treated as partnership expenses. In addition, the Sponsor can be expected to receive fees associated with capital invested by co-investors relating to Investments in which BEPIF participates or otherwise, in connection with a joint venture in which BEPIF participates or otherwise with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Sponsor performs services. Finally, Blackstone and its personnel and related parties will, in certain circumstances, also receive compensation for origination expenses and with respect to unconsummated transactions.

BEPIF has engaged a third-party administrator to provide certain administrative services to BEPIF. BEPIF will, as determined by the Sponsor, bear the cost of fund administration and accounting (including, without limitation, maintenance of BEPIF's books and records, preparation of net asset value and other valuation support services, as applicable (e.g., valuation model and methodology review, review of third-party due diligence conclusions and sample testing); preparation of periodic investor reporting and calculation of performance metrics; central administration and depositary oversight (e.g., periodic and ongoing due diligence and coordination of investment reconciliation and asset verification); audit support (e.g., audit planning and review of annual financial statements); risk management support services (e.g., calculation and review of investment and leverage exposure); regulatory risk reporting, data collection and modeling and risk management matters; and tax support services (e.g., annual tax and value-added tax returns and FATCA (as defined below) and CRS (as defined below) compliance)), tax planning and other related services (including, without limitation, entity organization, structuring, due diligence, document drafting and negotiation, closing preparation, post-closing activities (such as compliance with contractual terms and providing advice for investment-level matters with respect to fiduciary and other obligations and issues), litigation or regulatory matters, reviewing and structuring exit opportunities) provided by Blackstone personnel and related parties (including, without limitation, the AIFM, including all services provided by the AIFM to the BEFM Managed Entities that would be considered costs of fund administration if provided by Blackstone to BEPIF (notwithstanding the customary scope of such services by third-party service providers)) to BEPIF and its Portfolio Entities, including the allocation of their compensation and related overhead otherwise payable by Blackstone, or pay for their services at market rates. In certain circumstances, BEPIF or a Parallel Entity may engage a third-party administrator and in such circumstances there may be some overlap in the services performed by the third-party administrator and Blackstone personnel and BEPIF will bear all such costs. Such allocations or charges can be based on any of the following methodologies: (i) requiring personnel to periodically record or allocate their historical time spent with respect to BEPIF or Blackstone approximating the proportion of certain personnel's time spent with respect BEPIF, and in each case allocating their compensation and allocable overhead based on time spent, or charging their time spent at market rates, (ii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that Blackstone believes represents a fair recoupment of expenses and a market rate for such services or (iii) any other similar methodology determined by Blackstone to be appropriate under the circumstances. Certain Blackstone personnel will provide services to few, or only one, of BEPIF and Other Blackstone Accounts, in which case Blackstone could rely upon rough approximations of time spent by the employee for purposes of allocating the salary and overhead of the person if the market rate for services is clearly higher than allocable salary and overhead. However, the provision of such services by Blackstone personnel and related parties and any such methodology (including the choice thereof and any benchmarking, verification or other analysis related thereto) involves inherent conflicts and will, in certain circumstances, result in incurrence of greater expenses by BEPIF and its Portfolio Entities than would be the case if such services were provided by third parties.

The Sponsor, Other Blackstone Accounts and their Portfolio Entities, and their affiliates, personnel and related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to Investments sold by BEPIF or a Portfolio Entity to a third-party buyer after the sale is consummated. Such post-disposition involvement will give rise to potential or actual conflicts of interest, particularly in the sale process. Moreover, the Sponsor, Other Blackstone Accounts and their Portfolio Entities, and their affiliates, personnel and related parties may acquire a stake in the relevant asset as part of the overall service relationship, at the time of the sale or thereafter.

BEPIF or its Unitholders will not receive the benefit (*e.g.*, through an offset to Fund Fees or otherwise) of any fees or other compensation or benefit received by the Sponsor, its affiliates or their personnel and related parties. The Sponsor and its affiliates and their personnel and related parties will receive fees attributable to Other Blackstone Accounts (including co-investment vehicles) and third parties and, without limiting the generality of the foregoing, the amount of such fees allocable to Other Blackstone Accounts (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) will not result in an offset of Fund Fees payable by Unitholders or otherwise be shared with BEPIF, its Portfolio Entities or the Unitholders, even if (i) such Other Blackstone Accounts (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties) provide for lower or no fund fees for the investors or participants therein (such as the vehicles established in connection with Blackstone's side-by-side co-investment rights, which generally do not pay a fund fee or incentive allocation) or (ii) such fees result in an offset to fund fees or incentive allocation payable by any of such Other Blackstone Accounts (including co-investment vehicles, permanent capital vehicles, accounts and/or third parties). This creates an incentive for Blackstone to offer co-investment opportunities and can be expected to result in other fees being received more frequently (or exclusively) with Investments that involve co-investment.

In addition, to the extent Blackstone receives any of the fees described above in-kind, instead of in cash, in whole or in part, Blackstone would in certain circumstances elect to become a co-investor (or otherwise hold an interest) in such Investments alongside BEPIF and/or Other Blackstone Accounts, which are expected to give rise to potential or actual conflicts of interest, including with respect to the timing and manner of sale by Blackstone, on the one hand, and other participating investing vehicles, including BEPIF, on the other hand. Blackstone's receipt of such interests in-kind generally would not be at the same time or on substantially the same terms, price and conditions as BEPIF and/or the Other Blackstone Accounts, as applicable. With respect to any dispositions of securities or investments held by Blackstone resulting from receiving such fees in-kind, since BEPIF and/or Other Blackstone Accounts, as applicable, are not necessarily similarly situated and could have different terms affecting the timing of their respective dispositions, there could be certain situations where Blackstone would not dispose of its securities or interests at the same time and/or on substantially the same terms, price and conditions as such other funds, which would be evaluated by Blackstone on a case-by-case basis taking into account the circumstances at the relevant time. There can be no assurance that any actual or perceived conflicts will be resolved in favor of BEPIF or the Unitholders.

Blackstone has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on BEPIF's behalf, the AIFM will consider those relationships, which may result in certain transactions that the AIFM will not undertake on BEPIF's behalf in view of such relationships. BEPIF may also co-invest with clients of Blackstone in particular properties, and the relationship with such clients could influence the decisions made by the AIFM with respect to such Investments. Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to BEPIF. BEPIF may be forced to sell or hold existing Investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make or have made. Furthermore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to BEPIF. See "—Other Blackstone Accounts; Allocation of Investment Opportunities" below.

Blackstone and Other Blackstone Accounts could acquire Units of BEPIF in the secondary market. Blackstone and Other Blackstone Accounts would generally have greater information than counterparties in such transactions, and the existence of such business could produce conflicts, including in the valuation of BEPIF's Investments.

Blackstone may from time to time participate in underwriting or lending syndicates with respect to BEPIF or its subsidiaries and/or Other Blackstone Accounts, or may otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by BEPIF, or its subsidiaries. Such underwritings may be on a firm commitment basis or may be on an uncommitted "best efforts" basis. A Blackstone broker-dealer may act as the managing underwriter or a member of the underwriting syndicate and purchase securities from BEPIF or its subsidiaries. Blackstone may also, on BEPIF's behalf or on behalf of other parties to a transaction involving BEPIF, effect transactions, including transactions in the secondary markets where it may nonetheless have a potential conflict of interest regarding BEPIF and the other parties to those transactions to the extent it receives commissions or other compensation from BEPIF and such other parties. Subject to applicable law, Blackstone may receive underwriting fees, discounts, placement commissions, loan modification or restructuring fees, servicing (including loan servicing) fees, advisory fees, lending arrangement, consulting, monitoring, commitment, syndication, origination, organizational, financing and divestment fees (or, in each case, rebates of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or an Other Blackstone Account or vehicle is purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with BEPIF or its Unitholders. Blackstone may nonetheless have a potential conflict of interest regarding BEPIF and the other parties to those transactions to the extent it receives commissions, discounts, fees or such other compensation from such other parties. Non-affiliated managers will approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for BEPIF, or as dealer, broker or advisor, on the other side of a transaction with BEPIF only where such managers believe in good faith that such transactions are appropriate for BEPIF and its Unitholders, by executing a subscription document for BEPIF's Units, consent to all such transactions, along with the other transactions involving conflicts of interest described herein, to the fullest extent permitted by law. Sales of securities for BEPIF's account (particularly marketable securities) may be bunched or aggregated with orders for other accounts of Blackstone. It is frequently not possible to receive the same price or execution on the entire volume of securities sold, and the various prices may be averaged, which may be disadvantageous to BEPIF. Where Blackstone serves as underwriter with respect to securities held by BEPIF or any of its subsidiaries, BEPIF may be subject to a "lock-up" period following the offering under applicable regulations during which time BEPIF's ability to sell any securities that it continues to hold is restricted. This may prejudice BEPIF's ability to dispose of such securities at an opportune time.

On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. ("**PJT**"), an independent financial advisory firm founded by Paul J. Taubman. While the new combined business operates independently from Blackstone and is not an affiliate thereof, nevertheless conflicts may arise in connection with transactions between or involving BEPIF on the one hand and PJT on the other. Specifically, given that PJT will not be an affiliate of Blackstone, there may be fewer or no restrictions or limitations placed on transactions or relationships engaged in by PJT's new advisory business as compared to the limitations or restrictions that might apply to transactions engaged in by an affiliate of Blackstone. It is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest in doing transactions involving PJT will still arise. The pre-existing relationship between Blackstone and its former personnel involved in such financial and strategic advisory services, the overlapping ownership, and certain co-investment and other continuing arrangements, may influence the AIFM in deciding to select or recommend PJT to perform such services for BEPIF (the cost of which will generally be borne directly or indirectly by us). Nonetheless, the Sponsor will be free to cause BEPIF to transact with PJT generally without restriction under BEPIF's charter notwithstanding such overlapping interests in, and relationships with, PJT. See also "—Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers" below.

Other present and future activities of Blackstone and its affiliates (including the AIFM and the Global Distributor) may also give rise to additional conflicts of interest relating to BEPIF and its investment activities. In the event that any such conflict of interest arises, BEPIF will attempt to resolve such conflicts in a fair and equitable manner. Unitholders should be aware that conflicts will not necessarily be resolved in favor of BEPIF's interests.

Minority Investments in Asset Management Firms. Blackstone and Other Blackstone Accounts regularly make minority investments in alternative asset management firms that are not affiliated with Blackstone, BEPIF, Other Blackstone Accounts and their respective Portfolio Entities, and which may from time to time engage in similar investment transactions, including with respect to purchase and sale of investments, with these asset management firms and their sponsored funds and Portfolio Entities. Typically, the Blackstone related party with an interest in the asset management firm would be entitled to receive a share of incentive compensation and net fee income or revenue generated from the various products, vehicles, funds and accounts managed by that third-party asset management firm that are included in the transaction or activities of the third-party asset management firm, or a subset of such activities such as transactions with a Blackstone related party. In addition, while such minority investments are generally structured so that Blackstone does not "control" such third-party asset management firms, Blackstone may nonetheless be afforded certain governance rights in relation to such investments (typically in the nature of "protective" rights, negative control rights or anti-dilution arrangements, as well as certain reporting and consultation rights) that afford Blackstone the ability to influence the firm. Although Blackstone and Other Blackstone Accounts do not intend to control such third-party asset management firms, there can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the governing documents of such third-party asset management firms or the interpretation of applicable law or regulations, investments by Blackstone and Other Blackstone Accounts will not be deemed to have control elements for certain contractual, regulatory or other purposes. While such third-party asset managers will not be deemed "affiliates" of Blackstone for any purpose, Blackstone could, under certain circumstances, be in a position to influence the management and operations of such asset managers and the existence of its economic/revenue sharing interest therein can be expected to give rise to conflicts of interest. Participation rights in a third-party asset management firm (or other similar business), negotiated governance arrangements and/or the interpretation of applicable law or regulations could expose the Investments of BEPIF to claims by third parties in connection with such Investments (as indirect owners of such asset management firms or similar businesses) that could have an adverse financial or reputational impact on the performance of BEPIF. BEPIF, its affiliates and their respective Portfolio Entities could from time to time engage in transactions with, and buy and sell Investments from, any such third-party asset managers and their sponsored funds and transactions and other commercial arrangements between such third-party asset managers and BEPIF and its Portfolio Entities are not subject to Board of Managers approval. There can be no assurance that the terms of these transactions between parties related to Blackstone, on the one hand, and BEPIF and its Portfolio Entities, on the other hand, will be at arm's length or that Blackstone will not receive a benefit from such transactions, which can be expected to incentivize Blackstone to cause these transactions to occur. Such conflicts related to investments in and arrangements with other asset management firms will not necessarily be resolved in favor of BEPIF. Unitholders will not be entitled to receive notice or disclosure of the terms or occurrence of either the investments in alternative asset management firms or transactions therewith and will not receive any benefit from such transactions.

Blackstone Policies and Procedures; Information Walls. Blackstone has implemented policies and procedures to address conflicts that arise as a result of its various activities, as well as regulatory and other legal considerations. Some of these policies and procedures, such as Blackstone's information wall policy, also have the effect of reducing firm-wide synergies and collaboration that BEPIF could otherwise expect to utilize for purposes of identifying and managing attractive investments. Personnel of Blackstone may be unable, for example, to assist with the activities of BEPIF as a result of these walls. There can be no assurance that additional restrictions will not be imposed that would further limit the ability of Blackstone to share information internally.

Data. Blackstone receives or obtains various kinds of data and information from BEPIF, Other Blackstone Accounts and their Portfolio Entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as "big data." Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from BEPIF, Other Blackstone Accounts and their Portfolio Entities. Blackstone has entered and will continue to enter into information sharing and use arrangements which will give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course, with BEPIF, Other Blackstone Accounts, and their Portfolio Entities, related parties and service providers. Although Blackstone believes that these activities improve Blackstone's investment management activities on behalf of BEPIF and Other Blackstone Accounts, information obtained from BEPIF and its Portfolio Entities also provides material benefits to Blackstone or Other Blackstone Accounts without compensation or other benefit accruing to BEPIF or its Unitholders. For example, information from a Portfolio Entity owned by BEPIF can be expected to enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Accounts that do not own an interest in the Portfolio Entity, without compensation or benefit to BEPIF or its Portfolio Entities.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material non-public information, Blackstone is generally free to use data and information from BEPIF's activities to assist in the pursuit of Blackstone's various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Account. Any confidentiality obligations in this Prospectus do not limit Blackstone's ability to do so. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a Portfolio Entity in the same or related industry. Such trading is expected to provide a material benefit to Blackstone without compensation or other benefit to BEPIF or its Unitholders.

The sharing and use of "big data" and other information presents potential conflicts of interest and the Unitholders acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in-kind), costs and expenses) will not be subject to Fund Fee offset provisions or otherwise shared with BEPIF or its Unitholders. As a result, the Sponsor has an incentive to pursue Investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Accounts. See also "—Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers" and "—Data Management Services" herein.

Buying and Selling Assets from Certain Related Parties. BEPIF and its Portfolio Entities may purchase assets from or sell assets to Unitholders, Portfolio Entities of Other Blackstone Accounts or their respective related parties, including parties which such Unitholders or Portfolio Entities, or Other Blackstone Accounts, own or have invested in. Purchases and sales of assets between BEPIF or its Portfolio Entities, on the one hand, and Unitholders, Portfolio Entities of Other Blackstone Accounts or their respective related parties, on the other hand, are not subject to the approval of the AIFM or any Unitholder. These transactions involve conflicts of interest, as Blackstone may receive fees and other benefits, directly or indirectly, from or otherwise have interests in both parties to the transaction. These conflicts related to purchases and sales of assets between BEPIF or its Portfolio Entities, on the one hand, and Unitholders, Portfolio Entities of Other Blackstone Accounts or their respective related parties, on the other hand, will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Selling Assets to Other Blackstone Accounts. Blackstone will have conflicting duties to BEPIF and Other Blackstone Accounts when BEPIF sells assets to Other Blackstone Accounts or when such Other Blackstone Accounts provide equity or debt financing to BEPIF or third party purchasers in connection with the disposition of such assets, including as a result of different financial incentives Blackstone may have with respect to BEPIF and such Other Blackstone Accounts. There can be no assurance that any assets sold by BEPIF to an Other Blackstone Account (or where such Other Blackstone Account is providing financing to BEPIF or a third party purchaser) will not be valued or allocated a sale price that is lower than might otherwise have been the case if such asset were sold to a third party rather than to an Other Blackstone Account, including a third party purchaser that is not receiving such financing from an Other Blackstone Account. Blackstone will not be required to solicit third-party bids prior to causing BEPIF to sell an asset to an Other Blackstone Account as provided above. In the event Blackstone does solicit third-party bids in a sale process of any such assets, the participation of an Other Blackstone Account through the financing of a third party purchase, could potentially have a negative impact on the overall process. For example, a bidder that is not or has otherwise chosen not to work with an Other Blackstone Account for such financing, may perceive the process as favouring parties that are doing so. While Blackstone will seek to develop sale procedures that mitigate conflicts for BEPIF, there can be no assurance that any bidding process will not be negatively impacted by the presence of any Other Blackstone Accounts. These conflicts related to selling assets to Other Blackstone Accounts will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts (except as provided above).

Other Blackstone Accounts; Allocation of Investment Opportunities. Blackstone invests its own capital and third-party capital on behalf of Other Blackstone Accounts and BEPIF in a wide variety of investment opportunities throughout the world. Not every opportunity suitable for BEPIF will be allocated to it in whole or in part. Certain exceptions exist that allow specified types of investment opportunities that fall within BEPIF's investment objectives or strategy to be allocated in whole or in part to Blackstone itself or Other Blackstone Accounts, such as strategic investments made by Blackstone itself (whether in financial institutions or otherwise) and the exception for Other Blackstone Accounts that have investment objectives or guidelines similar to or overlapping, in whole or in part, with those of BEPIF, to some extent, or pursue similar returns as BEPIF but have a different investment strategy or objective. Therefore, there may be a limited number of circumstances where investments that are consistent with BEPIF's investment objectives may be required or permitted to be offered to, shared with or made by one or more Other Blackstone Accounts (and so, offered to, shared with or made thereby). It is expected that some activities of Blackstone, the Other Blackstone Accounts and their Portfolio Entities will compete with BEPIF and its Portfolio Entities for one or more investment opportunities that are consistent with BEPIF's investment objectives, and as a result such investment opportunities may only be available on a limited basis, or not at all, to BEPIF. The Sponsor has conflicting loyalties in determining whether an investment opportunity should be allocated to BEPIF, Blackstone or an Other Blackstone Account. Blackstone has adopted guidelines and policies, which it can be expected to update from time to time, regarding allocation of investment opportunities.

- <u>Overlapping Objectives and Strategies</u>: In circumstances in which any Other Blackstone Accounts have investment objectives or guidelines that overlap with those of BEPIF, in whole or in part, the Sponsor generally determines the relative allocation of investment opportunities among such vehicles on a fair and reasonable basis in good faith according to guidelines and factors determined by it. However, the application of those guidelines and factors may result in BEPIF not participating, or not participating to the same extent, in investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines. The Sponsor could also determine not to pursue opportunities as discussed below in "—Certain Investments Inside BEPIF's Mandate that are not Pursued by BEPIF." or later determine an opportunity is appropriate for BEPIF after initially reviewing such opportunity for an Other Blackstone Account. BEPIF could invest in the securities of publicly traded companies in which Other Blackstone Accounts hold existing investments. In addition, BEPIF may invest in real estate related debt investments alongside certain Other Blackstone Accounts that are part of the Blackstone Real Estate Debt Strategies program and other vehicles focusing on real estate related debt investments. Among the factors that the Sponsor considers in making investment allocations among BEPIF and Other Blackstone Accounts are the following: (i) consistency with any applicable investment objectives, parameters, limitations and other contractual provisions relating to BEPIF and such Other Blackstone Accounts, (ii) available capital of BEPIF and such Other Blackstone Accounts, as determined by the Sponsor in good faith (which may take into account relative portfolio composition, anticipated co-investment and other considerations in addition to buying power), (iii) legal, tax, accounting, regulatory and other considerations, (iv) primary and permitted investment strategies and objectives of BEPIF and the Other Blackstone Accounts, including, without limitation, with respect to Other Blackstone Accounts that expect to invest in or alongside other funds or across asset classes based on expected return, (v) sourcing of the investment, (vi) the sector and geography/location of the investment, (vii) the specific nature (including size, type, amount, liquidity, holding period, anticipated maturity and minimum investment criteria) of the investment, (viii) expected investment return, (ix) risk profile of the investment, (x) expected leverage on the investment, (xi) expected cash characteristics (such as cash-on-cash yield, distribution rates or volatility of cash flows), (xii) capital expenditure required as part of the investment, (xiii) portfolio diversification concerns (including, but not limited to, (A) allocations necessary for BEPIF or Other Blackstone Accounts to maintain a particular concentration in a certain type of investment (*e.g.*, if an Other Blackstone Account follows a liquid strategy pursuant to which it sells a type of investment more or less frequently than BEPIF and BEPIF or such Other Blackstone Account needs a non pro rata additional allocation to maintain a particular concentration in that type of investment) and (B) whether a particular fund already has its desired exposure to the investment, sector, industry, geographic region or markets in question), (xiv) relation to existing investments in a fund, if applicable (*e.g.*, "follow on" to existing investment, joint venture or other partner to existing investment, or same security as existing investment), (xv) avoiding allocation that could result in *de minimis* or odd lot investments, or allocating to a single vehicle when investments are smaller in size, (xvi) redemption or withdrawal requests from a client, fund or vehicle and anticipated future contributions into an account, (xvii) ability to employ leverage and expected or underwritten leverage on the investment, (xviii) the ability of a client, fund or vehicle to employ leverage, hedging, derivatives, or other similar strategies in connection with acquiring, holding or disposing of the particular investment opportunity, and any requirements or other terms of any existing leverage facilities, (xix) the credit and default profile of an investment or borrower (*e.g.*, FICO score of a borrower for residential mortgage loans), (xx) the extent of involvement of the respective teams of the investment professionals dedicated to BEPIF and Other Blackstone Accounts and sourcing of the investment, (xxi) the likelihood/immediacy of foreclosure or conversion to an equity or control opportunity, (xxii) with respect to investments that are made available to Blackstone by counterparties pursuant to negotiated trading platforms (*e.g.*, ISDA contracts), the absence of such relationships which may not be available for all clients, (xxiii) contractual obligations, (xxiv) co-investment arrangements, (xxv) potential path to ownership, (xxvi) the relative stage of BEPIF's and such Other Blackstone Account's investment periods (*e.g.*, early in a vehicle's investment period, the Sponsor may over-allocate investments to such vehicle), (xxvii) timing expected to be necessary to execute an investment, and (xxviii) other considerations deemed relevant by the Sponsor in good faith.

Currently, BPPE serves as Blackstone's primary vehicle for institutional investors for "core+" investments (which are generally substantially stabilized assets generating relatively stable cash flow) in real estate and real estate related assets and companies located in Europe and targets primarily substantially stabilized office, logistics, residential and retail assets in major European markets and gateway cities. BPPE may also invest in other asset classes. To the extent an investment satisfies the investment objectives of BEPIF and BPPE, such investment will generally be allocated to BPPE and BEPIF will gain exposure to such investment to the extent of its Investment in interests of BPPE. There may be exceptions to this due to available capital, portfolio construction and tax considerations, among other things. In such circumstances, the Sponsor may in its discretion choose to allocate such an investment opportunity to BEPIF and BPPE jointly in accordance with Blackstone's prevailing policies and procedures described above. The Sponsor expects there may be significant overlap of investment opportunities between BEPIF and BPPE, but certain investment opportunities may be appropriate for only BEPIF and not BPPE and therefore may be allocated only to BEPIF.

Furthermore, certain of the Other Blackstone Accounts that invest in "opportunistic" real estate and real estate-related assets globally (which often are undermanaged assets and with higher potential for equity appreciation) have priority over us with respect to such investment opportunities (together with future accounts with similar investment strategies) and select investments (e.g., certain core+ life sciences investments and private real estate loans, infrastructure and U.S. investment) will be first offered to certain Other Blackstone Accounts (which Blackstone generally expect to have investment strategies distinct from BEPIF's but can overlap to some extent). Other Blackstone Accounts having priority over BEPIF will result in fewer investment opportunities being made available to BEPIF.

Blackstone manages, and reserves the right to raise and/or manage additional, Other Blackstone Accounts, including opportunistic and stabilized and substantially stabilized real estate funds or separate accounts, dedicated managed accounts, investments suitable for lower risk, lower return funds or higher risk, higher return funds, real estate debt obligation and trading investment vehicles, real estate funds primarily making investments in a single sector of the real estate investment space (*e.g.*, office, industrial, retail or multifamily) or making non-controlling investments in public and private debt and equity securities and/or investment funds that may have the same or similar investment objectives or guidelines as BEPIF, investment funds formed for specific geographical areas or investments, including those focused on by BEPIF and one or more managed accounts (or other similar arrangements structured through an entity) for the benefit of one or more specific investors (or related group of investors) which, in each case, may have investment objectives or guidelines that overlap with BEPIF's. Certain Other Blackstone Accounts have priority over BEPIF with respect to "opportunistic" real estate and real estate-related assets and certain real estate related debt investments and Other Blackstone Accounts may in the future have similar priorities. These priorities will result in fewer investment opportunities being made available to BEPIF.

- The Sponsor will calculate available capital, weigh the factors described above (which will not be weighted equally) and make other investment allocation decisions in accordance with its prevailing policies and procedures in its sole discretion, taking into account a variety of considerations, which may include, without limitation, net asset value, any actual or anticipated allocations, expected future fundraising and uses of capital, expected investor and other third-party co-investment allocations (i.e., when additional capital is raised alongside a private fund for a single investment) of Other Blackstone Accounts, applicable investment guidelines, excuse rights and investor preferences, any or all reserves, vehicle sizes and stage of investment operations (e.g., early in a vehicle's investment operations, the vehicle may receive larger allocations than it otherwise would in connection with launching and ramping up), targeted amounts of securities as determined by the Sponsor, geographic limitations and actual or anticipated capital needs or other factors determined by the Sponsor and its affiliates. Preliminary investment allocation decisions will generally be made on or prior to the time BEPIF and such Other Blackstone Accounts commit to make the investment (which in many cases is when the purchase agreement (or equivalent) in respect of such investment opportunity is signed), and are expected to be updated from time to time prior to the time of consummation of the investment (including after deposits are made thereon) due to changes in the factors that Blackstone considers in making investment allocations among BEPIF and Other Blackstone Accounts, including, for example, due to changes in available capital (including as a result of investor subscriptions or withdrawals, deployment of capital for other investments or a reassessment of reserves), changes in portfolio composition or changes in actual or expected limited partner or third-party co-investment allocation, in each case between the time of committing to make the investment and the actual funding of the investment. Such adjustments in investment allocations could be material, could result in a reduced or increased allocation being made available to BEPIF and there can be no assurance that BEPIF will not be adversely affected thereby. The manner in which BEPIF's available capital is determined may differ from, or subsequently change with respect to, Other Blackstone Accounts. The amounts and forms of leverage utilized for Investments will also be determined by the Sponsor in its sole discretion. Any differences or adjustments with respect to the manner in which available capital is determined with respect to BEPIF or the Other Blackstone Accounts may adversely impact BEPIF's allocation of particular investment opportunities. There is no assurance that any conflicts arising out of the foregoing will be resolved in BEPIF's favor. Blackstone is entitled to amend its policies and procedures at any time without prior notice or BEPIF's consent.

- Investments Outside of BEPIF's Mandate: Investment opportunities that the Sponsor makes a good faith determination are not considered substantially stabilized, income-generating commercial real estate, or are otherwise inappropriate for BEPIF given considerations described in this Prospectus or as otherwise determined by the Sponsor, will generally not be allocated to BEPIF. Examples include investments suitable for control-oriented "opportunistic" funds or vehicles, real estate mezzanine funds, real estate trading vehicles or real estate funds primarily making debt investments or non-controlling investments in public and private debt and equity securities. For example, certain Other Blackstone Accounts pursue control-oriented "opportunistic" real estate investments in the same geographic markets as BEPIF.

- Certain Investments Inside BEPIF's Mandate that are not Pursued by BEPIF: Under certain circumstances, Blackstone can be expected to determine not to pursue some or all of an investment opportunity within BEPIF's mandate, including without limitation, as a result of business, reputational or other reasons applicable to BEPIF, Other Blackstone Accounts, their respective Portfolio Entities or Blackstone. In addition, the Sponsor will, in certain circumstances, determine that BEPIF should not pursue some or all of an investment opportunity, including, by way of example and without limitation, because (i) BEPIF has insufficient available capital (as determined by the Sponsor in its good faith discretion taking into account not only capital that is actually available but considerations such as portfolio composition, anticipated co-investment and other factors) to pursue the investment opportunity, (ii) BEPIF has already invested sufficient capital in the investment, sector, industry, geographic region or markets in question, as determined by the Sponsor in its good faith discretion, or (iii) the investment is not appropriate for BEPIF for other reasons as determined by the Sponsor in its good faith reasonable sole discretion. In any such case Blackstone could, thereafter, offer such opportunity, in whole or in part, to other parties, including Other Blackstone Accounts or Portfolio Entities or investors in BEPIF or Other Blackstone Accounts, Joint Venture Partners, related parties or third parties. Such Other Blackstone Accounts will from time to time (i) make or receive priority allocations of certain investments that are appropriate for BEPIF and (ii) participate in investments alongside BEPIF, *provided*, that any such allocation may be subsequently adjusted at Blackstone's discretion. Any such Other Blackstone Accounts may be advised by a different Blackstone business group with a different investment committee, which could determine an investment opportunity to be more attractive than the Sponsor believes to be the case. In any event, there can be no assurance that the Sponsor's assessment will prove correct or that the performance of any Investments actually pursued by BEPIF will be comparable to any investment opportunities that are not pursued by BEPIF. Blackstone, including its personnel, will, in certain circumstances, receive compensation from any such party that makes the investment, including an allocation of incentive allocations or referral fees, and any such compensation could be greater than amounts paid by BEPIF to the Sponsor. In some cases, Blackstone earns greater fees when Other Blackstone Accounts participate alongside or instead of BEPIF in an Investment.

- Financial Compensation to Allocate Investment Opportunities to Other Blackstone Accounts: When the Sponsor determines not to pursue some or all of an investment opportunity for BEPIF that would otherwise be within BEPIF's objectives and strategies, and Blackstone provides the opportunity or offers the opportunity to Other Blackstone Accounts, Blackstone, including its personnel (including real estate personnel), can be expected to receive compensation from the Other Blackstone Accounts, whether or not in respect of a particular investment, including an allocation of incentive allocations, referral fees or revenue share, and any such compensation could be greater than amounts paid by BEPIF to the Sponsor. As a result, the Sponsor (including real estate personnel who receive such compensation) could be incentivized to allocate investment opportunities away from BEPIF to or source investment opportunities for Other Blackstone Accounts, which could result in fewer opportunities (or reduced allocations) being made available to BEPIF as co-investor. In addition, in some cases Blackstone can be expected to earn greater fees when Other Blackstone Accounts participate alongside or instead of BEPIF in an Investment.

- Investments alongside Blackstone Affiliates and Portfolio Entity Management: Blackstone is expected to establish investment vehicles managed by Blackstone to permit (i) employees and other professionals involved in the management of the Portfolio Entity and (ii) affiliates of the Sponsor (which is expected to include Blackstone employees and professionals and may include participation by other Blackstone entities) and/or key advisors/relationships of BEPIF and its affiliates, in each case to participate in Investments alongside BEPIF. Any such side-by-side vehicles will be treated as Parallel Entities, except that the terms of such side-by-side vehicles are expected to be different from the terms of BEPIF, including with respect to the payment of Management Fees, Performance Participation Allocation, Subscription Fees and Servicing Fees, among other terms. While such side-by-side vehicles are generally not expected to charge Management Fees, Performance Participation Allocation, Subscription Fees and Servicing Fees, in certain instances (such as employment termination) Blackstone is expected to receive such compensation. BEPIF may lend to such side-by-side vehicles; *provided*, that any such amounts so borrowed shall be on no more favorable terms than those applicable to BEPIF's borrowing of the related proceeds.

- Basis for Investment Allocation Determinations: The Sponsor makes good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate. Information unavailable to the Sponsor, or circumstances not foreseen by the Sponsor at the time of allocation, may cause an investment opportunity to yield a different return than expected. For example, an investment opportunity that the Sponsor determines to be consistent with the return objectives of an opportunistic "control-oriented" fund rather than BEPIF may not match the Sponsor's expectations and underwriting and generate an actual return that would have been appropriate for BEPIF. Conversely, an investment that the Sponsor expects to be consistent with BEPIF's return objectives will, in certain circumstances, fail to achieve them. There is no assurance that any conflicts arising out of the foregoing will be resolved in favor of BEPIF. Blackstone is entitled to amend its policies and procedures at any time without prior notice or consent from BEPIF.

- Investment alongside Other Blackstone Accounts: BEPIF may co-invest with Other Blackstone Accounts (including other vehicles in which Blackstone or its personnel invest) in Investments that are suitable for one or more of BEPIF and such Other Blackstone Accounts. To the extent BEPIF jointly holds securities with any Other Blackstone Account that has a different expected duration or liquidity terms, conflicts of interest will arise between BEPIF and such Other Blackstone Account with respect to the timing and manner of disposition of opportunities. In order to mitigate any such conflicts of interest, BEPIF may recuse itself from participating in any decisions relating or with respect to the investment by BEPIF or the Other Blackstone Account. If the Other Blackstone Account maintains voting rights with respect to the securities it holds, or if BEPIF does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to BEPIF and such Other Blackstone Accounts, which may adversely impact BEPIF. In certain instances, BEPIF and the applicable Other Blackstone Accounts may dispose of any such shared investment at different times and on different terms.

- Investments in Which Other Blackstone Accounts Have a Different Principal Investment Generally: BEPIF will likely at times hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by Other Blackstone Accounts (and in certain circumstances, the Sponsor will be unaware of an Other Blackstone Account's participation, as a result of information walls or otherwise). In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, in certain circumstances BEPIF will likely recuse itself from participating in any decisions relating or with respect to such investment by BEPIF or the applicable investments by the Other Blackstone Accounts, or by establishing groups separated by information barriers (which may be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the other actions described below that the Sponsor may take to mitigate the conflict, Blackstone may be required to take action when it will have conflicting loyalties between its duties to BEPIF and such Other Blackstone Accounts, which may adversely impact BEPIF. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to BEPIF (and vice versa). If the Other

Blackstone Account maintains voting rights with respect to the securities it holds, or if BEPIF does not recuse itself, Blackstone may be required to take action where it will have conflicting loyalties between its duties to BEPIF and such Other Blackstone Account, which may adversely impact BEPIF. If BEPIF recuses itself from decision-making as described above, BEPIF will generally rely upon a third party to make the decisions, and the third party could have conflicts or otherwise make decisions that Blackstone would not have made.

BEPIF and Other Blackstone Accounts will likely make and hold Investments at different levels of a Portfolio Entity's capital structure, which may include BEPIF making one or more investments directly or indirectly relating to Portfolio Entities of Other Blackstone Accounts and vice versa (including through (i) investments in CMBS where the underlying properties are owned by Other Blackstone Accounts and/or (ii) mortgages, mezzanine debt or preferred equity). Other Blackstone Accounts may also participate in a separate tranche of a financing with respect to a Portfolio Entity in which BEPIF has an interest or otherwise in different classes of such Portfolio Entity's securities. Such Investments inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities—for example, BEPIF may represent the controlling class in respect of a financing and as such, may be required to make decisions for all investors, including Other Blackstone Accounts in the capital structure (and vice versa). In addition, in connection with any shared Investments in which BEPIF participates alongside any such Other Blackstone Accounts, the Sponsor will likely grant absolutely to or share with such Other Blackstone Accounts certain rights relating to such shared Investments for legal, tax, regulatory or other reasons, including certain control- and/or foreclosure-related rights with respect to such shared Investments or otherwise agree to implement certain procedures to mitigate conflicts of interest which may include and often involves, without limitation, maintaining a non-controlling interest in any such Investment and a forbearance of rights, including certain non-economic rights (or retaining a third party loan servicer, administrative agent or other agent for the relevant Investment held by BEPIF to make decisions on its behalf), relating to BEPIF (*e.g.*, following the vote of other third party investors generally or otherwise recusing itself with respect to decisions, including with respect to defaults, foreclosures, workouts, restructurings and/or exit opportunities), subject to certain limitations. While it is expected that the participation of BEPIF in connection with any such investments and transactions are expected to be negotiated by third parties on market prices, such investments and transactions will give rise to potential or actual conflicts of interest.

There can be no assurance that any conflict will be resolved in favor of BEPIF. Conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the return on BEPIF's Investment will be equivalent to or better than the returns obtained by the Other Blackstone Accounts participating in the transaction. In addition, it is anticipated that in a bankruptcy proceeding BEPIF's interest will likely be subordinated or otherwise adversely affected by virtue of such Other Blackstone Accounts' involvement and actions relating to such Investment. For example, there may be senior debt instruments issued by a Portfolio Entity in which BEPIF holds or makes an Investment and in such circumstances the holders of more senior classes of debt issued by such Portfolio Entity (which may include Other Blackstone Accounts) may take actions for their benefit (particularly in circumstances where such Portfolio Entity faces financial difficulties or distress) that further subordinate or adversely impact the value of BEPIF's investment in such Portfolio Entity.

In connection with negotiating loans, bank or securitization financings in respect of Blackstone-sponsored real estate-related transactions, Blackstone will generally obtain the right to participate on its own behalf (or on behalf of vehicles it manages) in a portion of the financings with respect to such Blackstone-sponsored real estate-related transactions (including transactions where the underlying collateral includes property owned by Other Blackstone Accounts) upon an agreed upon set of terms. The Sponsor does not believe the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such senior loans other than as described in the preceding sentence. In certain circumstances, BEPIF may be required to commit funds necessary for an Investment prior to the time that all anticipated debt (senior and/or mezzanine) financing has been secured. In such circumstance, Other Blackstone Accounts and/or Blackstone itself (using, in whole or in part, its own balance sheet capital), may provide bridge or other short-term financing and/or commitments, which at the time of establishment are intended to be replaced and/or syndicated with longer-term financing. In any such circumstance, the Other Blackstone Accounts and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of Fund Fees paid to the Sponsor. The conflicts applicable to Other Blackstone Accounts who invest in different securities of issuers will apply equally to Blackstone itself in such situations.

To the extent that BEPIF makes or has an Investment in, or through the purchase of debt obligations becomes a lender to, a company in which an Other Blackstone Account has a debt or equity investment (including through investments in CMBS where the underlying properties are owned by Other Blackstone Accounts), or if an Other Blackstone Account participates in a separate tranche of a financing with respect to a Portfolio Entity, Blackstone will generally have conflicting loyalties between its duties to BEPIF and to such Other Blackstone Accounts. In that regard, actions may be taken for the Other Blackstone Accounts that are adverse to BEPIF (and vice versa). Moreover, BEPIF will generally "follow the vote" of other similarly situated third-party investors (if any) in voting and governance matters where conflicts of interest exist and will have a limited ability to separately protect BEPIF's Investment and will be dependent upon such third parties' actions (which may not be as capable as the Sponsor and may have other conflicts arising from their other relationships, both with Blackstone and other third parties that could impact their decisions). In addition, conflicts can also be expected to arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof.

BEPIF may seek to participate in investments relating to (i) the refinancing or modifications of loan investments or portfolios held or proposed to be acquired by certain Other Blackstone Accounts, and Other Blackstone Accounts may refinance a loan currently held by BEPIF and/or (ii) Portfolio Entities of one or more Other Blackstone Accounts, including primary or secondary issuances of loans or other interests by such Portfolio Entities. While it is expected that BEPIF's participation in connection with any such transactions will generally be negotiated by third parties, such transactions will give rise to potential or actual conflicts of interest.

By executing a subscription document with respect to BEPIF, Unitholders will be deemed to have acknowledged that (i) Blackstone will determine, in its sole discretion, whether to offer BEPIF investment opportunities that fall within BEPIF's investment objective or strategies, Blackstone may, but will have no obligations to, offer BEPIF the opportunity to participate in any such investment opportunities from time to time, (ii) investment opportunities that are appropriate for BEPIF may not be allocated to BEPIF in whole or in part, and (iii) Other Blackstone Accounts will from time to time make or receive priority allocations of certain investments that are appropriate for BEPIF and will from time to time participate in Investments alongside BEPIF.

Holding Entities and Tracking Interests. The Sponsor may determine that for legal, tax, regulatory, accounting, administrative or other reasons BEPIF should hold an Investment (or a portion of a portfolio or pool of assets) through a single holding entity through which one or more Other Blackstone Accounts hold different investments (or a different portion of such portfolio or pool of assets, including where such portfolio or pool has been divided and allocated among BEPIF and such Other Blackstone Accounts as described in "—Allocation of Portfolios") in respect of which BEPIF does not have the same economic rights, obligations or liabilities. In such circumstances, it is expected that the economic rights, liabilities and obligations in respect of the Investment (or portion of a portfolio or pool) that is indirectly held by BEPIF would be specifically attributed to BEPIF through tracking interests in such holding entity or back-to-back or other similar contribution or reimbursement agreements or other similar arrangements entered into with such Other Blackstone Accounts, and that BEPIF would be deemed for purposes of this Prospectus to hold its Investment (or portion of a portfolio or pool) separately from, and not jointly with, such Other Blackstone Accounts (and vice versa in respect of the investments (or portion of a portfolio or pool) held indirectly through such holding entity by such Other Blackstone Accounts).

Allocation of Portfolios. Blackstone will, in certain circumstances, have an opportunity to acquire a portfolio or pool of assets, securities and instruments that it determines should be divided and allocated among BEPIF and Other Blackstone Accounts. Such allocations generally would be based on Blackstone's assessment of the expected returns and risk profile of each of the assets. For example, some of the assets in a pool may have a lower return profile, while others may have an opportunistic return profile not appropriate for BEPIF. Also, a pool may contain both debt and equity instruments that Blackstone determines should be allocated to different funds. Similarly, there will likely be circumstances in which BEPIF and Other Blackstone Accounts will sell assets in a single or related transactions to a buyer. In that regard, the contractual purchase price paid to a seller or received from a buyer would be allocated among the multiple assets, securities and instruments in the pool, and therefore among BEPIF and Other Blackstone Accounts acquiring or selling any of the assets, securities and instruments, in accordance with the allocation of value in respect of the transaction (e.g., accounting, tax or different manner), although Blackstone could, in certain circumstances, allocate value to BEPIF and such Other Blackstone Accounts on a different basis. For example a counterparty could utilize an allocation of value in the purchase or sale contract, though Blackstone could determine such allocation of value is not appropriate and should not be relied upon. Blackstone will generally rely upon internal analysis to determine the ultimate allocation of value, though it could also obtain third-party valuation reports. Regardless of the methodology for allocating value, Blackstone will have conflicting duties to BEPIF and Other Blackstone Accounts when they buy or sell assets together in a portfolio, including as a result of different financial incentives Blackstone has with respect to different vehicles, most clearly when the fees and compensation, including performance-based compensation, earned from the different vehicles differ. There can be no assurance that an Investment of BEPIF will not be valued or allocated a purchase price that is higher or lower than it might otherwise have been allocated if such Investment were acquired or sold independently rather than as a component of a portfolio shared with Other Blackstone Accounts. In certain cases, BEPIF could purchase the entire portfolio or pool from a third party seller and promptly thereafter sell the portion of the portfolio or pool allocated to an Other Blackstone Account to that Other Blackstone Account pursuant to an agreement entered into between BEPIF and such Other Blackstone Account prior to closing of the transaction (or vice versa), and any such sell down of assets will not be subject to the approval of the Board of Managers or any Unitholder. These conflicts related to allocation of portfolios will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Investments in Which Other Blackstone Accounts Have a Different Principal Investment Generally. BEPIF can be expected to hold an interest in a Portfolio Entity that is different (including with respect to relative seniority) than the interests held by Other Blackstone Accounts (and in certain circumstances the Sponsor will be unaware of an Other Blackstone Account's participation, as a result of information walls or otherwise). In these situations, conflicts of interest will arise. In order to mitigate any such conflicts of interest, BEPIF may recuse itself from participating in any decisions relating or with respect to such investment by BEPIF or the applicable investments by the Other Blackstone Accounts, or by establishing groups separated by information barriers (which can be expected to be temporary and limited purpose in nature) within Blackstone to act on behalf of each of the clients. Despite these, and any of the other actions described below that Blackstone may take to mitigate the conflict, Blackstone may be required to take action when it will have conflicting loyalties between its duties to BEPIF and such Other Blackstone Accounts, which may adversely impact BEPIF. If BEPIF recuses itself from decision-making, it will generally rely upon a third party to make the decisions, and the third-party could have conflicts or otherwise make decisions that Blackstone would not have made.

In addition, BEPIF and/or Other Blackstone Accounts may seek to initially acquire investments (including all or part of the relevant tranche of securities) for the purpose of syndicating a portion thereof to one or more Other Blackstone Accounts, co-investors or third parties. The terms of any such acquisition and syndication will be determined by the Sponsor in its sole discretion, and may involve a client initially acquiring all or substantially all of an instrument or relevant tranche or class of securities with a view towards syndication. In any such circumstance, third parties may not be available for purposes of mitigating any potential conflicts of interest (as described above) and the Other Blackstone Accounts and/or Blackstone itself may receive compensation for providing such financing and/or commitment (including origination, ticking or commitment fees), which fees will not be shared with and/or otherwise result in an offset of fund fees payable by the Unitholders. The conflicts applicable to Other Blackstone Accounts who invest in different securities of Portfolio Entities will apply equally to Blackstone itself in such situations. See also "Syndication; Warehousing" herein.

Related Financing Counterparties. BEPIF can be expected to invest in companies or other entities in which Other Blackstone Accounts make an investment in a different part of the capital structure (and vice versa). The Sponsor requests in the ordinary course proposals from lenders and other sources to provide financing to BEPIF and its Portfolio Entities. The Sponsor takes into account various facts and circumstances it deems relevant in selecting financing sources, including whether a potential lender has expressed an interest in evaluating debt financing opportunities, whether a potential lender has a history of participating in debt financing opportunities generally and with Blackstone in particular, the size of the potential lender's loan amount, the timing of the relevant cash requirement, the availability of other sources of financing, the creditworthiness of the lender, whether the potential lender has demonstrated a long-term or continuing commitment to the success of Blackstone and its funds, and such other factors that Blackstone deems relevant under the circumstances. The cost of debt alone is not determinative.

Debt and/or equity financing to BEPIF and its Portfolio Entities is expected to be provided by Unitholders, Other Blackstone Accounts and investors therein, their Portfolio Entities and other parties with material relationships with Blackstone, such as shareholders of and lenders to Blackstone and lenders to Other Blackstone Accounts and their Portfolio Entities, as well as by Blackstone itself. Blackstone could have incentives to cause BEPIF and its Portfolio Entities to accept less favorable financing terms from a Unitholder, Other Blackstone Accounts, their Portfolio Entities and investors, Blackstone and other parties with material relationships with Blackstone than it would from a third party. The same concerns apply when any of these other parties invest in a more senior position in the capital structure of a Portfolio Entity than BEPIF, even if the form of the transaction is not a financing. Although less common, BEPIF or a Portfolio Entity could also occupy a more senior position in the capital structure than a Unitholder, Other Blackstone Account, their Portfolio Entities and other parties with material relationships with Blackstone**,** in which case Blackstone could have an incentive to cause BEPIF or Portfolio Entity to offer more favorable financing terms to such parties. In the case of a related party financing between

BEPIF or its Portfolio Entities, on the one hand, and Blackstone, Other Blackstone Accounts or their Portfolio Entities, on the other hand, the Sponsor could, but is not obligated to, rely on a third-party agent to confirm the terms offered by the counterparty are consistent with market terms, or the Sponsor could instead rely on its own internal analysis, which the Sponsor believes is often superior to third-party analysis given Blackstone's scale in the market. If however any of Blackstone, BEPIF, an Other Blackstone Account or any of their Portfolio Entities delegates to a third party, such as another member of a financing syndicate or a joint venture partner, the negotiation of the terms of the financing, the transaction will be assumed to be conducted on an arms-length basis, even though the participation of the Blackstone related vehicle impacts the market terms. For example, in the case of a loan extended to BEPIF or a Portfolio Entity by a financing syndicate in which an Other Blackstone Account has agreed to participate on terms negotiated by a third-party participant in the syndicate, it may have been necessary to offer better terms to the financing provider to fully subscribe the syndicate if the Other Blackstone Account had not participated; it is also possible that the frequent participation of Other Blackstone Accounts in such syndicates could dampen interest among other potential financing providers, thereby lowering demand to participate in the syndicate and increasing the financing costs to BEPIF. The Sponsor does not believe either of these effects is significant, but no assurance can be given to Unitholders that these effects will not be significant in any circumstance. The Sponsor will not be required to obtain any consent or seek any approvals from Unitholders or the AIFM in the case of any of these conflicts.

Blackstone could cause actions adverse to BEPIF to be taken for the benefit of Other Blackstone Accounts that have made an investment more senior in the capital structure of a Portfolio Entity than BEPIF (*e.g.*, provide financing to a Portfolio Entity, the equity of which is owned by BEPIF) and, *vice versa*, actions will, in certain circumstances, be taken for the benefit of BEPIF and its Portfolio Entities that are adverse to Other Blackstone Accounts. Blackstone could seek to implement procedures to mitigate conflicts of interest in these situations such as (i) a forbearance of rights, including some or all non-economic rights, by BEPIF or relevant Other Blackstone Account (or their respective Portfolio Entities, as the case may be) by, for example, agreeing to follow the vote of a third party in the same tranche of the capital structure, or otherwise deciding to recuse itself with respect to decisions on defaults, foreclosures, workouts, restructurings and other similar matters, (ii) causing BEPIF or relevant Other Blackstone Account (or their respective Portfolio Entities, as the case may be) to hold only a non-controlling interest in any such Portfolio Entity, (iii) retaining a third-party loan servicer, administrative agent or other agent to make decisions on behalf of BEPIF or relevant Other Blackstone Account (or their respective Portfolio Entities, as the case may be), or (iv) create groups of personnel within Blackstone separated by information barriers (which can be expected to be temporary and limited purpose in nature), each of which would advise one of the clients that has a conflicting position with other clients. As an example, to the extent an Other Blackstone Account holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by BEPIF or its Portfolio Entities, Blackstone may decline to exercise, or delegate to a third party, certain control, foreclosure and other similar governance rights of the Other Blackstone Account. In these cases, Blackstone would generally act on behalf of one of its clients, though the other client would generally retain certain control rights, such as the right to consent to certain actions taken by the trustee or administrative or other agent of the Investment, including a release, waiver, forgiveness or reduction of any claim for principal or interest; extension of maturity date or due date of any payment of any principal or interest; release or substitution of any material collateral; release, waiver, termination or modification of any material provision of any guaranty or indemnity; subordination of any lien; and release, waiver or permission with respect to any covenants.

In connection with negotiating loans and bank financings in respect of Blackstone-sponsored transactions, Blackstone will generally obtain the right to participate (for its own account or an Other Blackstone Account) in a portion of the financings with respect to such Blackstone-sponsored transactions on the same terms negotiated by third parties with Blackstone or other terms the Sponsor determines to be consistent with the market. Although Blackstone could rely on third parties to verify market terms, Blackstone may nonetheless have influence on such third parties. No assurance can be given that negotiating with a third party, or verification of market terms by a third party, will ensure that BEPIF and its Portfolio Entities receive market terms.

In addition, it is anticipated that in a bankruptcy proceeding BEPIF's interests will likely be subordinated or otherwise adverse to the interests of Other Blackstone Accounts with ownership positions that are more senior to those of BEPIF. For example, an Other Blackstone Account that has provided debt financing to an Investment of BEPIF may take actions for its benefit, particularly if BEPIF's Investment is in financial distress, which adversely impact the value of BEPIF's subordinated interests.

Although Other Blackstone Accounts, can be expected to provide financing to BEPIF and its Portfolio Entities, there can be no assurance that any Other Blackstone Account will indeed provide any such financing with respect to any particular Investment. Participation by Other Blackstone Accounts in some but not all financings of BEPIF and its Portfolio Entities may adversely impact the ability of BEPIF and its Portfolio Entities to obtain financing from third parties when Other Blackstone Accounts do not participate, as it may serve as a negative signal to market participants.

These conflicts related to financing counterparties will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Conflicting Fiduciary Duties to Debt Funds. It is expected that Blackstone will structure certain investments such that one or more mezzanine or other investment funds, structured vehicles or other collective investment vehicles primarily investing in senior secured loans, subordinated debt, high-yield securities, CMBS and other similar debt instruments managed by affiliates of Blackstone (collectively, "**Debt Funds**") are offered the opportunity to participate in the debt tranche of an investment allocated to BEPIF. The Sponsor owes fiduciary duties to the Debt Funds as well as to BEPIF. If the Debt Funds purchase high-yield securities or other debt instruments related to a property or real estate company that BEPIF holds an investment in (or if BEPIF makes or has an investment in or, through the purchase of debt obligations become a lender to, a company or property in which a Debt Fund or an Other Blackstone Account or another Blackstone Real Estate fund or vehicle has a mezzanine or other debt investment), the Sponsor will face a conflict of interest in respect of the advice given to, or the decisions made with regard to, the Debt Funds, such Other Blackstone Accounts and BEPIF (*e.g.*, with respect to the terms of such high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

Related Financing of Counterparties to Acquire Assets from, or Sell Assets to, BEPIF and its Portfolio Entities. In certain transactions, Other Blackstone Accounts will commit to and/or provide financing to third parties that bid for and/or purchase assets from BEPIF and its Portfolio Entities. In addition, BEPIF and its Portfolio Entities will from time to time purchase assets or portfolio companies from third parties that obtain, or currently have outstanding, debt financing from Other Blackstone Accounts. See "—Related Financing Counterparties" herein. Although Blackstone believes that the participation by Other Blackstone Accounts in such debt financings could be beneficial to BEPIF by supporting third parties in their efforts to bid on the sale of assets by, and to sell assets to, BEPIF and its Portfolio Entities, Blackstone will have an incentive to cause BEPIF or the relevant Portfolio Entity to select to sell an asset to, or purchase an asset from, a third party that obtains debt financing from an Other Blackstone Account to the potential detriment of BEPIF. For example, although price is often the deciding factor in selecting from whom to acquire, or to whom to sell, an asset, other factors at times may influence the buyer or the seller, as the case may be. The Sponsor could thereafter cause BEPIF or a Portfolio Entity to sell an asset to, or buy an asset from, a third party that has received financing from an Other Blackstone Account, even when such third-party has not offered the most attractive price. Unitholders rely on the Sponsor to select in its sole discretion the best overall buyer in sales of, and the best overall seller in the acquisition of, BEPIF's assets, despite any conflict related to the parties financing the buyer or the seller, as applicable.

Co-Investment. BEPIF may co-invest with investors of Other Blackstone Accounts, Blackstone and other parties with whom Blackstone has a material relationship. The allocation of co-investment opportunities is entirely and solely in the discretion of the Sponsor. Furthermore, co-investment offered by Blackstone will be on such terms and conditions (including with respect to management fees, performance-based compensation and related arrangements and/or other fees applicable to co-investors) as Blackstone determines to be appropriate in its sole discretion on a case-by-case basis, which can be expected to differ amongst co-investors with respect to the same co-investment. In addition, the performance of Other Blackstone Accounts co-investing with BEPIF is not considered for purposes of calculating the Performance Participation Allocation payable by BEPIF to the Sponsor. Furthermore, BEPIF and co-investors will often have different investment objectives and limitations, such as return objectives, leverage limitations and maximum hold period. Blackstone, as a result of the foregoing, will have conflicting incentives in making decisions with respect to such opportunities. Even if BEPIF and any such parties invest in the same securities on similar terms, conflicts of interest will still arise as a result of differing investment profiles of the investors, among other items.

Liability Arising from Transactions Entered into Alongside Other Blackstone Accounts. Participating in Investments alongside Other Blackstone Accounts will subject BEPIF to a number of risks and conflicts (and in certain circumstances the Sponsor will be unaware of an Other Blackstone Account's participation, as a result of information walls or otherwise). A transaction counterparty will, in certain circumstances, require facing only one fund entity, which can be expected to result in (i) if BEPIF is a direct counterparty to a transaction, BEPIF being solely liable with respect to its own share as well as Other Blackstone Accounts' shares of any applicable obligations, or (ii) if BEPIF is not the direct counterparty, BEPIF having a contribution obligation to the relevant Other Blackstone Accounts. Alternatively, a counterparty may agree to face multiple funds, which could result in BEPIF being jointly and severally liable alongside Other Blackstone Accounts for the full amount of the applicable obligations. In cases in which BEPIF could be responsible for the liability of an Other Blackstone Account, or *vice versa*, the applicable parties would generally enter into a back-to-back or other similar contribution or reimbursement agreement. Likewise, for certain Investment-related hedging transactions, it can be expected to be advantageous for counterparties to trade solely with BEPIF (or the relevant Parallel Entity). For these transactions, it is anticipated that BEPIF (or the relevant Parallel Entity) would then enter into back-to-back trade confirmations or other similar arrangements with the relevant Parallel Entity or Other Blackstone Accounts. The party owing under such an arrangement may not have resources to pay its liability, however, in which case the other party will bear more than its *pro rata* share of the relevant loss. It is not expected that BEPIF or Other Blackstone Accounts will be compensated for agreeing to be primarily liable vis-à-vis a third-party counterparty. Moreover, in connection with the divestment of all or part of a Portfolio Entity (*e.g.*, an initial public offering), Blackstone will seek to track the ownership interests, liabilities and obligations of BEPIF and any Other Blackstone Accounts owning an interest in the Portfolio Entity comprising such operating business, but it is possible that BEPIF and applicable Other Blackstone Accounts will, in certain circumstances, incur shared, disproportionate or crossed liabilities. Furthermore, depending on various factors including the relative assets, expiration dates, investment objectives and return profiles of each of BEPIF and such Other Blackstone Accounts, it is possible that one or more of them will have greater exposure to legal claims and that they will have conflicting goals with respect to the price, timing and manner of disposition opportunities.

Syndication; Warehousing. Blackstone, Other Blackstone Accounts, Joint Venture Partners, or affiliates or related parties of the foregoing could acquire an investment as principal and subsequently sell some or all of it to BEPIF, Other Blackstone Accounts or co-investors in an affiliate or related party transaction. Similarly, BEPIF may acquire an investment and subsequently syndicate, or sell some or all of it, to Blackstone, Other Blackstone Accounts, co-investors, Joint Venture Partners, or affiliates or related parties of the foregoing or other third parties, notwithstanding the availability of capital from the Unitholders and other investors thereof or applicable credit facilities. The Sponsor may cause these transfers to be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer, notwithstanding that the fair market value of any such Investments may have declined below or increased above cost from the date of acquisition to the time of such transfer. The Sponsor may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, the Sponsor may charge fees on these transfers to either or both of the parties to them. The Sponsor or its affiliates will be permitted to retain any portion of an Investment initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. For example, the Sponsor will have a conflict of interest when the Sponsor receives fees, including an incentive allocation, from an Other Blackstone Account acquiring from or transferring to BEPIF all or a portion of an investment.

These conflicts related to syndication of Investments and warehousing will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts. By subscribing for Units, Unitholders will be deemed to have consented to the syndication of Investments and warehousing to the extent the terms of such transactions are approved by the non-affiliated directors of BEPIF Feeder SICAV.

Broken Deal Expenses. Any expenses that may be incurred by BEPIF for actual investments as described herein may also be incurred by BEPIF with respect to broken deals (i.e., investments that are not consummated). The Sponsor is not required to and in most circumstances will not seek reimbursement of broken deal expenses from third parties, including counterparties to the potential transaction or potential co-investors. Examples of such broken deal expenses include, but are not limited to, reverse termination fees, extraordinary expenses such as litigation costs and judgments, meal, travel and entertainment expenses incurred, deposits or down payments which are forfeited in connection with unconsummated transactions, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (*i.e.*, KYC) investment entities with a financial institution, and legal, accounting, tax and other due diligence and pursuit costs and expenses. Any such broken deal expenses could, in the sole discretion of the Sponsor, be allocated solely to BEPIF and not to Other Blackstone Accounts or co-investment vehicles (including committed co-investment vehicles) that could have made the Investment (including any situation where an Other Blackstone Account was initially allocated an investment opportunity and incurred such expenses before such investment opportunity was reallocated to BEPIF), even when the Other Blackstone Account or co-investment vehicle commonly invests alongside BEPIF in its Investments or Blackstone or Other Blackstone Accounts in their investments. In such cases BEPIF's shares of expenses would increase. In the event broken deal expenses are allocated to an Other Blackstone Account or a co-investment vehicle, the Sponsor or BEPIF will, in certain circumstances, advance such fees and expenses without charging interest until paid by the Other Blackstone Account or co-investment vehicle, as applicable. In addition, certain Portfolio Entities will provide transaction support services (including identifying potential investments) to BEPIF, Other Blackstone Accounts and their respective Portfolio Entities in respect of certain investments that are not ultimately consummated. See also "—Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers" herein. The Sponsor will endeavor in good faith to allocate the costs of such services to BEPIF and such Other Blackstone

Accounts as it deems appropriate under the particular circumstances. Any methodology used to determine such allocation (including the choice thereof) involves inherent conflicts and may not result in perfect attribution and allocation of such costs, and there can be no assurance that a different manner of allocation would result in BEPIF and its Portfolio Entities bearing less or more of such costs. Further, any of the foregoing costs, although allocated in a particular period, could be allocated based on activities occurring outside such period (for example, the allocation of such costs can be expected to be based on any of a number of different methodologies, including, without limitation, the aggregate value or number of, or invested capital in, transactions consummated in the applicable prior quarter), and therefore BEPIF could pay more than its *pro rata* portion of such cost based on its actual usage of such services.

Portfolio Entity Relationships Generally. Blackstone, Portfolio Entities of BEPIF and Other Blackstone Accounts are and will be counterparties or participants in agreements, transactions and other arrangements with BEPIF, Other Blackstone Accounts, and/or Portfolio Entities of BEPIF and Other Blackstone Accounts or other Blackstone affiliates for the provision of goods and services, purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to Fund Fees, notwithstanding that some of the services provided by a Portfolio Entity are similar in nature to the services provided by the Sponsor. Such agreements, transactions and other arrangements will generally be entered into without the consent of the AIFM and Unitholders of BEPIF (including, without limitation, in the case of minority Investments by BEPIF in such Portfolio Entities or the sale of assets from one Portfolio Entity to another). This is because, among other considerations, Portfolio Entities of BEPIF and Portfolio Entities of Other Blackstone Accounts are not considered affiliates of Blackstone, BEPIF or the Sponsor for any purpose. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to BEPIF as otherwise would be the case if the counterparty were not related to Blackstone. These conflicts related to Portfolio Entity relationships will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers. BEPIF, Other Blackstone Accounts, Portfolio Entities of each of the foregoing and Blackstone can be expected to engage Portfolio Entities of BEPIF and Other Blackstone Accounts to provide some or all of the following services: (i) corporate support services (including, without limitation, accounts payable, accounting/audit (including valuation support services), account management, insurance, procurement, placement, brokerage, consulting, cash management, corporate secretarial services, data management, directorship services, domiciliation, finance/budget, human resources, information technology/systems support, internal compliance/know-your-client reviews and refreshes, judicial processes, legal, operational coordination (*i.e.*, coordination with joint venture partners, property managers), risk management, reporting, tax, tax analysis and compliance (*e.g.*, corporate income tax and value added tax compliance), transfer pricing and internal risk control, treasury and valuation services); (ii) loan services (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (iii) management services (*i.e.*, management by a Portfolio Entity, Blackstone affiliate or a third party (*e.g.*, a third-party manager) of operational services); (iv) operational services (*i.e.*, general management of day to day operations, including, without limitation, construction management, leasing services, project management and property management); and (v) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses and modelling, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordinating design and development works, marketing and distribution, overseeing brokers, lawyers, accountants and other advisors, providing in-house legal and accounting services, assisting with due diligence, preparation of project feasibilities, site visits, transaction consulting and specification of technical analysis and review of (a) design and structural work, (b) architectural, façade and external finishes, (c) certifications, (d) operations and maintenance manuals and (e) statutory documents). Similarly, Blackstone, Other Blackstone Accounts and their Portfolio Entities can be expected to engage Portfolio Entities of BEPIF to provide some or all of these services. Some of the services performed by Portfolio Entity service providers could also be performed by the Sponsor from time to time and vice versa. Fees paid by BEPIF or its Portfolio Entities to other Portfolio Entity service providers do not offset or reduce Fund Fees payable by the Unitholders of BEPIF and are not otherwise shared with BEPIF.

BEPIF and its Portfolio Entities will compensate one or more of these service providers and vendors owned by BEPIF or Other Blackstone Accounts, including through promote or other incentive-based compensation payable to their management teams and other related parties. The incentive-based compensation paid with respect to a Portfolio Entity or asset of BEPIF or Other Blackstone Accounts will vary from the incentive-based compensation paid with respect to other Portfolio Entities and assets of BEPIF and Other Blackstone Accounts; as a result the management team or other related parties may have greater incentives with respect to certain assets and Portfolio Entities relative to others, and the performance of certain assets and Portfolio Entities may provide incentives to retain management that also service other assets and Portfolio Entities. Such service providers and vendors owned by BEPIF or Other Blackstone Accounts may charge BEPIF and its Portfolio Entities for goods and services at rates generally consistent with those available in the market for similar goods and services. The discussion regarding the determination of market rates below applies equally in respect of the fees and expenses of the Portfolio Entity service providers, if charged at rates generally consistent with those available in the market. Such service providers and vendors owned or controlled by BEPIF or Other Blackstone Accounts may also pass through expenses on a cost reimbursement, no-profit or break-even basis, in which case the service provider allocates costs and expenses directly associated with work performed for the benefit of BEPIF and its Portfolio Entities to them, along with any related tax costs and an allocation of the service provider's overhead, including any of the following: salaries, wages, benefits and travel expenses; marketing and advertising fees and expenses; legal, accounting and other professional fees and disbursements; office space and equipment; insurance premiums; technology expenditures, including hardware and software costs; costs to engage recruitment firms to hire employees; diligence expenses; one-time costs, including costs related to building-out and winding-down a Portfolio Entity; taxes; and other operating and capital expenditures. Any of the foregoing costs, although allocated in a particular period, will, in certain circumstances, relate to activities occurring outside the period, and therefore BEPIF could pay more than its *pro rata* portion of fees for services. The allocation of overhead among the entities and assets to which services are provided can be expected to be based on any of a number of different methodologies, including, without limitation, "cost" basis as described above, "time-allocation" basis, "per unit" basis, "per square footage" basis or "fixed percentage" basis. There can be no assurance that a different manner of allocation would result in BEPIF and its Portfolio Entities bearing less or more costs and expenses. Blackstone will not always perform or obtain benchmarking analysis or third-party verification of expenses with respect to services provided on a cost reimbursement, no profit or break even basis. There can be no assurance that amounts charged by Portfolio Entity service providers that are not controlled by BEPIF or Other Blackstone Accounts will be consistent with market rates or that any benchmarking, verification or other analysis will be performed with respect to such charges. If benchmarking is performed, the related benchmarking expenses will be borne by BEPIF, Other Blackstone Accounts and their respective Portfolio Entities and will not offset Fund Fees. A Portfolio Entity service provider will, in certain circumstances, subcontract certain of its responsibilities to other Portfolio Entities. In such circumstances, the relevant subcontractor could invoice the Portfolio Entity for fees (or in the case of a cost reimbursement arrangement, for allocable costs and expenses) in respect of the services provided by the subcontractor. The Portfolio Entity, if charging on a cost reimbursement, no-profit or break-even basis, would in turn allocate those costs and expenses as it allocates other fees and expenses as described above. Similarly, Other Blackstone Accounts, their Portfolio Entities and Blackstone can be expected to engage Portfolio Entities of BEPIF to provide services, and these Portfolio Entities will generally charge for services in the same manner described above, but BEPIF and its Portfolio Entities generally will not be reimbursed for any costs (such as start-up costs) relating to such Portfolio Entities incurred prior to such engagement.

BEPIF, Other Blackstone Accounts and their Portfolio Entities are expected to enter into joint ventures with third parties to which the service providers and vendors described above will provide services. In some of these cases, the third-party Joint Venture Partner may negotiate to not pay its *pro rata* share of fees, costs and expenses to be allocated as described above, in which case BEPIF, Other Blackstone Accounts and their Portfolio Entities that also use the services of the Portfolio Entity service provider will, directly or indirectly, pay the difference, or the Portfolio Entity service provider will bear a loss equal to the difference.

Portfolio Entity service providers described in this section are generally owned and controlled by one or more Blackstone funds, such as BEPIF and Other Blackstone Accounts. In certain instances a similar company could be owned and controlled by Blackstone directly. Blackstone could cause a transfer of ownership of one of these service providers from BEPIF to an Other Blackstone Account, or from an Other Blackstone Account to BEPIF. The transfer of a Portfolio Entity service provider between BEPIF and an Other Blackstone Account (where BEPIF could be a seller or a buyer in any such transfer) will generally be consummated for minimal or no consideration, and without obtaining any consent from the AIFM or the Unitholders. The Sponsor may, but is not required to, obtain a third-party valuation confirming the same, and if it does, the Sponsor can be expected to rely on such valuation. Portfolio Entities of BEPIF and Other Blackstone Accounts are not considered "affiliates" of Blackstone, the Sponsor or BEPIF for any purpose.

In addition to the service providers (including Portfolio Entity service providers) and vendors described above, BEPIF and its Portfolio Entities will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds. These businesses will, in certain circumstances, also enter into transactions with other counterparties of BEPIF and its Portfolio Entities, as well as service providers, vendors and Unitholders of BEPIF. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. No fees charged by these service providers and vendors will offset or reduce Fund Fees. Furthermore, Blackstone, the Other Blackstone Accounts and their Portfolio Entities and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest.

BEPIF could acquire from or sell to Blackstone a service provider as an Investment or participate alongside Blackstone in the acquisition of a service provider. Blackstone is expected to establish a valuation methodology in relation to any such sale or acquisition by BEPIF of a service provider. In addition, before entering into any transaction with respect to any such service provider, it is anticipated that Blackstone will obtain any consents that may be required or advisable, as determined in the Sponsor's sole discretion, under the Advisers Act or other applicable laws or regulations, which may be, but is not required to be, given by a majority of non-affiliated managers of the AIFM, if any.

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and other performance-based compensation in respect of Investments. Furthermore, Blackstone-affiliated service providers can be expected to charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), *provided* that these amounts will not exceed market rates as determined by the Sponsor to be appropriate under the circumstances.

The Sponsor will make determinations of market rates (*i.e.*, rates that fall within a range that the Sponsor has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include the Sponsor's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by the Sponsor to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (*e.g.*, within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset-by-asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired by BEPIF (such as location or size), or the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by BEPIF, Other Blackstone Accounts and their respective Portfolio Entities and will not offset Fund Fees. Finally, in certain circumstances the Sponsor can be expected to determine that third-party benchmarking is unnecessary, including because the price for a particular good or service is mandated by law (*e.g.*, title insurance in rate regulated states) or because Blackstone has access to adequate market data to make the determination without reference to third-party bench marking. Some of the services performed by Blackstone-affiliated service providers could also be performed by the Sponsor from time to time and vice versa. Fees paid by BEPIF or its Portfolio Entities to Blackstone-affiliated service providers do not offset or reduce BEPIF Fee payable by the Unitholders of BEPIF and are not otherwise shared by BEPIF. These conflicts related to Blackstone affiliate service providers will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

The conflicts described in this Prospectus related to Portfolio Entity service providers will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts. In addition, the Sponsor will not be required to seek any consent from the Unitholders or the AIFM with respect to any transfer of Portfolio Entity service providers among BEPIF and Other Blackstone Accounts and any arrangements or transactions related thereto, including any procedures or actions taken in connection with the resolution thereof, and BEPIF's (and if applicable the Unitholders') participation therein.

Service Providers, Vendors and Other Counterparties Generally. Certain third-party advisors and other service providers and vendors to BEPIF and its Portfolio Entities (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking firms) are owned by Blackstone, BEPIF or Other Blackstone Accounts or provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Other Blackstone Accounts and their Portfolio Entities, and affiliates and personnel of the foregoing. Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to BEPIF and its Portfolio Entities could have other commercial or personal relationships with Blackstone, Other Blackstone

Accounts (including co-investment vehicles) and their respective Portfolio Entities, or any affiliates, personnel or family members of personnel of the foregoing. Although Blackstone selects service providers and vendors it believes are most appropriate in the circumstances based on its knowledge of such service providers and vendors (which knowledge is generally greater in the case of service providers and vendors that have other relationships to Blackstone), the relationship of service providers and vendors to Blackstone as described above will, in certain circumstances, influence Blackstone in deciding whether to select, recommend or form such an advisor or service provider to perform services for BEPIF or a Portfolio Entity, the cost of which will generally be borne directly or indirectly by BEPIF, and can be expected to incentivize Blackstone to engage such service provider over a third-party, utilize the services of such service providers and vendors more frequently than would be the case absent the conflict, or to cause us to pay such service providers and vendors higher fees or commissions than would be the case absent the conflict. The incentive could be created by current income and/or the generation of enterprise value in a service provider or vendor; Blackstone can be expected to also have an incentive to invest in or create service providers and vendors to realize on these opportunities. Furthermore, Blackstone will from time to time encourage third-party service providers to BEPIF and its Portfolio Entities to use other Blackstone-affiliated service providers and vendors in connection with the business of BEPIF, Portfolio Entities, and unaffiliated entities, and Blackstone has an incentive to use third-party service providers who do so as a result of the indirect benefit to Blackstone and additional business for the related service providers and vendors. Fees paid to or value created in these service providers and vendors do not offset or reduce Fund Fees payable by Unitholders and are not otherwise shared with BEPIF. In the case of brokers, Blackstone has a best execution policy that it updates from time to time to comply with regulatory requirements in applicable jurisdictions.

Blackstone has a practice of not entering into any arrangements with advisors, vendors or service providers that provide lower rates or discounts to Blackstone itself compared to those it enters into on behalf of BEPIF and its Portfolio Entities for the same services. However, legal fees for unconsummated transactions are often charged at a discounted rate, such that if BEPIF and its Portfolio Entities consummate a higher percentage of transactions with a particular law firm than Blackstone, BEPIF, Other Blackstone Accounts and their Portfolio Entities, the Unitholders could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, BEPIF or Other Blackstone Accounts or their Portfolio Entities. Also, advisors, vendors and service providers often charge different rates or have different arrangements for different types of services. For example, advisors, vendors and service providers often charge fees based on the complexity of the matter as well as the expertise and time required to handle it. Therefore, to the extent the types of services used by BEPIF and its Portfolio Entities are different from those used by Blackstone, Other Blackstone Accounts and their Portfolio Entities, and their affiliates and personnel, BEPIF and its Portfolio Entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, BEPIF, the Other Blackstone Accounts and their Portfolio Entities and affiliates can be expected to enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty will, in certain circumstances, charge lower rates (or no fee) or provide discounts or rebates for such counterparty's products or services depending on the volume of transactions in the aggregate or other factors.

Global Distribution. The global distributor for BEPIF is the AIFM. Any material adverse change to the ability of BEPIF's Global Distributor to build and maintain a network of licensed securities broker-dealers and other agents could have a material adverse effect on BEPIF's business and the offering. If the Global Distributor is unable to build and maintain a sufficient network of participating broker-dealers to distribute Units in the offering, BEPIF's ability to raise proceeds through the offering and implement BEPIF's investment strategy may be adversely affected. In addition, the Global Distributor currently serves and may serve as dealer manager for other issuers. As a result, the Global Distributor may experience conflicts of interest in allocating its time between the offering and such other issuers, which could adversely affect BEPIF's ability to raise proceeds through the offering and implement BEPIF's investment strategy. Further, the participating broker-dealers retained by the Global Distributor may have numerous competing investment products, some with similar or identical investment strategies and areas of focus as BEPIF, which they may elect to emphasize to their retail clients.

Trademark License for Blackstone Name. BEPIF has entered into a trademark license agreement ("**Trademark License Agreement**"), with Blackstone TM L.L.C. (the "**Licensor**"), an affiliate of Blackstone, pursuant to which it has granted BEPIF a fully paid-up, royalty-free, non-exclusive, non-transferable license to use the name "Blackstone European Property Income Fund." Under this agreement, BEPIF has a right to use this name for so long as the Investment Manager (or another affiliate of the Licensor) serves as BEPIF's advisor (or another advisory entity) and the Investment Manager remains an affiliate of the Licensor under the Trademark License Agreement. The Trademark License Agreement may also be earlier terminated by either party as a result of certain breaches or for convenience upon 90 days' prior written notice; *provided* that upon notification of such termination by BEPIF, the Licensor may elect to effect termination of the Trademark License Agreement immediately at any time after 30 days from the date of such notification. The Licensor and its affiliates, such as Blackstone, will retain the right to continue using the "Blackstone" name. BEPIF will further be unable to preclude the Licensor from licensing or transferring the ownership of the "Blackstone" name to third parties, some of whom may compete with BEPIF. Consequently, BEPIF will be unable to prevent any damage to goodwill that may occur as a result of the activities of the Licensor, Blackstone or others. Furthermore, in the event that the Trademark License Agreement is terminated, BEPIF will be required to, among other things, change BEPIF's name. Any of these events could disrupt BEPIF's recognition in the market place, damage any goodwill BEPIF may have generated and otherwise harm BEPIF's business.

Data Management Services. Blackstone or an affiliate of Blackstone formed in the future will provide data management services to Portfolio Entities and may also provide such services directly to BEPIF and Other Blackstone Accounts (collectively, "**Data Holders**"). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to any other applicable contractual limitations, with BEPIF, Other Blackstone Accounts, Portfolio Entities and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Accounts make investments, and Portfolio Entities thereof). If Blackstone enters into data services arrangements with Portfolio Entities and receives compensation from such Portfolio Entities for such data services, BEPIF will indirectly bear its share of such compensation based on its *pro rata* ownership of such Portfolio Entities. Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by the Sponsor in its sole discretion, with the Sponsor able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. Blackstone is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation is also expected to include fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)) will not be subject to Fund Fee offset provisions or otherwise shared with BEPIF or its Unitholders. Additionally, Blackstone is also expected to determine to share the products from such data management services within Blackstone or its affiliates (including Other Blackstone Accounts or their Portfolio Entities) at no charge and, in such cases, the Data Holders may not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone may create incentives for Blackstone to cause BEPIF to invest in Portfolio Entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain. See also "—Data" herein.

Transactions with Portfolio Entities. Blackstone and Portfolio Entities of BEPIF and Other Blackstone Accounts operate in multiple industries, including the real estate related information technology industry, and provide products and services to or otherwise contract with BEPIF and its Portfolio Entities, among others. In connection with any such investment, Blackstone and Other Blackstone Accounts and their respective Portfolio Entities and personnel and related parties of the foregoing can be expected to make referrals or introductions to BEPIF and its Portfolio Entities in an effort, in part, to increase the customer base of such companies or businesses or because such referrals or introductions will, in certain circumstances, result in financial benefits, such as cash payments, additional equity ownership, or participation in revenue share, accruing to the party making the introduction. In the alternative, Blackstone may form a joint venture (or other business relationship) with such a Portfolio Entity to implement such arrangements, pursuant to which the joint venture or business provides services (including, without limitation, corporate support services, loan management services, management services, operational services, ongoing account services (*e.g.*, interacting and coordinating with banks generally and with regard to their know your client requirements), risk management services, data management services, consulting services, brokerage services, insurance procurement, placement, brokerage and consulting services, and other services) to such Portfolio Entities that are referred to the joint venture or business by Blackstone. Such joint venture or business could use data obtained from such Portfolio Entities. See "—Data" and "—Data Management Services" herein. BEPIF and the Unitholders typically will not share in any fees, economics, equity or other benefits accruing to Blackstone, Other Blackstone Accounts and their Portfolio Entities as a result of the introduction of BEPIF and its Portfolio Entities. There may, however, be instances in which the applicable arrangements provide that BEPIF or its Portfolio Entities share in some or all of any resulting financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) based on structures and allocation methodologies determined in the sole discretion of Blackstone. Conversely, where BEPIF or one of its Portfolio Entities is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, additional equity ownership) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, cash payments, additional equity ownership, participation in revenue share and/or milestones) may be similarly shared with the participating Other Blackstone Accounts or their respective Portfolio Entities.

Blackstone has also entered into an investment management arrangement whereby it provides investment management services for compensation to Fidelity & Guaranty Life Insurance Company, a Portfolio Entity of an Other Blackstone Account, which will involve investments across a variety of asset classes (including investments that may otherwise be appropriate for BEPIF), and in the future Blackstone will likely enter into similar arrangements with other Portfolio Entities or other insurance companies.

With respect to transactions or agreements with Portfolio Entities (including, for the avoidance of doubt, long-term incentive plans) occurring at times when unrelated officers of a Portfolio Entity are not appointed, Blackstone can be expected to negotiate and execute agreements on behalf of the Portfolio Entity with Blackstone, BEPIF, Other Blackstone Accounts and their Portfolio Entities and affiliates and other related parties. These negotiations would not be arm's length and would entail conflicts of interest. Among the measures Blackstone can be expected to use to mitigate such conflicts is to involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms or establish separate groups with information barriers within Blackstone to advise on each side of the negotiation.

These conflicts related to Portfolio Entity transactions will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Restrictive Covenants; Restrictions on Fund Activities. Blackstone, BEPIF, Other Blackstone Accounts, joint venture partners and/or their respective portfolio entities and affiliates can be expected to enter into covenants that restrict or otherwise limit the ability of Blackstone, BEPIF, Other Blackstone Accounts, joint venture partners and/or their respective portfolio entities and affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Accounts could have granted exclusivity to a joint venture partner that limits BEPIF and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets. Blackstone, BEPIF, an Other Blackstone Account, a joint venture partner and/or their respective portfolio entities and affiliates could have entered into a non-compete or other undertaking in connection with a purchase, sale or other transaction, including, without limitation, that Blackstone, BEPIF, Other Blackstone Accounts, joint venture partners and/or their respective portfolio entities and affiliates will not make investments or otherwise engage in any business or activity if such investment, business or activity could adversely affect or materially delay obtaining regulatory or other approvals in connection with any such purchase, sale or other transaction. These types of restrictions may negatively impact the ability of BEPIF to implement its investment program. See also "—Multiple Blackstone Business Lines" herein.

Related Party Leasing. BEPIF and its Portfolio Entities will, in certain circumstances, lease property to or from Blackstone, Other Blackstone Accounts and their Portfolio Entities and affiliates and other related parties. The leases are generally expected to, but may not always, be at market rates. Blackstone may confirm market rates by reference to other leases it is aware of in the market, which Blackstone expects to be generally indicative of the market given the scale of Blackstone's real estate business. Blackstone can be expected to nonetheless have conflicts of interest in making these determinations, and with regard to other decisions related to such assets and investments. There can be no assurance that BEPIF and its Portfolio Entities will lease to or from any such related parties on terms as favorable to BEPIF and its Portfolio Entities as would apply if the counterparties were unrelated. These conflicts related to leasing, acknowledges that these conflicts will not necessarily be resolved in favor of BEPIF, and Unitholders may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Cross-Guarantees and Cross-Collateralization. In certain circumstances BEPIF and its Portfolio Entities can be expected to enter into cross-collateralization arrangements with Other Blackstone Accounts and their Portfolio Entities, particularly in circumstances in which better financing terms are available through a cross-collateralized arrangement. Also, it is expected that cross-collateralization will generally occur at Portfolio Entities rather than BEPIF for obligations that are non-recourse to BEPIF except in limited circumstances such as "bad boy" events. Any cross-collateralization arrangements with Other Blackstone Accounts could result in BEPIF losing its interests in otherwise performing Investments or other assets due to poorly performing or non-performing investments or other assets of Other Blackstone Accounts in the collateral pool or such persons otherwise defaulting on their obligations under the terms of such arrangements.

Similarly, a lender could require that it face only one Portfolio Entity of BEPIF and Other Blackstone Accounts, even though multiple Portfolio Entities of BEPIF and Other Blackstone Accounts benefit from the lending, which will typically result in (i) the Portfolio Entity facing the lender being solely liable with respect to the entire obligation, and therefore being required to contribute amounts in respect of the shortfall attributable to other Portfolio Entities, and (ii) Portfolio Entities of BEPIF and Other Blackstone Accounts being jointly and severally liable for the full amount of the obligation, liable on a cross-collateralized basis or liable for an equity cushion (which cushion amount may vary depending upon the type of financing or refinancing (*e.g.*, cushions for re-financings may be smaller)). The Portfolio Entities of BEPIF and Other Blackstone Accounts benefiting from a financing can be expected to enter into a back-to-back or other similar reimbursement agreements to ensure no Portfolio Entity bears more than its *pro rata* portion of the debt and related obligations. It is not expected that the Portfolio Entities would be compensated (or provide compensation to other Portfolio Entities) for being primarily liable, or jointly liable, for other Portfolio Entities *pro rata* share of any financing.

Joint Venture Partners. BEPIF has and will from time to time enter into one or more joint venture arrangements with third-party Joint Venture Partners. Investments made with Joint Venture Partners will often involve performance-based compensation and other fees payable to such Joint Venture Partners, as determined by the Sponsor in its sole discretion. The Joint Venture Partners could provide services similar to those provided by the Sponsor to BEPIF. Yet, no compensation or fees paid to the Joint Venture Partners would reduce or offset Management Fees or the Performance Participation Allocation payable to the Sponsor. Additional conflicts would arise if a Joint Venture Partner is related to Blackstone in any way, such as an investor in, lender to, a shareholder of, or a service provider to Blackstone, BEPIF, Other Blackstone Accounts, or their respective Portfolio Entities, or any affiliate, personnel, officer or agent of any of the foregoing.

Group Procurement; Discounts. BEPIF and its Portfolio Entities will enter into agreements regarding group procurement, benefits management, purchase of title and other insurance policies (which can be expected to include brokerage or placement thereof) and will otherwise enter into operational, administrative or management related initiatives. Blackstone will allocate the cost of these various services and products purchased on a group basis among BEPIF, Other Blackstone Accounts and their Portfolio Entities. Some of these arrangements result in commissions, discounts, rebates or similar payments to Blackstone and its personnel, or Other Blackstone Accounts and their Portfolio Entities, including as a result of transactions entered into by BEPIF and its Portfolio Entities, and such commissions or payment will not be subject to Fund Fee offset provisions. Blackstone can be expected to also receive consulting, usage or other fees from the parties to these group procurement arrangements. To the extent that a Portfolio Entity of an Other Blackstone Account is providing such a service, such Portfolio Entity and such Other Blackstone Account will benefit. Further, the benefits received by the particular Portfolio Entity providing the service will, in certain circumstances, be greater than those received by BEPIF and its Portfolio Entities receiving the service. Conflicts exist in the allocation of the costs and benefits of these arrangements, and Unitholders rely on the Sponsor to handle them in its sole discretion.

Diverse Unitholder Group. Unitholders have conflicting investment, tax and other interests with respect to their investments in BEPIF and with respect to the interests of investors in other investment vehicles managed or advised by Blackstone that participate in the same Investments as BEPIF. The conflicting interests of Unitholders and investors relate to, among other things, the nature, structuring, financing, tax profile and timing of disposition of Investments. The Sponsor will, in certain circumstances, as a result have conflicts in making these decisions, which can be expected to be more beneficial for one or more (but not all) Unitholders than for other Unitholders. In addition, BEPIF can be expected to make Investments that will, in certain circumstances, have a negative impact on related investments made by the Unitholders in separate transactions. In selecting and structuring Investments appropriate for BEPIF, the Sponsor will consider the investment and tax objectives of BEPIF and its Unitholders as a whole (and those of investors in Other Blackstone Accounts that participate in the same Investments as BEPIF), not the investment, tax or other objectives of any Unitholder individually. Further, certain Unitholders can be expected to also be investors in Other Blackstone Accounts, including supplemental capital vehicles and co-investment vehicles that invest alongside BEPIF in one or more Investments, which could create conflicts for the Sponsor in the treatment of different Unitholders.

Unitholders can be expected to also include affiliates of Blackstone, such as Other Blackstone Accounts, affiliates of Portfolio Entities of BEPIF or Other Blackstone Accounts, charities or foundations associated with Blackstone personnel and current or former Blackstone personnel, Blackstone's senior advisors and operating partners, and any such affiliates, funds or persons can be expected to also invest in BEPIF or through the vehicles established in connection with Blackstone's side-by-side co-investment rights. Some of the foregoing Blackstone related parties are sponsors of feeder vehicles that could invest in BEPIF as Unitholders. The Blackstone related sponsors of feeder vehicles generally charge their investors additional fees, including performance-based fees, which could provide Blackstone current income and increase the value of its ownership position in them. Blackstone will therefore have incentives to refer potential investors to these feeder vehicles. All of these Blackstone related Unitholders will have equivalent rights to vote and withhold consents as nonrelated Unitholders. Nonetheless, Blackstone may have the ability to influence, directly or indirectly, these Blackstone related Unitholders.

It is also possible that BEPIF or BEPIF's Portfolio Entities will, in certain circumstances, be counterparties (such counterparties dealt with on an arm's length basis) or participants in agreements, transactions or other arrangements with a Unitholder or its affiliates (which may occur in connection with such Unitholder or its affiliates making a subscription or capital commitment, as applicable, to BEPIF or Other Blackstone Accounts), including with respect to one or more Investments (or types of Investments). Such transactions may include agreements to pay performance fees to a management team and other related persons in connection with BEPIF's investment therein, which will reduce BEPIF's returns. Such Unitholders described in the previous sentences can be expected to therefore have different information about Blackstone and BEPIF than Unitholders not similarly positioned. In addition, conflicts of interest will, in certain circumstances, arise in dealing with any such Unitholders, and the Sponsor and its affiliates may be motivated to enter into agreements, transactions or arrangements with Unitholders or their affiliates in order to secure subscriptions or capital commitments, as applicable, from investors to BEPIF or Other Blackstone Accounts and may otherwise be motivated by factors other than the interests of BEPIF. See also "—Other Blackstone Business Activities" herein. Similarly, not all Unitholders monitor their investments in vehicles such as BEPIF in the same manner. For example, certain Unitholders can be expected to periodically request from the Sponsor information regarding BEPIF and its Portfolio Entities and Investments that is not otherwise included in the reporting and other information delivered to all Unitholders—for instance, pre-quarterly reporting valuation. In such circumstances, the Sponsor may provide such information to such Unitholder and not to other Unitholders. As a result, certain Unitholders can be expected to receive more information from the Sponsor about BEPIF and its Portfolio Entities or can be expected to receive information about BEPIF and its Portfolio Entities at an earlier time than other Unitholders, and the Sponsor will have no duty to ensure all Unitholders receive the same information regarding BEPIF and its Portfolio Entities. In addition, investment banks or other financial institutions, as well as Blackstone personnel, can be expected to also be Unitholders. These institutions and personnel are a potential source of information and ideas that could benefit BEPIF, and can be expected to receive information about BEPIF and its Portfolio Entities in their capacity as a service provider or vendor to BEPIF and its Portfolio Entities.

Affiliated Unitholders. Certain Unitholders in BEPIF, including current and/or former senior advisors, officers, directors and personnel of Blackstone, Portfolio Entities of BEPIF and Other Blackstone Accounts, personnel of PJT, charitable programs, endowment funds and related entities established by or associated with any of the foregoing, and other persons related to Blackstone, may receive preferential terms in connection with their investment in or alongside BEPIF. Specific examples of such preferential terms received by certain affiliated Unitholders may include, among others, waiver of Management Fees and/or the Performance Participation Allocation and/or the AIFM Fee. For the avoidance of doubt, in the case of an affiliated Unitholder that is an Other Blackstone Account with its own underlying investors, such underlying investors are generally subject to carried interest and/or management fees in connection with their investment in such Other Blackstone Account. In addition, by virtue of their affiliation with the Sponsor, affiliated Unitholders will have more information about BEPIF and Investments than other Unitholders and will have access to information (including, but not limited to, valuation reports) in advance of communication to other Unitholders. As a result, such affiliated Unitholders will be able to take actions on the basis of such information which, in the absence of such information, other Unitholders do not take. Finally, to the extent affiliated Unitholders submit Redemption Requests in respect of their Units in BEPIF, conflicts of interest will arise and the Sponsor's affiliation with such Unitholders could influence the Sponsor's determination to exercise its discretion whether to satisfy, reject or limit any such requested redemption. Additionally, in case of a Unitholder that is an Other Blackstone Account with its own underlying investors, such underlying investors may have received preferential or different terms in connection with their investment in such Other Blackstone Account (including, but not limited to, liquidity rights) as compared to the other Unitholders. See also "—Lack of Liquidity." While such affiliated Unitholders and/or BEPIF will seek to adopt policies and procedures to address such conflicts of interest, there can be no assurance that the conflicts of interest described above will be resolved in favor of BEPIF or other Unitholders.

Unitholders' Outside Activities. A Unitholder shall be entitled to and can be expected to have business interests and engage in activities in addition to those relating to BEPIF, including business interests and activities in direct competition with BEPIF and its Portfolio Entities, and may engage in transactions with, and provide services to, BEPIF or its Portfolio Entities (which will, in certain circumstances, include providing leverage or other financing to BEPIF or its Portfolio Entities as determined by the Sponsor in its sole discretion). None of BEPIF, any Unitholder or any other person shall have any rights by virtue of the Management Regulations or any related agreements in any business ventures of any Unitholder. The Unitholder, and in certain cases the Sponsor, will have conflicting loyalties in these situations.

Insurance. BEPIF will purchase or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) to insure BEPIF, Portfolio Entities, the Sponsor, Blackstone and their respective directors, officers, employees, agents and representatives, and members of the Board of Managers and other indemnified parties, against liability in connection with the activities of BEPIF. This includes a portion of any premiums, fees, costs and expenses for one or more "umbrella," group or other insurance policies maintained by Blackstone that cover one or more of BEPIF and Other Blackstone Accounts, the Sponsor and/or Blackstone (including their respective directors, officers, employees, agents and representatives, and members of the Board of Managers and other indemnified parties). The Sponsor will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella," group or other insurance policies among one or more of BEPIF and Other Blackstone Accounts, the Sponsor and/or Blackstone on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. For example, some property insurance could be allocated on a property-by-property basis in accordance with the relative values of the respective properties that are insured by such policies.

Additionally, BEPIF and Other Blackstone Accounts (and their respective Portfolio Entities) will, in certain circumstances, jointly contribute to a pool of funds that can be expected to be used to pay losses that are subject to the deductibles on any group insurance policies, which contributions may similarly be allocated in accordance with the relative values of the respective assets that are insured by such policies (or other factors that Blackstone can be expected to reasonably determine). Additionally, BEPIF and Other Blackstone Accounts (and their respective Portfolio Entities) may also, in certain circumstances, jointly participate in a captive insurance company managed by an affiliate of the Sponsor, in which the fees and expenses of the captive, including insurance premiums and fees paid to its manager, will be borne by BEPIF and Other Blackstone Accounts. See also "—Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers" herein.

In respect of such insurance arrangements, Blackstone can be expected to make corrective allocations from time to time should it determine subsequently that such adjustments are necessary or advisable. There can be no assurance that different allocations or arrangements than those implemented by Blackstone as provided above would not result in BEPIF and its Portfolio Entities bearing less (or more) premiums, deductibles, fees, costs and expenses for insurance policies.

Other Conflicts. In addition, other present and future activities of Blackstone, BEPIF, Other Blackstone Accounts and their Portfolio Entities, affiliates and related parties will from time to time give rise to additional conflicts of interest relating to BEPIF and its investment activities. The Sponsor generally attempts to resolve conflicts in a fair and equitable manner, but conflicts will not necessarily be resolved in favor of BEPIF's interests. In addition, pursuant to the Management Regulations, the Board of Managers will be authorized to give consent on behalf of BEPIF with respect to certain matters, including those which may be required or advisable, as determined in the Sponsor's sole discretion, under the Advisers Act or other applicable laws or regulations, which may be, but is not required to be, given by a majority of non-affiliated managers of the AIFM, if any. If the Board of Managers consents to a particular matter and the Sponsor acts in a manner consistent with, or pursuant to the standards and procedures approved by, the Board of Managers, or otherwise as provided in the Management Regulations, then the Sponsor and its affiliates will not have any liability to BEPIF or the Unitholders for such actions taken in good faith by them.

Additional Potential Conflicts of Interest. The officers, directors, members, managers and personnel of the Sponsor can be expected to trade in securities and make personal investments for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies or as otherwise determined from time to time by the Sponsor. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which BEPIF holds or acquires an interest (either directly through a privately negotiated investment or indirectly through the purchase of securities or other traded instruments related thereto) and (ii) entities that have interests which are adverse to those of BEPIF or pursue similar investment opportunities as BEPIF. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of the Sponsor can be expected to take into account certain considerations and other factors in connection with the management of the business and affairs of BEPIF and its affiliates that would not necessarily be taken into account if Blackstone were not a public company. The directors of Blackstone have fiduciary duties to shareholders of the public company that may conflict with their duties to BEPIF. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to BEPIF and Other Blackstone Accounts, the Sponsor could decline to undertake investment activity or transact with a counterparty on behalf of BEPIF for reputational reasons, and this decision could result in BEPIF foregoing a profit or suffering a loss.

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PART C
Other Considerations

Fees Paid by Advisory Clients. Unitholders (or their brokers on their behalf) may elect to be treated as “advisory investors” and in connection therewith, by virtue of holding Class A Units, bear a larger amount of Fees than investors that are not “advisory investors” for reporting, administrative and other services provided by such advisory investor’s registered investment adviser, adviser representative or other financial intermediary. Some or all of the Servicing Fee payable in respect of an Advisory Unitholder’s investment may be allocated to a Unitholder’s representative at the registered investment adviser or broker-dealer through which such Unitholder was placed in BEPIF. Any amounts allocated in accordance with the foregoing sentence will compensate such registered investment adviser or broker-dealer representative for reporting, administrative and other services provided to a Unitholder by such representative. The receipt of the Servicing Fee by a Unitholder’s registered investment adviser or broker-dealer representative will result in a conflict of interest.

Fund Expenses. BEPIF will pay and bear all expenses related to its operations as Fund Expenses. The amount of these Fund Expenses will be substantial and will reduce the amount of capital available to be deployed by BEPIF in Investments and the actual returns realized by Unitholders on their investment in BEPIF. Fund Expenses include recurring and regular items, as well as extraordinary expenses which may be hard to budget or forecast. As a result, the amount of Fund Expenses ultimately borne by BEPIF at any one time may exceed expectations.

As described in this Prospectus, Fund Expenses encompass a broad range of expenses and include all expenses of operating BEPIF and its Portfolio Entities and other related entities, including any entities used directly or indirectly to acquire, hold, or dispose of Investments or otherwise facilitate BEPIF’s investment activities.

Fund Expenses borne by BEPIF and Unitholders also include, among other things, expenses of liquidating and forming (with respect to Parallel Entities only) BEPIF and the Parallel Entities (including any potential Parallel Entities that are not ultimately formed); fees, costs and expenses related to attorneys (including costs, expenses and fees charged or specifically attributed or allocated by the Sponsor or its affiliates to BEPIF or its Portfolio Entities for hours spent by its in-house attorneys and tax advisors to provide legal advice or services to BEPIF and its Portfolio Entities on matters related to potential or actual Investments, transactions and the ongoing legal operations of BEPIF, which amounts charged, attributed or allocated do not offset or reduce Management Fees provided, that any such fees, costs and expenses charged, attributed or allocated to BEPIF or Portfolio Entities shall not be greater than what would be paid to an unaffiliated third-party for substantially similar advice or services); accountants, auditors, advisers (including tax advisors), administrative agents, depositaries and consultants; expenses of loan servicers and other service providers, fund administrators, custodians, trustees and other third-party professionals; valuation costs (including expenses incurred in connection with services performed by any independent valuation advisor); expenses associated with redemptions and subscriptions on an ongoing basis, expenses of offering Units and units of any Parallel Entity (including expenses associated with creating and updating the offering materials, expenses associated with preparing and printing such materials, websites, travel expenses relating to the ongoing offering of the Units (in each case, other than expenses categorized as Organizational and Offering Expenses)), expenses relating to Freedom of Information Act and similar requests, expenses and fees relating to compliance-related matters and regulatory filings (including, without limitation, regulatory filings of the Sponsor and its affiliates relating to BEPIF and its activities, including reporting under the AIFM Directive, on Annex IV, Form PF, other reports to be filed in connection with the requirements of the CFTC and reports, disclosures, filings and notifications prepared, and service providers appointed, in connection with the laws, rules, regulations or similar requirements of jurisdictions in which BEPIF engages in activities (or in which any actual or potential investor is resident or established), including any notices, disclosures, reports, or filings (including those in connection with the offering of Units and costs associated with the marketing passport provided for in accordance with the AIFM Directive, or the SFDR and any related regulations, costs, expenses, charges or fees of an internal nature relating to BEPIF, the Parallel Entities and their activities), administrative expenses and related costs (including costs, expenses, charges and fees charged or specifically allocated by the Sponsor and/or its affiliates to provide administrative services to BEPIF); costs, fees and expenses of managers, directors and officers. Liability or other insurance for the benefit of the Sponsor and its affiliates and related persons, administrative and accounting expenses and related costs (including fees, costs and expenses charged or specifically attributed or allocated to BEPIF or its Portfolio Entities by the Sponsor or its affiliates with respect to administrative and accounting services to BEPIF or its Portfolio Entities (including overhead related thereto), and expenses, charges and related costs incurred by BEPIF, the Sponsor or its affiliates in connection with such provision of administrative and accounting services to BEPIF (or specifically allocated thereto); *provided* that any such fees, costs and expenses charged or specifically attributed or allocated by the Sponsor or its affiliates to BEPIF or its Portfolio Entities shall not be greater than what would be paid to an unaffiliated third-party for substantially similar services; expenses, charges, fees and related costs associated with auditing, accounting, market data and research (including news and quotation equipment and services and including costs charged or allocated by Blackstone's internal and third-party research group (which are generally based on time spent)); internal and third-party printing and publishing (including time spent performing such printing and publishing services) and reporting-related expenses, charges and related costs (including preparation and delivery of financial statements, tax returns, and other communications or notices relating to BEPIF including periodic investor notices and communications and expenses, charges, fees and related costs of an internal nature (such as time of tax advisors employed by the Sponsor or its affiliates), incurred, charged or specifically attributed or allocated by the Sponsor or its affiliates to BEPIF or its Portfolio Entities to provide such services relating to BEPIF; *provided* that any such expenses, fees, charges and related costs charged or specifically attributed or allocated by the Sponsor or its affiliates to BEPIF or its Portfolio Entities (including for hours spent by in-house counsel, tax advisors and accountants) shall not be greater than what would be paid to an unaffiliated third-party for substantially similar services); expenses of the Board of Managers; expenses of any third-party advisory committees of BEPIF; expenses of any meeting of BEPIF; expenses of any advisors; the fees and expenses of service providers of BEPIF; expenses, costs and fees of any consultants (including individuals consulted through expert network consulting firms), banks, investment banks, brokerage commissions, the cost of trading (including trading errors), the cost of borrowings, guarantees and other financing or derivative transactions (including interest, fees and related legal expenses); fees, costs and expenses related to hedging and currency conversion; federal, state or other taxes and tax penalties; fees, costs and expenses related to the organization or maintenance of any entity (including intermediate entities or other vehicles through which BEPIF or its investors directly or indirectly acquire, hold or dispose of any investment, or entities otherwise facilitating BEPIF's investment activities), including without limitation travel, accommodation and related expenses related to such entity and the salary and benefits of any personnel (including personnel of the Sponsor or its affiliates) reasonably necessary or advisable for the maintenance and operation of such entity, including overhead expenses in connection therewith (including, for example, the salary and compensation of personnel of any entities formed in connection with the activities of BEPIF or any Parallel Entity, and costs and expenses (including airfare and lodging) of the meetings of officers, managers, directors, general partners or managing members of such entities, and costs and expenses associated with the leasing of office space for such entities (which may be made with one or more affiliates of the Sponsor as lessor), and the costs and expenses of insurance (including title, brokerage and placement thereof); costs, expenses and fees for obtaining and maintaining technology (including the costs of any professional service providers) in connection with BEPIF). The costs and expenses associated with the organization, offering and operation of any Parallel Entity may be apportioned to, and borne solely by, the investors participating in such Parallel Entity or be allocated among BEPIF Master FCP and any Parallel Entities as determined by the Investment Manager in its reasonable discretion.

BEPIF will also bear any extraordinary expenses it may incur, including any litigation, arbitration or settlement expenses involving BEPIF, any investment or entities in which it has an investment or otherwise relates to such investment and the amount of any judgments, fines, remediation or settlements paid in connection therewith. Service providers (including affiliates of the Sponsor) will be retained for such purposes, as further described under "—Conflicts of Interest in Service Providers, Including Portfolio Entity Service Providers and Blackstone Affiliate Service Providers" herein. In addition, BEPIF will bear any expenses incurred in connection with due diligence visits by the Sponsor to third-party service providers (including fund administrators), by the Sponsor or any Unitholder to any Portfolio Entities or portfolio assets as well as visits by the Sponsor to any Unitholder. BEPIF will bear the start-up, wind-down and liquidation expenses related to Portfolio Entity service providers owned by BEPIF, or an allocation of such expenses related to Portfolio Entity service providers used by BEPIF and owned by Other Blackstone Accounts.

Expenses to be borne by the Sponsor are limited only to those items specifically enumerated in this Prospectus, the Investment Management Agreement and/or in the AIFM Agreement (such as rent for office space, office furniture and salaries of its employees), and all other costs and expenses in operating BEPIF will be borne directly or indirectly by the Unitholders. The Sponsor may choose in its own discretion to pay expenses not specifically enumerated herein, and the Sponsor may at any time in its sole discretion discontinue paying such expenses and cause BEPIF to pay them.

Expenses associated with the investigation, negotiation, structuring, acquisition, settling, holding, monitoring and disposition of Investments, including, without limitation, any due diligence-related expenses, brokerage, custody or hedging costs and travel and related expenses in connection with BEPIF's activities will be borne by BEPIF (and indirectly by the Unitholders). To the extent not reimbursed by a third party, all third-party expenses incurred in connection with a proposed Investment that is not ultimately made or a proposed disposition that is not actually consummated, including, without limitation, commitment fees that become payable in connection with a proposed Investment that is not ultimately made, legal, tax, accounting, advisory and consulting fees and expenses, travel, accommodation and related expenses, printing expenses and any liquidated damages, reverse termination fees and similar payments will be borne by BEPIF (and indirectly by the Unitholders). From time to time, the Sponsor will be required to decide whether costs and expenses are to be borne by BEPIF, on the one hand, or the Sponsor or

Other Blackstone Accounts, on the other, and whether certain costs and expenses should be allocated between or among BEPIF, on the one hand, and Other Blackstone Accounts on the other hand. Certain expenses may be suitable for only BEPIF, a particular Parallel Entity or participating Other Blackstone Account and borne only by such vehicle, or, as is more often the case, expenses may be allocated *pro rata* among each participating Other Blackstone Account and BEPIF and all Parallel Entities even if the expenses relate only to particular vehicle(s) and/or investor(s) therein (including, for the avoidance of doubt, the expenses of any Parallel Entities and each of their respective alternative investment vehicles). Any entities established in connection with Blackstone's side-by-side co-investment rights and any Other Blackstone Accounts that co-invest alongside BEPIF in Investments will generally bear their *pro rata* share of any expenses related to such Investments, but such entities (which, for the avoidance of doubt, are not considered "Parallel Entities" of BEPIF) will generally not be required to bear any portion of the Organizational and Offering Expenses or any other non-investment related Fund Expenses (given that those other vehicles bear their own non-investment related expenses). If the expenses incurred in connection with a particular matter should be borne in part by BEPIF and in part by the Sponsor (*e.g.*, expenses incurred in connection with a meeting of the officers, managers or directors of any Luxembourg entity described above in which matters relating to BEPIF's and/or a Parallel Entity's activities (*e.g.*, matters relating to Investments) and the Sponsor's activities (*e.g.*, the appointment of new managers) are discussed), then such expenses will be allocated between BEPIF and the Sponsor as determined by the Sponsor in good faith to be equitable. The Sponsor intends to generally allocate Fund Expenses, including Fund Expenses of the Parallel Entities and alternative investment vehicles, and Organizational and Offering Expenses of BEPIF and the Parallel Entities between or among BEPIF, the Parallel Entities, and each of their respective alternative investment vehicles, as applicable, on a *pro rata* basis based on capital commitments, invested capital or available capital, as applicable, but may in certain circumstances allocate such expenses in a different manner if the Sponsor determines in good faith that doing so is more equitable or appropriate under the circumstances. For example, certain expenses may be incurred by or on behalf of BEPIF and Other Blackstone Accounts and will be allocated among BEPIF and such Other Blackstone Accounts by the Sponsor in its good faith reasonable discretion, including, in the case of travel, based on estimated time spent with respect to the business of BEPIF and Other Blackstone Accounts. The Sponsor will make such allocation judgments in its fair and reasonable discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. There can be no assurance that a different manner of allocation would not result in BEPIF or an Other Blackstone Account bearing less (or more) expenses.

Travel and related expenses described herein include, without limitation, first class and/or business class airfare (and/or private charter, where appropriate, such as when commercial equivalent travel is not available for the applicable itinerary), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals (outside normal business hours), and social and entertainment events with Portfolio Entity employees, customers, clients, borrowers, brokers and service providers) and related costs and expenses incidental thereto.

Health, Safety, the Environment, Social Responsibility and Corporate Governance. Blackstone's approach to sustainability is rooted in careful, patient investing and meaningful operational improvements since Blackstone's efforts will have lasting impact. Environmental, social responsibility and corporate governance ("**ESG**") issues are incorporated into investment decisions in order to avoid risk, create value for Unitholders, and identify investment opportunities. Blackstone's portfolio of assets across industries and geographies enables the firm to think about sustainability from multiple vantage points. Blackstone continues to make considerable progress on sustainability initiatives which helps to generate attractive returns. As an investor, Blackstone considers relevant ESG issues both during the due diligence of potential investments and throughout its ownership period and expects its portfolio companies to manage ESG risks responsibly.

The Sponsor has adopted an ESG policy and will consider relevant ESG issues both during the due diligence of controlled Portfolio Entities and throughout BEPIF's ownership period. The Sponsor will also evaluate whether potential controlled Portfolio Entities abide by and respect applicable local labor laws and otherwise respect workers, as part of the due diligence process and throughout BEPIF's ownership period. Further, the Sponsor will generally send annual ESG surveys to BEPIF's controlled Portfolio Entities to monitor and assess company operations, specifically as they relate to ESG issues. Alison Fenton-Willock coordinates ESG-related initiatives on behalf of Blackstone.

Blackstone has also made significant investments at the corporate level to effect real change for stakeholders. For example, as a founding member of the American Investment Council (formerly the Private Equity Growth Capital Council), Blackstone helped craft a set of Guidelines for Responsible Investment that incorporate environmental, health, safety, labor, governance, and social issues into investment decision-making and ownership activities (the "**Guidelines**").

The Guidelines require signatories to consider the human rights of those affected by their investment activities and seek to confirm that their investments do not flow to companies that utilize child or forced labor or maintain discriminatory policies. Although sovereign governments ultimately have the responsibility for protecting human rights, Blackstone strongly supports and respects human rights and continues to promote respect for human rights in its business and in the businesses of its portfolio companies. To that end, as part of Blackstone's diligence and monitoring process, Blackstone evaluates whether its portfolio companies abide by and respect local labor laws.

Blackstone also seeks opportunities to create positive social impact in the areas surrounding its investment properties by participating in community engagement activities and promoting fair labor practices. Blackstone has proactively worked with labor unions (including the Service Employees International Union, or SEIU) to renew expiring contracts for janitorial and security workers in Boston, Los Angeles and San Francisco and to expand health care coverage for janitorial and security workers in those markets. In connection with the Hilton Hotels investment, Blackstone successfully worked with UNITE HERE, a major labor union representing hotel, casino, foodservice, apparel and textile manufacturing and several other industries, to consummate that investment with their support.

In 2008, Blackstone established Equity Healthcare with the goal of leveraging the aggregate purchasing power of Blackstone's portfolio companies, not only to make healthcare more affordable, but to deliver higher quality healthcare to employees and their families. Blackstone has offered Equity Healthcare at not-for-profit pricing to grow the program.

Similarly, Blackstone considers environmental concerns in the investment underwriting process and its portfolio management activities. The Sponsor will generally conduct environmental assessments of asset acquisitions, and Blackstone's Chief Sustainability Officer oversees efforts to reduce unnecessary energy and water spend across Blackstone's portfolio, resulting in value creation for Portfolio Entities and a significant reduction in energy consumption and associated emissions.

Blackstone is committed to the communities where it works, lives and invests. Founded in 2007, the Blackstone Charitable Foundation leverages the resources, convening power and, most importantly, the intellectual capital of Blackstone, to create an environment where people are empowered to thrive. The Foundation has two main programmatic areas: Entrepreneurship Initiative and Blackstone Connects. The Blackstone Charitable Foundation's Entrepreneurship Initiative has committed over $71 million to supporting regional economic growth by co-creating and managing innovative entrepreneurship programs globally. Through Blackstone Connects, the Foundation engages employees across all levels in skills-based and traditional volunteering, learning and board service, and targeted fundraising.

In April 2013, Blackstone committed to hire 50,000 American veterans across its portfolio over five years in support of the White House's "Joining Forces" initiative. In May 2017, Blackstone reached this goal one year ahead of schedule and committed to hiring an additional 50,000 military veterans, caregivers, and spouses in the next five years. Blackstone also regularly hosts a Veterans Hiring Summit designed to help hiring executives within corporations share best practices on attracting and recruiting veterans and to assist representatives from the U.S. military and government as they work in coordination with Blackstone portfolio companies. Blackstone has partnered with Apollo, KKR, Carlyle and TPG to expand the summit to include representatives from across the industry.

Indemnification. BEPIF will be required to indemnify the Sponsor, its affiliates, and each of their respective members, officers, directors, employees, agents, partners, and certain other persons who serve at the request of the Sponsor on behalf of BEPIF for liabilities incurred in connection with the affairs of BEPIF. See Section XII: "Regulatory and Tax Considerations—Exculpation and Indemnification." Members of the Board of Managers will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the Management Regulations. Such liabilities may be material and have an adverse effect on the returns of the Unitholders. For example, in their capacity as directors of Portfolio Entities, the partners, managers, or affiliates of the Sponsor may be subject to derivative or other similar claims brought by security holders of such entities. The indemnification obligation of BEPIF would be payable from the assets of BEPIF. Because the Sponsor may cause BEPIF to advance the costs and expenses of an indemnitee pending the outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), there may be periods in which BEPIF advances expenses to an individual or entity not aligned with or adverse to BEPIF. Moreover, in its capacity as Sponsor, of BEPIF, the Sponsor will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision by it to provide indemnification (including advancement of expenses). This may be the case even with respect to settlement of claims arising out of alleged conduct that would disqualify any such person from indemnification and exculpation if the Sponsor (and/or its legal counsel) determined that such disqualifying conduct occurred.

No Independent Advice. The terms of the agreements and arrangements under which BEPIF is established and will be operated have been or will be established by the Sponsor and are not the result of arm's-length negotiations or representations of the Unitholders by separate counsel. Potential investors should therefore seek their own legal, tax and financial advice before making an investment in BEPIF.

*   *   *

ANNEX 2
NAV AND VALUATION

1. NET ASSET VALUE OF THE UNITS

The NAV for each Class of Units will be calculated by the Administrative and Accounting Delegate under the oversight of the AIFM, twice per month, i.e. as of each Valuation Date.

The NAV is based on the most recent available month-end values of Investments (including real estate debt and other securities), the addition of the value of any other assets (such as cash on hand), and the deduction of any liabilities, including the allocation/accrual of the Management Fee and the most recent available estimate of the Performance Participation Allocation, the AIFM Fee and the deduction of expenses attributable to certain Classes, such as applicable Rebates, in all cases as described in this LPA and determined in accordance with the valuation policy (the "**Valuation Policy**") adopted for the Fund, which may be amended from time to time in accordance with this LPA and the applicable laws and regulations. The AIFM may, but is not obligated to, take into account other factors in the calculation of the NAV in its sole discretion. The NAV will generally be reported twice per month within six Business Days of the 15th of each month and last day of the month (or the next Business Day if those dates fall on a day other than a Business Day) and, for these purposes, the reported NAV will be based on the latest available NAV calculated on the applicable Valuation Date for each Class of Units. The Valuation Policy may be changed by the AIFM from time to time in its sole discretion.

Each Class of Units may have a different NAV per Unit, for example, because Rebates and distributions may be charged differently or do not apply with respect to a Class. In general, the fees and expenses attributable to a specific Class of Units are borne by all Classes of Units on a pro rata basis unless provided otherwise by the Investment Manager in its reasonable discretion, under the oversight of the AIFM.

Notwithstanding anything herein to the contrary, under the oversight of the AIFM, the Investment Manager or its Affiliates may in their discretion, but are not obligated to, consider material market data and other information that becomes available after the end of the applicable period in valuing the Fund's assets and liabilities and calculating the Fund's NAV.

The Fund may, but is not obligated to, suspend the determination of NAV and/or the Fund's offering and/or redemptions where circumstances so require and provided the suspension is justified having regard to the interests of Limited Partners.

2. PORTFOLIO VALUATION

The main rules relating to portfolio valuation are summarized below and may be amended from time to time in accordance with this LPA and the applicable laws and regulations.

The Investment Manager or its Affiliates will be in charge of the valuation, each time under the oversight of the AIFM.

The Fund's NAV will be available within six Business Days of the applicable Valuation Date. The Fund is denominated in euro (EUR), the Reference Currency.

NAV is reported to Limited Partners and returns are calculated and reported in euro. All subscription payments and distributions are made in euro. Gains or losses regarding non-euro Investments may include currency fluctuations relative to the euro.

Investments in BEPIF Aggregator

The Fund will mainly invest through the BEPIF Aggregator and will value its investment in the BEPIF Aggregator based on the most recently available BEPIF Aggregator's NAV, calculated as of month-end and generally available around the 15th calendar day of the subsequent month. For each Valuation Date, the Fund will use the BEPIF Aggregator's NAV as of the end of the prior month adjusted for estimated accruals of the BEPIF Aggregator's income and expenses through the Valuation Date. For example, the Fund's NAV as of September 30th will use the BEPIF Aggregator's NAV as of August 31st adjusted for estimated accruals of the BEPIF Aggregator's income and expenses through September 30th. The Fund's NAV as of October 15th will use the BEPIF Aggregator's NAV as of September 30th adjusted for estimated accruals of the BEPIF Aggregator's income and expenses through October 15th.

The Fund will purchase units of the BEPIF Aggregator twice per month, as of the first of the month and as of the 15th of the month. When the Fund purchases units of the BEPIF Aggregator as of the first of the month, it will purchase such BEPIF Aggregator units at the NAV per unit as of the end of the immediately preceding month (for example, the Fund will purchase BEPIF Aggregator units as of October 1st at the NAV per BEPIF Aggregator unit as of September 30th). When the Fund purchases units of the BEPIF Aggregator as of the 15th of the month, it will purchase such BEPIF Aggregator units at the average of (x) the NAV per unit as of the end of the immediately preceding month and (y) the NAV per unit as of the end of the current month (for example, the Fund will purchase BEPIF Aggregator units as of October 15th at the average of the NAVs per BEPIF Aggregator unit as of September 30th and October 31st). The NAV used for the Fund's purchase of BEPIF Aggregator's units is calculated differently than the BEPIF Aggregator NAV used in the Fund's NAV, which will cause the performance of the Fund to deviate from the performance of the BEPIF Aggregator for reasons other than just expenses of the Fund. As a result, the NAV value of a Limited Partner’s investment in the Fund may correspond to a lower NAV value in the BEPIF Aggregator, resulting in dilution.

Property Investments

The Investment Manager or its Affiliates generally values each direct property investment of the BEPIF Aggregator as it, in good faith in its sole discretion, reasonably determines on a monthly basis.

Any adjustments to Property valuations will incorporate estimates of the market impact of specific events as they occur, based on assumptions and judgments that may or may not prove to be correct, and may also be based on the limited information readily available at that time. The Investment Manager or its Affiliates may determine that certain Property types or individual properties or portfolios will be valued using different procedures.

Valuation of Real Estate Debt and Other Securities

In general, real estate debt and other securities will be valued by the Investment Manager or its Affiliates based on market quotations or at fair value and in accordance with the Valuation Policy. For the avoidance of doubt, acquisitions and dispositions of real estate debt and other securities will be reflected in the BEPIF Aggregator's NAV on an as-settled basis.

Investments in real estate debt and other securities with readily available market quotations will be valued monthly as described below.

Market quotations may be obtained from third-party pricing service providers or, if not available from third-party pricing service providers, broker-dealers for certain of the BEPIF Aggregator's real estate debt and other securities. When reliable market quotations for real estate debt and other securities are available from multiple sources, the Investment Manager or its Affiliates will use commercially reasonable efforts to use two or more quotations and will value such Investments based on the average of the quotations obtained. However, to the extent that one or more of the quotations received is determined in good faith by the Investment Manager or its Affiliates to not be reliable, the Investment Manager or its Affiliates may disregard such quotation if the average of the remaining quotations is determined in good faith to be reliable by the Investment Manager or its Affiliates. Securities that are traded publicly on an exchange or other public market (stocks, exchange traded derivatives and securities convertible into publicly-traded securities, such as warrants) will be valued at the closing price of such securities in the principal market in which the security trades.

Liabilities

The Investment Manager or its Affiliates will include the fair value of each Class's pro rata portion of the Fund's and the BEPIF Aggregator's liabilities as part of the Class's NAV calculation. These liabilities are expected to include the fees payable to the Investment Manager, the AIFM, any accrued Performance Participation Allocation, accounts payable, accrued operating expenses, any portfolio-level credit facilities, other borrowings and other liabilities. All of the Fund's and the BEPIF Aggregator's borrowings will generally be valued monthly, other than those directly on its real estate debt Investments without readily available market quotes, which will be valued quarterly (or more frequently at the Investment Manager's or its Affiliates' discretion in exceptional circumstances). All liabilities will generally be valued using widely accepted methodologies specific to each type of liability.

The Investment Manager will advance all of the Fund's and the BEPIF Aggregator's Organizational and Offering Expenses on the Fund's and the BEPIF Aggregator's behalf (other than Subscription Fees and Rebates) through the first anniversary of the date on which the Fund and the BEPIF Aggregator accept their first subscription (the "**Effective Date**"). The Fund and the BEPIF Aggregator will reimburse the Investment Manager for such advanced expenses ratably over the 60 months following Effective Date. For purposes of calculating the Fund's and the BEPIF Aggregator's NAV, the Organizational and Offering Expenses paid by the Investment Manager through Effective Date are not recognized as expenses or as a component of equity and will not be reflected in the Fund's and the BEPIF Aggregator's NAV until the Fund and the BEPIF Aggregator reimburse the Investment Manager for these costs.

Investments in BPPE

The Investment Manager or its Affiliates will be in charge of the valuation of the Investments.

The BEPIF Aggregator's Investments in BPPE will initially be valued at cost in the month the investment is made, and will subsequently be adjusted for income accruals until BPPE's next applicable NAV is available. Thereafter, the BEPIF Aggregator's Investments in BPPE will be valued based on the aggregate NAV of the BPPE units held by the BEPIF Aggregator, as determined from the most recent available BPPE NAV *per* unit. BPPE generally values its investments and liabilities quarterly in a manner otherwise consistent with "Property Investments" and "Liabilities" above. The BEPIF Aggregator will therefore adjust the value of its Investments in BPPE units for estimated income accruals on BPPE monthly for purpose of calculating the BEPIF Aggregator's NAV (references below to the BEPIF Aggregator's values of BPPE units will include such monthly estimated income accrual adjustments). The income accrual methodology may be based on historical performance or projections and vary during different points in time as determined by the Investment Manager or its Affiliates in their sole discretion. Such updates generally will not take into account any appreciation or depreciation of Properties unrelated to its income between quarterly valuations. BPPE's NAV *per* unit is generally reported quarterly 45 days after March 31st, June 30th and September 30th and 90 days after December 31st. The value of the BEPIF Aggregator's Investment in BPPE units therefore can be expected to incorporate the last reported quarter-end BPPE NAV *per* unit, which could be as of several months earlier than the date as of which the BEPIF Aggregator is calculating its NAV *per* Unit. The Investment Manager or its Affiliates may, but is not obligated, to incorporate into the BEPIF Aggregator's NAV an unreported estimated determination of BPPE's NAV *per* unit that is more recent than the latest reported BPPE NAV *per* unit, to the extent available. The Investment Manager, the BPPE General Partner or the BPPE Investment Advisor may, but is not obligated to, monitor BPPE's investments for events that could be expected to have a material impact on BPPE's NAV during a quarter.

For purposes of calculating a NAV, the Management Fee for each applicable Class of Units will be calculated twice a month by multiplying the accrued half-monthly Management Fee rate (1/24th of the total annual Management Fee rate for each applicable Class of Units) by the aggregate NAV of such Class of Units for that half-month period.

ANNEX 3
RELATIONSHIP WITH BPPE

BPPE is Blackstone's flagship European Core+ real estate fund for institutional investors. BPPE invests in Core+ real estate investments in Europe. BPPE invests primarily in high-quality, substantially stabilized assets and portfolios across logistics, office, residential and retail assets in major European markets and gateway cities. BPPE is focused on maximizing value and driving income growth through active portfolio management, efficient and flexible financing, and various asset management initiatives including selective asset sales.

Commitments / Investments: Limited Partners in BPPE make capital commitments and become limited partners to the BPPE partnership. The Fund (through the BEPIF Aggregator) will be treated as single limited partner in BPPE for purposes of commitments to BPPE. BPPE generally draws down commitments on an as-needed basis; provided, that all commitments from a previous BPPE closing must be called in their entirety before capital commitments from later closings are called. Pending capital calls, the Fund may use committed capital to make other Investments, however, the Fund may need to make more Investments in liquid assets than it otherwise would in order to be able to quickly raise proceeds to meet capital calls for its commitments to BPPE, which could adversely impact the Fund's total return. There is no guarantee that the Fund's capital commitments to BPPE will be called on an efficient basis or at all.

The Fund may invest in BPPE as a means to gain exposure to Investments, subject to the terms and conditions of BPPE's governing documents and offering materials. There is no limit on the amount of Investments the Fund can make in BPPE, and such Investments may represent a substantial portion of the Fund's overall portfolio, particularly in the early stages of its operations.

Fees & Expenses: The Fund will not pay or otherwise bear carried interest, management fees or other incentive compensation paid to the BPPE General Partner with respect to the Fund's Investments into BPPE. For the avoidance of doubt, the Fund will pay all other fund and investment-related fees and expenses with respect to its investment in BPPE. However, the Fund will indirectly bear other expenses of BPPE, including all investment related expenses and expenses paid to affiliates of the Investment Manager, administrative expenses and other expenses included in the definition of "Fund Expenses" as applicable to BPPE.

BPPE Redemptions: Limited Partners in BPPE may request a withdrawal of their investment on a quarterly basis with 90 days' prior written notice; to address informational timing disparities with respect to BPPE's other limited partners, the Fund may seek to submit withdrawal requests from BPPE with greater notice than other BPPE investors, as determined by the Investment Manager in its sole discretion. BPPE withdrawal requests with respect to any contribution made by the Fund to BPPE can only be made after the expiration of the 24 month period following the date on which the Fund made such capital contribution to BPPE.

BPPE will satisfy redemption requests only to the extent it has sufficient cash available to honour such requests, as determined in the sole discretion of the BPPE General Partner, and in that regard BPPE will not be obligated to sell any property or assets, borrow funds, cease making investments, reduce reserves or cause any adverse tax implications to BPPE, the BPPE General Partner, and/or any BPPE investment or proposed BPPE investment in order to satisfy any withdrawal request. It is understood that available cash for withdrawals may only be the result of additional commitments being made to BPPE, and if so, it is possible that withdrawals will not be satisfied for an extended period of time.

As a result, the Fund's investment in units of BPPE will generally be illiquid and should not be relied upon by Limited Partners as a source of liquidity for the Fund's own redemption program. This means that the Fund may need to make more Investments in liquid assets than it otherwise would in order to support potential redemption requests, which could adversely impact the Fund's total return.

ANNEX 4
DISCLOSURE OF INFORMATION TO LIMITED PARTNERS

This Annex 4 forms an integral part of the LPA. It may be updated by the AIFM at any time in order to comply with its legal and regulatory obligations relating to information of the Limited Partners.

The AIFM shall inform the Limited Partners of any substantial change in the information contained in this Annex 4.

TABLE No. 1: Information appearing in the limited partnership agreement of the Fund (the "LPA")

Information to be provided to the investors (article 21 of the AMF Instruction – DOC 2012-06)	LPA	
a) a description of the investment strategy and objectives of the AIF, information on where any master AIF under paragraph IV of Article L.214-24 of the French monetary and financial code is established and where the underlying funds are established if the AIF is a fund of funds, a description of the types of assets in which the AIF may invest, the techniques it may employ and all associated risks, any applicable investment restrictions, the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM are entitled to employ on behalf of the AIF;	Please refer to Articles 7 (*Investment Strategy of the Fund*) and 8 (*Borrowings*) of the LPA.	☒
b) a description of the procedures by which the AIF may change its investment strategy or investment policy, or both;	Please refer to Article 29 (*Amendment of the LPA*) of the LPA.	☒
c) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory of the French Republic;	Please refer to Articles 3 (*Legal information*), 42 (*Applicable Law*) and 43 (*Jurisdiction*) of the LPA.	☒
d) the identity of the AIFM, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights;	Please refer to the Directory and Articles 18 (*Corporate Manager*), 19 (*AIFM*), 20 (*Investment Manager*), 21 (*Global Distributor*), 22 (*General Partner*), 25 (*Depositary and Central Administration*) and 26 (*Statutory Auditor and*	☒

	Administrative and Accounting Delegate) of the LPA.	
e) a description of how the AIFM is complying with the requirements of paragraph IV of Article 317-2 of the AMF General Regulation;	Please refer to Article 19 (*AIFM*) of the LPA.	☒
f) a description of any delegated management function by the AIFM and of any safe- keeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations;	Please refer to Articles 20 (*Investment Manager*) and 26 (*Statutory Auditor and Administrative and Accounting Delegate*) of the LPA.	☒
g) a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets;	Please refer to Schedule 2 (*NAV and Valuation*) of the LPA.	☒
h) a description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors;	Please refer to Article 15 (*Redemption of Units*) of the LPA.	☒
i) a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors;	Please refer to Article 27 (Fees and Expenses) of the LPA.	☒
j) a description of how the AIFM ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM;	Please refer to Articles 36 (*Fair Treatment*) and 27.4.2 (*Distributor / Insurance Company Rebate*) of the LPA.	☒
l) the procedure and conditions for the issue and sale of units or shares;	Please refer to Articles 9 (*Share Capital - Contributions - Units*), 10 (*Payment of the Purchase Price*) and 15 (*Redemption of Units*) of the LPA.	☒
o) the identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist;	N/A	☐
p) description of how and when the information required under paragraphs IV and V of Article 421-34 of the AMF General Regulation will be disclosed.	Please refer to Article 38 (*Management Reports - Identity of the Partners*) of the LPA.	☒

ANNEX 5
SUSTAINABILITY DISCLOSURES

This Annex 5 forms an integral part of the LPA. It may be updated by the AIFM at any time in order to comply with its legal and regulatory obligations relating to information of the Limited Partners. Pursuant to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR Regulation"), the AIFM is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund.

The European Union Sustainable Finance Disclosure Regulation ("**SFDR**") defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. The AIFM (and/or its delegate) has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the AIFM (or its delegate) may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. Further information on the manner in which sustainability risks are integrated into investment decisions, including any relevant policies, is available to investors at the registered office of the AIFM. The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in **Annex 1**: "Risk Factors, Potential Conflicts of Interest and Other Considerations—Sustainability Risks." Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging).

As of the date hereof, no specific investment decisions have been made for the Fund and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The AIFM's assessment is that integration of sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materializes.

The AIFM (or its delegate) generally measures any relevant environmental or social matters using third-party standards, guidelines and metrics, data from Blackstone's portfolios, company reports and publicly available information, as the AIFM (or its delegate) deems relevant from time to time.

No consideration of principal adverse sustainability impacts. The AIFM does not consider the principal adverse impacts ("**PAIs**") of its investment decisions on sustainability factors within the meaning of Article 4(1)(a) of SFDR as explained by the AIFM on its website in accordance with Article 4(1)(b): https://www.fundrock.com/policies-and-compliance/no-principal-adverse-impacts-consideration-statement/. The AIFM's delegate does not consider the PAIs of its investment decisions on sustainability factors within the meaning of Article 4(1)(a) of SFDR. The AIFM's delegate does not currently do so because, among other reasons, as at the date of this document, the European Commission has requested advice from the European Supervisory Authorities ("**ESAs**") on (1) streamlining and developing further the regulatory framework, (2) potentially extending the lists of universal indicators for PAIs, and (3) refining the content of all the PAI indicators and their respective definitions, applicable methodologies, metrics and presentation. In addition, the ESAs have sought legal guidance from the European Commission on what it means to 'consider' PAIs. The AIFM's delegate will re-consider the approach once there is more regulatory certainty.

For any details concerning the sustainability risk policy of the AIFM, please refer to the website of the AIFM (http://fundrockfranceam.com).

ANNEX 6
FRENCH 3% TAX

Introduction

According to Article 990 D of the French tax code, French and foreign entities (including entities with no separate legal personality such as partnerships, trusts, fiduciary arrangements or similar arrangements but excluding individuals) which hold, on 1 January of a given year, directly or indirectly, real estate assets located in France or real rights over these assets ("**French Real Estate**") are, subject to certain exemptions, liable for an annual tax equal to three percent (3%) of the entity's direct or indirect proportional interest in the market value of the French Real Estate owned on 1 January ("**French 3% Tax**").

Individuals are not within the scope of French 3% Tax. Accordingly, no evidence of exemption from French 3% Tax will be required from individuals investing directly in the Fund and for their own benefit. However, should their interest in the Fund exceed one percent (1%) of the Units issued by the Fund as at 1 January of a given year, their identity, address and number of Units held in the Fund will need to be disclosed annually to the French tax authorities, along with similar information in relation to other Limited Partners, to ensure the Fund is exempt from the French 3% Tax (see "Application of the French 3% Tax to the Fund" below).

It is important that each prospective investor, other than an individual investing directly in the Fund and for its own benefit (and not as a nominee, agent or trustee for another), considers carefully, with advice from its own tax advisers, and confirms that it is able to take advantage of one or more of the exemptions from the French 3% Tax summarized in 1 to 4 (inclusive) below. The exemptions from the French 3% Tax need to be available to, or complied with, not only by the Limited Partner in the Fund, but also by each and every entity holding direct or indirect interests in that Limited Partner (including without limitation a beneficiary, beneficial owner, legal owner, trustee or settler of a trust, a fiduciary or any similar arrangement) (each an "**Indirect Partner**").

The French 3% Tax is applied on a joint and several liability basis, such that the Fund will be liable for the French 3% Tax, even where one or more Limited Partners benefits from an exemption, if any of its Indirect Partners does not enjoy an exemption or fails to comply with annual filing requirements of an exemption or if any Limited Partner fails to provide the Fund with the necessary for it to make an annual filing. However, the joint and several liability is limited to the actual tax becoming due, i.e. three percent (3%) per annum of the relevant non-exempt entity's direct or indirect proportional interest in the market value of French Real Estate as of 1 January, plus any applicable penalties and interest on the unpaid tax.

Each prospective Limited Partner and each Limited Partner should consult its own tax advisors or otherwise seek professional advice regarding the implications of French 3% Tax with respect to its own situation.

Summary of exemptions from the French 3% Tax

An entity may automatically benefit from (in the case of the exemptions summarized in 1, 2, 3, 4(i), 4(ii) and 4(iii) below, and may, upon filing, rely on (in the case of the exemption summarized in 4(iv)), the exemptions set out in Article 990 E of the French tax code. It is important to note that where an entity owning a direct or indirect interest in French Real Estate is able to rely on one of the exemptions summarized in 1, 2, 3, 4(i), 4(ii), and 4(iii) below, its Indirect Partners will not be required to avail themselves of an exemption.

1. An entity whose French assets are not predominantly real estate assets (Article 990 E 2-a of the French tax code)

   An entity which owns assets located in France is exempt from the French 3% Tax if the fair market value of French Real Estate is less than fifty percent (50%) of its total French assets. The numerator of the aforementioned fifty percent (50%) ratio does not take into account real estate assets located in France or real rights over these assets allocated to the professional activity of that entity or certain entities belonging to its group provided that activity is not a real estate activity.

2. International organizations, sovereign states and their political and local subdivisions (Article 990 E 1 of the French tax code)

   International organizations, sovereign states or their political and territorial sub-divisions are exempt from the French 3% Tax. The exemption also applies to any legal body, trust and similar institution whose share capital is held at more than fifty percent (50%) directly or indirectly by one sovereign State or which is established by one or more sovereign States predominantly for their benefit.

3. A listed entity and its wholly owned subsidiaries (Article 990 E 2-b of the French tax code)

   An entity whose shares, units or other types of rights are significantly and regularly traded on a regulated market is exempt from the French 3% Tax. The exemption also applies to legal entities which are wholly owned (or at least ninety-nine percent (99%) owned if a one hundred percent (100%) ownership is not permitted under applicable law), directly or indirectly, by an entity which is exempt from the French 3% Tax on the basis of its listing.

4. The following entities are exempt from the French 3% Tax, provided that their registered office and effective management place are located (a) in France, (b) in another EU Member State, (c) in a country or territory having entered into an agreement with France on administrative assistance to fight tax fraud and avoidance or (d) in a State having entered into a treaty with France allowing them to benefit from the same treatment as the entities having their registered office in France (i.e. treaty containing a non-discrimination clause) and provided that in both (c) and (d) cases they are entitled to benefit from the relevant treaty provisions:

   (i) Retirement or pension funds entities recognized as acting in the public interest and non-profit making entities (Article 990 E 3-b of the French tax code)

       Retirement or pension funds, entities recognized as acting in the public interest (*reconnues d'utilité publique*) and non-profit-making entities provided in all cases that the holding of the French Real Estate is justified either by the activities carried on by such entities or by the financing of such activities (i.e., the ownership of the assets or rights is justified if it provides a source of income used directly for the purpose of such entities).

(ii) French regulated property collective investment schemes or other non-French entities subject to similar regulations (Article 990 E 3-c of the French tax code)

French regulated property collective investment schemes constituted as French open-ended property investment companies (*sociétés de placement à prépondérance immobilière à capital variable*) or as open-ended property investment funds (*fonds de placement immobilier*) which are not constituted under the form of a professional collective property investment entity (*organisme professionel de placement collectif immobilier*) and any non-French entities subject to similar regulations in the State or territory where they are established.

(iii) Entities holding non-material French Real Estate (Article 990 E 3-a of the French tax code)

Entities holding directly or indirectly French Real Estate whose market value represents less than €100,000 or five percent (5%) of the market value of the French Real Estate (such thresholds being computed asset by asset).

(iv) Entities making annual filings (Article 990 E 3-d of the French tax code)

Entities (which could not rely on one of the exemptions set out in 1, 2, 3, 4, 4(i), 4(ii) and 4(iii) above) filing a form 2746 (or any successor form) with the French tax authorities on or before May 15 of each year in which the French 3% Tax would otherwise be due.

(v) Entities undertaking to disclose information (Article 990 E 3-d of the French tax code)

Entities (which could not rely on one of the exemptions set out in 1, 2, 3, 4(i), 4(ii) and 4(iii) above) undertaking to disclose to the French tax authorities, or any insurer or reinsurer upon request, certain information similar to that which would be included in the annual return, disclosing *inter alia* the identity and address of all shareholders, partners or members which own more than one percent (1%) of the shares or rights in such entity.

Application of the French 3% Tax to the Fund

The Fund and any of the legal entities through which the Fund invests or invested in French Real Estate (each a "**French Real Estate Holding Company**") are expected to be exempt from the French 3% Tax on the basis of the exemption set out in 4(iv) above, although there is no guarantee it will always be able to fully avail itself of the exemption. The Fund expects to file, on an annual basis with the French tax authorities, the specific information required, including the identities, addresses and number of Units held of all Limited Partners (both individuals and entities) holding more than one percent (1%) of the Fund to the extent the information is provided to it in order for the Fund and each French Real Estate Holding Company to avail itself of the exemption from the French 3% Tax to the extent possible.

Annual Filing Requirements for Limited Partners (and their Indirect Partners) seeking to rely on the annual filing exemption set out in 4(iv)

Subject to alternative arrangements agreed by the distributors and the AIFM and/or the Investment Manager, the Limited Partners and in each case their Indirect Partners, eligible for

French 3% Tax exemption due to the location of their registered seat or effective management place, which do not meet the non-material investment criteria to benefit from the exemption set out in 4(iii) above and rely on the annual filing exemption set out in 4(iv) above, are required to file with the French tax authorities an annual return (i.e. a form 2746, or any successor form) on or before May 15 of each year in which the French 3% Tax would otherwise be due. Limited Partners relying on this exemption are responsible for their own declarations.

If Limited Partners (and their Indirect Partners) rely on the exemption set out in 4(iv) above, they will provide to the AIFM by 15 June annually any evidence that is deemed satisfactory by the AIFM of their compliance (and the compliance of their Indirect Partners) with the annual filing requirements (including a copy of each filing made with the French tax authorities).

Without prejudice to the foregoing, and subject to alternative arrangements agreed by the distributors and the AIFM and/or the Investment Manager, such evidence, where applicable, will be required by the AIFM in its absolute discretion as part of being accepted into the Fund.

In addition, the French tax authorities may require further information or documentation, including in relation to the shareholder or the economic beneficiaries of an entity (including individuals), and in certain circumstances this may include evidence as to the tax residency of such shareholders or the economic beneficiaries of an entity (including individuals) and, where the entity is a trustee, details of the trust, its beneficiaries and its constitutive documents. Where requested, the relevant Limited Partners and their Indirect Partners will be required to promptly provide such information or documentation to the French tax authorities, or where applicable to the AIFM.