

Blackstone

BLACKSTONE PRIVATE EQUITY STRATEGIES FUND AUT

Product Disclosure Statement

ISSUED: 13 FEBRUARY 2026

CLASS A | APIR CHN6317AU

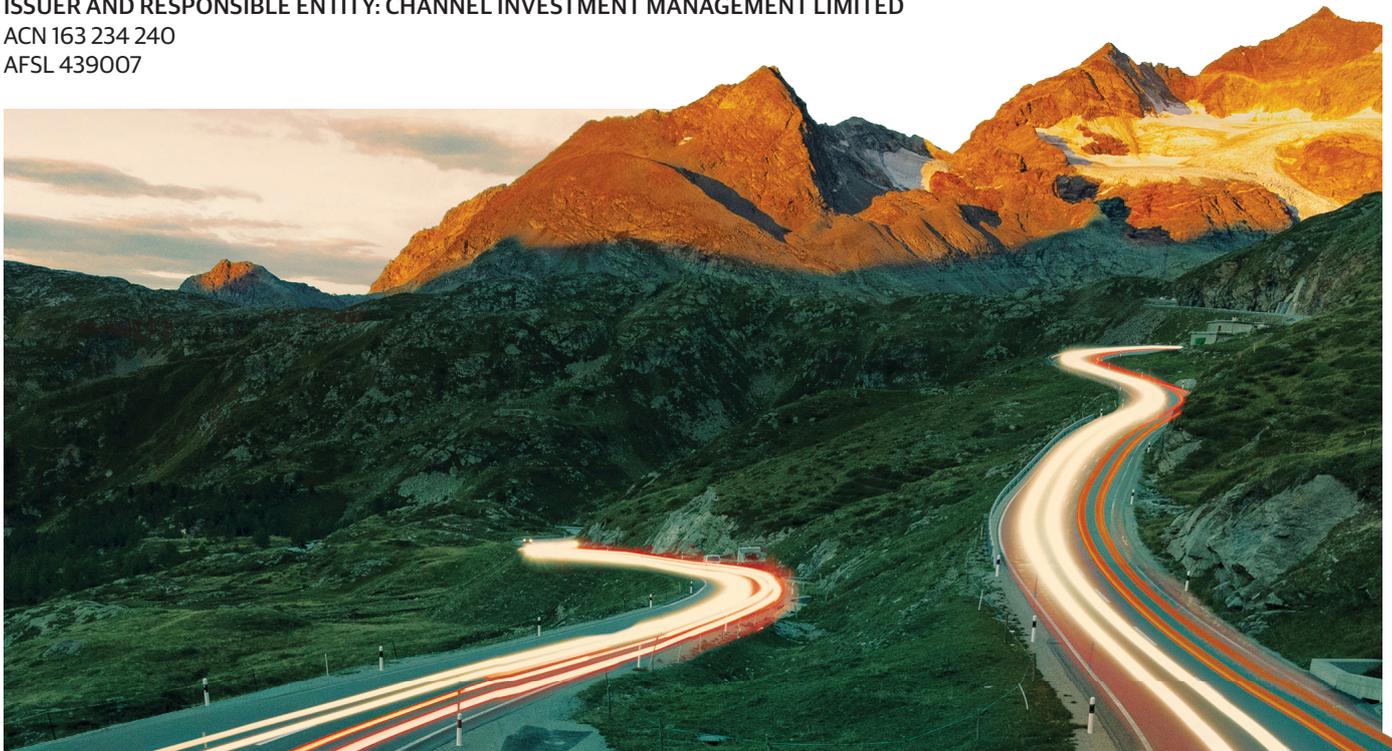
CLASS B | APIR CHN5666AU

ARSN 684 523 206

ISSUER AND RESPONSIBLE ENTITY: CHANNEL INVESTMENT MANAGEMENT LIMITED

ACN 163 234 240

AFSL 439007



Important Information

CIML IS THE RESPONSIBLE ENTITY OF THE FUND AND THE ISSUER OF THIS PRODUCT DISCLOSURE STATEMENT. BLACKSTONE IS NOT A RESPONSIBLE ENTITY, MANAGER, SPONSOR OR ADVISOR OF THE FUND. AN AFFILIATE OF BLACKSTONE INC. IS THE INVESTMENT MANAGER OF THE UNDERLYING FUND. OTHER THAN INFORMATION PROVIDED BY BLACKSTONE AND CONTAINED HEREIN REGARDING THE UNDERLYING FUND OR BLACKSTONE OR ANY OF THEIR AFFILIATED ENTITIES OR PORTFOLIO INVESTMENTS, BLACKSTONE HAS NOT BEEN INVOLVED IN THE PREPARATION OF THIS PRODUCT DISCLOSURE STATEMENT. THIS IS AN IMPORTANT DOCUMENT WHICH SHOULD BE READ IN ITS ENTIRETY BEFORE MAKING ANY INVESTMENT DECISION IN RELATION TO THE BLACKSTONE PRIVATE EQUITY STRATEGIES FUND AUT ARSN 684 523 206. YOU SHOULD OBTAIN INDEPENDENT ADVICE IF YOU HAVE ANY QUESTIONS ABOUT ANY OF THE MATTERS CONTAINED IN THIS PRODUCT DISCLOSURE STATEMENT.

This product disclosure statement ('PDS') pertaining to the Blackstone Private Equity Strategies Fund AUT ARSN 684 523 206 (the 'Fund') has been prepared solely in connection with the offer of Class A units ('Class A Units') and Class B units ('Class B Units'), in the Fund (together, 'Units') and is issued by Channel Investment Management Limited ACN 163 234 240 ('CIML' or 'Responsible Entity') as responsible entity of the Fund. The administrator of the Fund, and the registrar of the Fund is Apex Fund Services Pty Ltd ABN 81 118 902 891 ('Fund Administrator').

Units of the Fund issued under this PDS will be issued by CIML on the terms and conditions set out in the constitution of the Fund ('Constitution') and in this PDS.

This PDS is dated 13 February 2026.

References to "you" and "your" are references to an investor or prospective investor in the Fund.

This PDS is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment in Units in the Fund, as described in this PDS, and is not to be reproduced or distributed to any other person (other than professional advisers of the prospective investors so receiving it). The offer under this PDS is available to: (i) wholesale clients (as defined in section 761G of the Corporations Act 2001 (Cth) ('Corporations Act')); (ii) wholesale investors (within the meaning of clauses 3(2), 3(3)(a), 3(b)(i) and 3(b)(ii) of Schedule 1 of the Financial Markets Conduct Act 2013 (NZ) ('FMCA')) or persons who are close business associates of the offeror (within the meaning of clause 4 of Schedule 1 of the Financial Markets Conduct Act 2013 (NZ)) in New Zealand; (iii) investors investing through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('IDPS'); and (iv) persons to whom CIML or Blackstone Inc. (together with its affiliates, 'Blackstone') has notified as being eligible to participate in the offer and who have received this PDS (electronically or otherwise) within Australia or New Zealand, as applicable. Applications from outside Australia or New Zealand, or from applicants whom CIML or Blackstone have not notified as being eligible to participate in the offer, may not be accepted.

The information in this PDS is intended to be general information only and is not intended to be a recommendation to invest. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances. Prospective investors should read and understand this PDS in its entirety, rely upon their own enquiries

and take their own financial and taxation advice in deciding whether to invest. This PDS should be read in conjunction with the Constitution, which is available from CIML with this PDS or otherwise, upon request. You agree to be bound by the Constitution. If any provision of this PDS is inconsistent with the Constitution, then the Constitution prevails to the extent of the inconsistency.

Each prospective investor acknowledges that all offers and sales of Units are made in accordance with "Regulation S" promulgated under the U.S. Securities Act of 1933, as amended (the 'U.S. Securities Act') and the Units will not be registered under the U.S. Securities Act. Accordingly, Units will not be sold to any "U.S. person" as defined in and in accordance with Regulation S under the U.S. Securities Act and may not be offered, sold, pledged, or otherwise transferred in the United States or to or for the account of any U.S. persons absent registration or an applicable exemption from the registration requirements. By applying for Units, each prospective investor covenants, represents and warrants that the Units are being acquired by such prospective investor for its own account for investment purposes only and not with a view to resale or distribution. Each prospective investor acknowledges that they will not be a direct investor in the Underlying Fund and will not have privity of contract with the Underlying Fund and may not have recourse against the Underlying Fund with respect to the prospective investor's investment in the Fund.

Information in this PDS is subject to change from time to time. Information regarding the Fund that is not materially adverse may be updated without issuing a new or supplementary PDS. Such information may be obtained from the Fund's website at www.channelcapital.com.au/funds. A paper copy of any updated information will be provided on request free of charge from CIML.

Where investors in the Fund have provided CIML with their email addresses, CIML will send notices of meetings, other meeting-related documents, and annual financial reports electronically unless an investor in the Fund has elected to receive these in physical form and have notified CIML in writing of this election. As an investor in the Fund, you have the right to elect whether to receive some or all of these communications in electronic or physical form and the right to elect not to receive annual financial reports at all. You also have the right to elect to receive a single specified communication on an ad hoc basis, in an electronic or physical form.

In accordance with its obligations under the Corporations Act, CIML may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

An investment in the Fund is an interest in a registered managed investment scheme, and is not a bank deposit, bank security or other bank liability. In considering whether to invest in the Fund, prospective investors should consider the risks that could affect the financial performance of the Fund. Some of the risks affecting the Fund are summarised in section 6 of this PDS.

An investment in the Fund is not a deposit with, or liability of, CIML or any other company of the "Channel Capital" group, in which CIML is a part of. An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of CIML, Blackstone, the external custodian of the Fund, the Fund Administrator or their related entities, shareholders, directors or officers guarantees the performance of the Fund, the return of an investor's capital or any specific rate of return.

No person is authorised by CIML to give any information or make any representation in connection with the Fund that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by CIML.

Certain information contained in this PDS may constitute "forward-looking statements" that can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "estimate," "target," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology.

Furthermore, any projections or other estimates in this PDS, including estimates of returns or performance, are "forward-looking statements" and are based upon certain assumptions that may change. Due to various risks and uncertainties, including those set out under risks affecting the Fund summarised in section 6 of this PDS, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. The forward-looking statements included in this PDS involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CIML or Blackstone. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, investors in the Fund are cautioned to not place undue reliance on such forward-looking statements. Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this PDS are forward-looking statements and subject to this disclaimer.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

CIML has authorised the use of this PDS as disclosure to investors in the Fund and prospective investors who invest directly in the Fund, as well as investors and prospective investors of an IDPS. This PDS is available for use by persons applying for the Fund's Units through an IDPS ('**Indirect Investors**').

The operator of an IDPS is referred to in this PDS as the '**IDPS Operator**' and the disclosure document for an IDPS is referred to as the '**IDPS Guide**'. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read the IDPS Guide before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become an investor in the Fund or have the rights of investors in the Fund. The IDPS Operator becomes the investor in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights on an Indirect Investor's behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can make an indirect investment in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. CIML accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS or to withdraw the PDS from circulation if required by CIML.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

Any photographs, images, charts and diagrams in this PDS are for illustrative purposes only and may not represent any current or proposed investments of the Fund.

All amounts quoted in this PDS are in Australian Dollars ('**AUD**') unless stated otherwise. Capitalised terms have the meaning given to those terms in section 14 of this PDS, unless the context otherwise requires.

Notice to residents of New Zealand

This PDS and the information contained in or accompanying this PDS

are not, and are under no circumstances to be construed as, an offer of financial products for issue requiring disclosure to an investor under Part 3 of the FMCA. This PDS and the information contained in or accompanying this PDS have not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the FMCA. This PDS and the information contained in or accompanying this PDS is not a disclosure document under New Zealand law and does not contain all the information that a disclosure document is required to contain under New Zealand law.

Any offer or sale of any Units in the Fund described in these materials in New Zealand will be made only:

- (a) to a person who is required to pay a minimum of NZ\$750,000 in respect of each Class of Units on acceptance of the offer of those Class of Units;
- (b) to a person who is an investment business within the meaning of clause 37 of Schedule 1 of the FMCA;
- (c) to a person who meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMCA;
- (d) to a person who is large within the meaning of clause 39 of Schedule 1 of the FMCA;
- (e) to a person who is a government agency within the meaning of clause 40 of Schedule 1 of the FMCA;
- (f) to a person who is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMCA; or
- (g) to a person who is a close business associate within the meaning of clause 4 of Schedule 1 of the FMCA of the offeror.

In subscribing for Units in the Fund each investor represents and agrees that it is not acquiring those Units in the Fund with a view to dealing with them (or any of them) other than where an exclusion under Part 1 of Schedule 1 of the FMCA applies to such dealing and, accordingly:

- it has not offered or sold, and will not offer or sell, directly or indirectly, any Units in the Fund; and
- it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Units in the Fund,

in each case in New Zealand within 12 months after the issue of Units to that investor other than to persons who meet the criteria set out in paragraphs (a) to (g) above.

Notice to residents of New Zealand who are wholesale investors within clause 3(3)(b)(i) of Schedule 1 of the FMCA (NZ\$750,000 minimum investment – paragraph (a) above).

Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ\$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

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1. Key Fund information

This table contains a summary of the key features of the Fund and the Units and should be read in conjunction with the more detailed information appearing elsewhere in this PDS. You should read the PDS in full before deciding whether to invest. Please refer to the Glossary (section 14) for definitions of terms. For further information on the key features outlined below, please refer to the sections noted below. If you are in doubt as to the course you should follow, please consult your professional adviser(s).

Fund Features	Summary	Section(s)
Responsible Entity	Channel Investment Management Limited ACN 163 234 240 AFSL 439007 (' CIML ' or ' Responsible Entity ').	2
Fund Name	Blackstone Private Equity Strategies Fund AUT (' Fund ').	3 and 4
Underlying Fund	Blackstone Private Equity Strategies Fund SICAV (' Underlying Fund ' or ' BXPE Feeder SICAV '). The Fund will invest in a sub-fund of BXPE Feeder SICAV, initially BXPE Feeder SICAV - I.	3 and 4
Master Fund	Blackstone Private Equity Strategies Fund (Master) FCP (' Master Fund ' or ' BXPE Master FCP ').	3 and 4
Underlying Fund Alternative Investment Fund Manager	Blackstone Europe Fund Management S.à r.l. (' Underlying Fund AIFM ').	4.3
Underlying Fund Investment Manager	Blackstone Private Investments Advisors L.L.C. (' Underlying Fund Investment Manager '). The Underlying Fund Investment Manager has delegated portfolio management function for a portion of BXPE Master FCP's investments to Blackstone Credit Systematic Strategies LLC, Blackstone Liquid Credit Strategies LLC and Blackstone Private Credit Strategies LLC and/or any successor sub-investment manager(s) of BXPE.	4.3
Investment objective and strategy	<p>The Fund aims to achieve medium to long-term capital appreciation and modest current income by investing primarily in AUD-denominated shares ('Shares') of the Underlying Fund. The amounts raised from Class A Units may be invested in the class I-I_{A-AUD} Shares of the Underlying Fund (which generally is not expected to engage in currency hedging with respect to non-AUD exposure). The amounts raised from Class B Units may be invested in the class I-I_{A-AUD-H} Shares of the Underlying Fund (which generally is expected to engage in currency hedging with respect to non-AUD exposure).</p> <p>For further details on the investment objective and strategy, please refer to section 4 of this PDS. The Fund cannot assure you that it will achieve its investment objectives.</p>	4.2
Underlying Fund investment objective and strategy	<p>The Underlying Fund will seek to deliver medium to long-term capital appreciation and, to a lesser extent, generate modest current income. The Underlying Fund will primarily focus on privately negotiated, equity-oriented investments, diversified across geographies and sectors. The Underlying Fund will seek to provide access to and leverage the talent and investment capabilities of Blackstone's private equity platform (the 'PE Platform') to create an attractive portfolio of diversified, alternative investments.</p> <p>The Underlying Fund will invest, as a feeder fund, all or substantially all of its assets into one or more sub-funds of the Master Fund, a master fund organised as a Luxembourg mutual fund (<i>fonds commun de placement</i>). The sub-fund(s) of the Master Fund will invest through a subsidiary established as a Luxembourg special limited partnership (<i>société en commandite spéciale</i>) for the purpose of indirectly holding the Master Fund's Investments (the 'BXPE Aggregator').</p> <p>For further details on the Underlying Fund's investment objective and strategy, please refer to section 4 of this PDS.</p> <p>The Underlying Fund cannot assure CIML that it will achieve its investment objectives.</p>	4.3
Fund Base Currency	Australian dollars (' AUD ').	
Underlying Fund Base Currency	United States dollars (' USD ').	
Currency Hedging	Not applicable at the Fund level; for hedging in respect of AUD-USD exposure, generally expected to occur at the Underlying Fund level with respect to Class B units only.	
Unit Pricing	Monthly on the last Calendar Day of each month (released 25 Business Days following the last Calendar Day of each month) or more frequently as determined by CIML.	7.2
Minimum suggested investment timeframe	<p>At least five (5) years.</p> <p>The Units are designed as a medium to long-term investment for investors who have a limited need for liquidity in their investment. The Fund is therefore not suitable for investors who depend on the short-term availability of their funds.</p>	
Minimum initial investment ¹	\$50,000.	9.1

Minimum additional investment	No minimum.	9.2
Minimum investment balance ¹	\$50,000.	9.1
Minimum redemption amount	No minimum.	9.3
Management fees and costs	<p>Class A Units</p> <p>The management fees and costs of the Fund referable to the Class A Units are estimated to be 2.3525% p.a. of the net asset value ('NAV') of the Fund referable to the Class A Units which comprises of the following components:</p> <ul style="list-style-type: none"> • a management fee of 0.1025% p.a. of the NAV of the Fund referable to the Class A Units; and • an estimated indirect costs of 1.75% p.a. of the NAV of the Fund referable to the Class A Units, which comprises of the: <ul style="list-style-type: none"> • Underlying Fund's management fee of 1.25% p.a.; • Underlying Fund's estimated expenses of 0.50% p.a.; and • estimated expense recoveries of 0.50% p.a. of the NAV of the Fund referable to the Class A Units. <p>Class B Units</p> <p>The management fees and costs of the Fund referable to the Class B Units are estimated to be 2.3525% p.a. of the NAV of the Fund referable to the Class B Units which comprises of the following components:</p> <ul style="list-style-type: none"> • A management fee of 0.1025% p.a. of the NAV of the Fund referable to the Class B Units; and • an estimated indirect costs of the 1.75% p.a. of the NAV of the Fund referable to the Class B Units, which comprises of the: <ul style="list-style-type: none"> • Underlying Fund's management fee of the 1.25% p.a. • Underlying Fund's estimated expenses of 0.50% p.a.; and • estimated expense recoveries of 0.50% p.a. of the NAV of the Fund referable to the Class B Units 	
Performance fees	<p>The Fund</p> <p>Nil.</p> <p>The Underlying Fund</p> <p>Performance fees charged by interposed vehicles below the Underlying Fund, specifically the BXPE Aggregator, are reflected in the Underlying Fund's NAV and therefore the value of the Fund's investment in the Underlying Fund.</p> <p>The general partner of the BXPE Aggregator is entitled to be paid a performance fee from the BXPE Aggregator, in the form of a performance participation allocation, which is borne by the Underlying Fund by virtue of its indirect investment in the BXPE Aggregator.</p> <p>For further details on the performance fee of the Underlying Fund, please refer to section 8.4 of this PDS.</p>	8
Applications	<p>Processed monthly as of the last Calendar Day of each month or more frequently as determined by CIML.</p> <p>The application form, together with the application monies, must be received by 12 noon (Sydney, New South Wales time), seven (7) Business Days prior to the last Calendar Day of the month.</p>	9
Redemptions	<p>Withdrawal requests for the Fund will be processed quarterly as of the last Calendar Day of each quarter, subject to available liquidity. However, CIML may, but is not required to, permit investors to redeem their Units, on such terms as it may from time to time determine and investors do not have an automatic right to redeem their units. CIML has the discretion to accept or reject redemption requests, or a portion of that request, for any reason.</p> <p>Unless a 'Periodic Redemption Period' is otherwise determined by CIML under the Constitution, requests must be received by 12 noon (Sydney, New South Wales time), seven (7) Business Days before the last Business Day of the first month of the applicable quarter, and will be processed as at the last Calendar Day of the quarter (the 'Redemption Date'). For the avoidance of doubt, a withdrawal request for a Redemption Date of 30 June would be due seven (7) Business Days prior to the last Business Day of April.</p> <p>CIML may waive notice periods and has the right to suspend redemptions. Rejected requests will not carry over to the next period. While redemption proceeds are expected quarterly, CIML may take up to 1,055 Calendar Days after the date on which a redemption request is accepted to process redemptions if the Fund is liquid, with proceeds paid within 50 Calendar Days following the redemption. If the Fund is not liquid, redemptions can only occur under regulated offers as per the Corporations Act.</p> <p>Refer to sections 6 and 9 of this PDS for risks and further information on the Fund's withdrawals and liquidity.</p>	6 and 9

Distributions	<p>The shares in the Underlying Fund referable to the Units will be accumulating shares, whereby the Underlying Fund intends to reinvest earnings related to such shares on an ad hoc basis. There is no guarantee that the Underlying Fund will make distributions for accumulating shares.</p> <p>It is expected that the Fund will distribute annually with respect to the Units for the period ending 30 June, where income is available, and it is expected that proceeds will be distributed as soon as practicable.</p> <p>Where the Fund has distributable income available with respect to the Units, the Fund will endeavour to generate liquidity pursuant to withdrawal requests submitted by any Investor, subject to the terms and restrictions set forth by the Underlying Fund.</p> <p>On the application form you can elect to re-invest your distributions as additional Class A Units or Class B Units (as applicable, provided that distributions for a given Class of Units may only be reinvested in Units of the same Class), or to receive your income by direct credit to your nominated bank account. If no election is made, distributions will be re-invested. The Fund's ability to pay a distribution is contingent on the income it receives from its investment in the Underlying Fund. Distribution proceeds received by the Fund will be paid to you in AUD.</p> <p>There is no guarantee that the Underlying Fund will make distributions to the Fund, and any distributions to the Fund will be made at the discretion of the Underlying Fund Board of Directors (as defined in section 4 to this PDS) or its delegate.</p>	7.3
Liquidity of assets	<p>The assets of both the Underlying Fund and the Master Fund are generally expected to be illiquid. This illiquidity may restrict the Fund's ability to redeem its holdings in the Underlying Fund. Consequently, it may also limit the Underlying Fund's ability to redeem its holdings in the Master Fund and CIML's ability to process redemptions from the Fund. Investors should carefully consider these factors when deciding whether to invest in the Fund.</p>	6 and 9.3

¹ CIML has discretion to accept lower amounts.

2. About CIML

Channel Investment Management Limited ACN 163 234 240 AFSL 439007 is a trustee/responsible entity and manager of a number of managed investment schemes and is the issuer of this PDS. Channel Capital Pty Ltd ACN 162 591 568 ('Channel') provides investment management infrastructure and services across multiple asset classes and is the holding company of CIML. Channel is an authorised representative (authorised representative number 001274413) of CIML's Australian Financial Services Licence.

CIML is licensed under the Corporations Act to act as responsible entity of the Fund. CIML is responsible for managing the Fund in accordance with the Corporations Act and the Constitution. You can obtain a copy of the Constitution by contacting CIML in writing and requesting a copy be made available to you.

CIML and its holding company, Channel, have forged strategic partnerships with international and Australian fund managers across a range of different asset classes including Australian and global securities, alternative investments and fixed interest securities.

3. About Blackstone and BXPE Feeder SICAV

Blackstone is one of the world's leading investment firms. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, and the communities in which it works. Blackstone does this by utilising extraordinary people and flexible capital to help companies solve problems. Blackstone's asset management businesses include investment vehicles focused on private equity, secondary funds, tactical opportunities, real estate, credit, infrastructure, insurance solutions and hedge fund solutions, all on a global basis.

Blackstone's PE platform

Blackstone's PE platform encompasses global businesses across the spectrum of private equity investment strategies. The key sub-strategies of the Blackstone's PE Platform include:

- (i) **Buyout:** Buyout investments include control or control-oriented investments in companies with durable businesses. These strategies invest across sectors, industries and geographies, with a focus on business quality, cash flow and actively improving the operations of companies.
- (ii) **Growth:** Growth-oriented investments include investments in businesses that are growing and looking to further accelerate that growth to achieve market leading positions in their respective markets. These strategies apply a thematic approach to investing across secular growth trends.
- (iii) **Opportunistic:** Opportunistic investments include investment opportunities across a wide range of asset classes, sectors, industries, geographies and places in the capital structure. These are typically structured as preferred and structured equity investments, asset purchases or contractual arrangements that generate a yield with a focus on downside protection and less volatile returns.
- (iv) **Secondaries:** Secondary investments (transactions relating to interests in private funds in the secondary market) include transactions across traditional limited partner secondaries as well as general partner or sponsor-led secondaries. Traditional limited partner transactions include secondary market purchases of limited partner interests in mature private funds from original holders seeking liquidity across diverse portfolios. General partner-led transactions include, among other things, secondary transactions involving partial portfolios, fund continuation vehicles, recapitalisations, preferred equity arrangements and other structured solutions.

Blackstone Private Equity Strategies Fund Overview

BXPE is a private equity investment program operated through several entities and the term '**BXPE**' is used throughout this PDS to refer to the program as a whole. The primary vehicles for investors to subscribe to BXPE are BXPE Feeder SICAV and BXPE Master FCP, and investors are able to elect which entity to invest into based on their personal investment preference. BXPE Master FCP is the master fund for BXPE Feeder SICAV and both entities are umbrella funds with sub-funds. The Fund will be investing in BXPE through its investment in a sub-fund of BXPE Feeder SICAV, initially BXPE Feeder SICAV - I.

BXPE will seek to deliver medium to long-term capital appreciation and, to a lesser extent, generate modest current income. BXPE will primarily focus on privately negotiated, equity-oriented investments, diversified across geographies and sectors.

Investment Strategy of BXPE

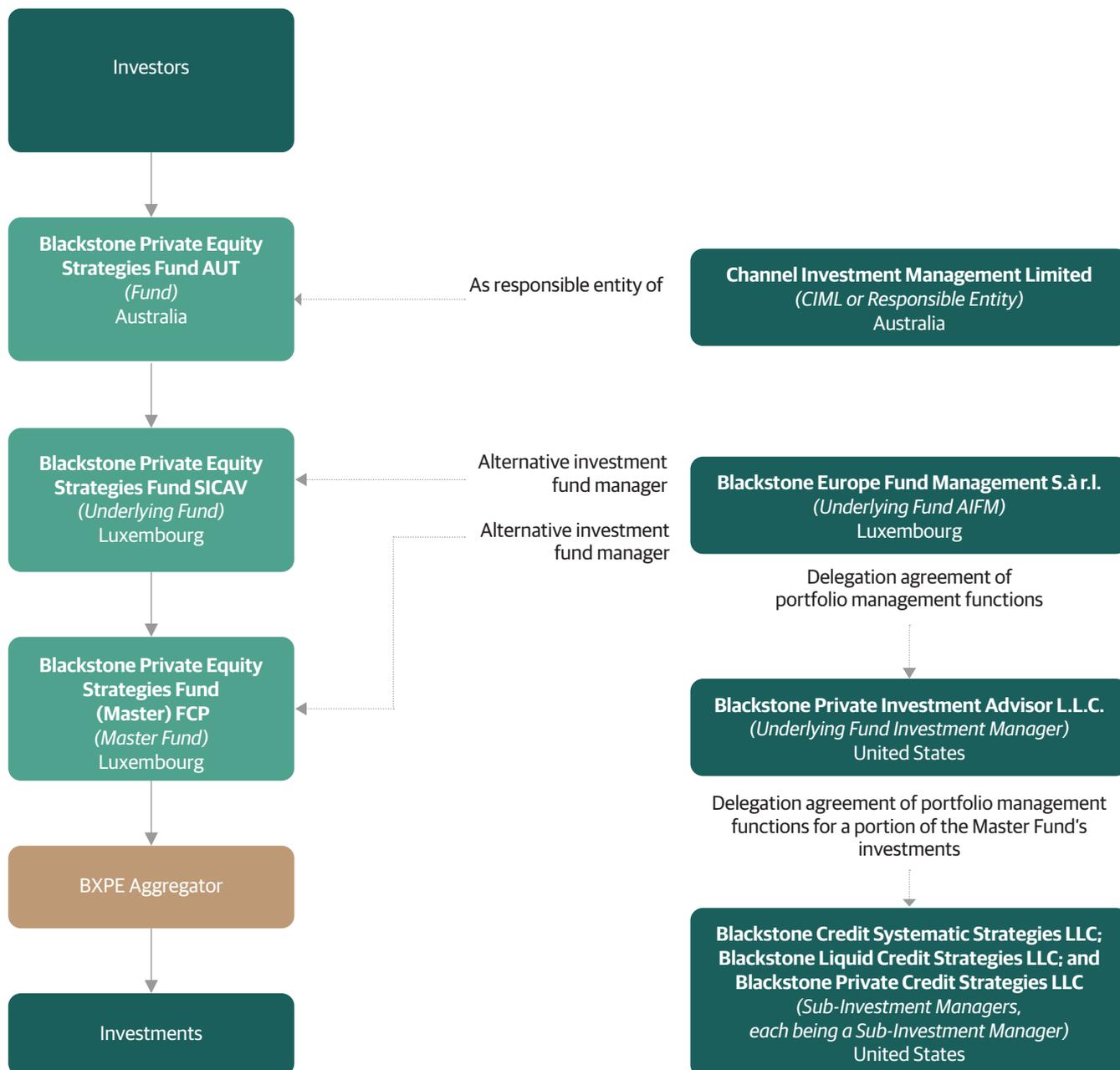
BXPE will primarily invest in privately negotiated, equity-oriented investments ('**Private Equity Investments**'), leveraging the talent and investment capabilities of Blackstone's PE Platform to create an attractive portfolio of alternative investments diversified across geographies and sectors. BXPE will employ Blackstone's thematic, sector-based approach to private equity investing with a focus on transactions where its scale, brand and/or operating intervention capabilities will create competitive advantages for BXPE. BXPE intends to remain a disciplined, value-oriented investor engaged in building portfolio companies by supporting management teams and business plans, improving operations, providing access to the Blackstone ecosystem and evaluating and participating in follow-on investments to support growth.

To a lesser extent BXPE will also invest in debt and other securities, including but not limited to loans, debt securities, public equities, collateralised debt obligations, collateralised loan obligations, asset-backed securities, mortgage-backed securities and other securitised products, derivatives, money market instruments, cash and cash equivalents ('**Debt and Other Securities**'). Debt and Other Securities may be used to generate income, facilitate capital deployment and provide a potential source of liquidity.

4. The Fund, the Underlying Fund and the Master Fund

4.1 Structure diagram

Set out below is a diagram of the investment structure of the Fund, the Underlying Fund and the Master Fund.



4.2 The Fund

About the Fund

The Fund is an unlisted Australian unit trust registered as a managed investment scheme. This PDS relates to Class A Units and Class B Units of the Fund (together, **Units**). The Fund primarily obtains its investment exposure by investing in an Australian dollar denominated “accumulating” share class of the Underlying Fund.

Investment Objective and Strategy

The Fund’s primary investment objective for is to achieve medium to long-term capital appreciation and, to a lesser extent, generate modest current income. To realise this objective, the Fund will invest all, or substantially all, of its capital into the Australian dollar denominated “accumulating” share classes of the Underlying Fund. The Underlying Fund’s investment mandate and strategy are designed to identify and pursue opportunities that support the creation of long-term value.

Consistent with this approach, the Fund intends to maintain only a minimal cash balance, limited to amounts required for short-term operational purposes. The Fund will not engage in the use of leverage or currency hedging, enter into derivative contracts or partake in short selling for its investment in the Underlying Fund with respect to either Class A Units or Class B Units, however amounts raised from Class B Units may be invested in a ‘hedged’ class (or classes) of Shares of the Underlying Fund that may have exposure to such instruments in order to hedge against the impact of movements between in AUD and USD.

There can be no guarantee that the Fund will achieve its investment objective, as the value of investments and the return on them may vary over time. In the event the Fund’s investment objective or strategy is materially altered, CIML will notify investors in accordance with its obligations under the Corporations Act and any other applicable regulatory requirements.

Liquidity

Since CIML invests all or substantially all of the Fund’s assets in shares of the Underlying Fund, CIML does not reasonably expect to realise at least 80% of its assets at the value ascribed to those assets in calculating the Underlying Fund’s net asset value, within 10 days of the date that a value is ascribed to the asset.

The Fund, however, is expected to be a “liquid scheme”, as defined in section 601KA of the Corporations Act, since it reasonably expects that the property of the Fund can be realised for its market value within the period specified in the Constitution for satisfying withdrawal requests, being a period of up to 1,055 days. Despite this, investors do not have an absolute right to withdraw from the Fund. The discretion to accept or decline redemption requests lies with CIML (see “Withdrawal Risk” in section 6).

Key Service Providers

CIML has appointed Ernst & Young (**‘Fund Auditor’**) as the auditor of the Fund. The role of the Fund Auditor in respect of the Fund is to provide an opinion whether the financial statements and compliance plan of the Fund is in accordance with the Corporations Act.

CIML has appointed an external custodian, Citibank, N.A. Hong Kong Branch, to manage the cash and cash-like assets of the Fund, and CIML will provide self-custody services of the non-cash assets of the Fund, including the Shares, (collectively, the **‘Fund Custodians’**) who together will provide custodial services to the Fund. The Fund Custodians are responsible for holding the Fund’s assets and, among other things, arranging for settlement of sales and purchases of assets. In accordance with Australian regulatory requirements, (including but not limited to the relevant standards for custodial agreements where an external custodian has been appointed), the Fund Custodians ensure the safekeeping of assets, proper segregation, accurate record-

keeping, and timely reporting. The Fund’s custodial arrangements comply with the applicable legal and regulatory obligations to safeguard investor interests and maintain the integrity and security of the Fund’s assets. In relation to self-custody, CIML has policies and procedures in place to ensure that this is managed to the minimum standards for holding scheme assets as prescribed in section 601FCAA of the Corporations Act, as amended by ASIC Corporations (Asset Holding Standards for Responsible Entities) Instrument 2024/16.

Apex Fund Services Pty Ltd ABN 81 118 902 891 (**‘Fund Administrator’**) has been appointed as the administrator and registrar of the Fund. The Fund Administrator provides fund administration services including independent unit pricing, administration and registry services, and some accounting services for the Fund.

Indemnifications

Under the Constitution, the Fund’s responsible entity is entitled to be indemnified from the assets of the Fund for any expenses, losses, damages or liabilities it incurs while acting in connection with the Fund, in addition to any indemnity allowed by law. This entitlement continues after the termination of the Constitution and can be claimed against the Fund’s assets, except where the Fund’s responsible entity fails to properly perform its duties. The Fund’s responsible entity also has a lien over the Fund’s assets to cover its costs and expenses relating to the management and winding up of the Fund. Subject to all applicable standards, the Fund’s responsible entity will not be liable for certain matters, including changes in the value or performance of the assets, the acts or omissions of external advisers, or reliance on information reasonably believed to be accurate. Unitholders in the Fund are not liable for any debts of the Fund’s responsible entity, nor are they obliged to indemnify it or its creditors for liabilities incurred in connection with the Fund, unless the Fund’s responsible entity incurs a liability for tax, fees or similar charges arising from that unitholder’s acts or omissions. In that event, the Fund’s responsible entity may be indemnified by the relevant unitholder or former unitholder for such costs. This indemnity is separate from any rights the Fund’s responsible entity has at law or in equity, remains in force even if the Fund’s responsible entity retires or is removed, and does not create a partnership or agency relationship between the Fund’s responsible entity and the Fund’s unitholders.

4.3 Underlying Fund and Master Fund

About the Underlying Fund

The Underlying Fund is a multi-compartment Luxembourg investment company with variable capital (*société d’investissement à capital variable*), governed by Part II of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment, as amended (the **‘2010 Law’**), and established as a public limited liability company (*société anonyme*) in accordance with the law of August 10, 1915 on commercial companies, as amended. The Underlying Fund is authorised and supervised by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier*.

The Underlying Fund has a multi-compartment structure and therefore consists of at least one ring-fenced sub-fund (each, a **‘Sub-Fund’**). Each Sub-Fund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of the Underlying Fund’s shareholders and creditors concerning a Sub-Fund or which have arisen in relation to the establishment, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. No Sub-Fund will be liable with its assets for the liabilities of another Sub-Fund.

Investment objective and strategy

Investment objective

The Underlying Fund will seek to achieve medium to long-term capital appreciation and, to a lesser extent, generate modest current income. The Underlying Fund will primarily focus on privately negotiated, equity-oriented investments, diversified across geographies and sectors.

The Underlying Fund will seek to provide access to and leverage the talent and investment capabilities of Blackstone's PE Platform to create an attractive portfolio of diversified, alternative investments.

To a lesser extent the Underlying Fund will also invest in debt and other securities including loans, debt securities, public equities, collateralised debt obligations, collateralised loan obligations, asset-back securities, mortgage-backed securities and other securitised products, derivatives, money market instruments, cash and cash equivalents to generate income, facilitate capital deployment and provide a potential source of liquidity.

Investment strategy

Underlying Fund

The Underlying Fund will invest, as a feeder fund, all or substantially all of its assets into one or more sub-funds of the Master Fund, a master fund organised as a Luxembourg mutual fund (*fonds commun de placement*). The sub-fund(s) of the Master Fund will invest through the BXPE Aggregator, a subsidiary established as a Luxembourg special limited partnership (*société en commandite spéciale*) for the purpose of indirectly holding the Master Fund's Investments (as defined below). Accordingly, the Fund's exposure is, through the Underlying Fund, ultimately linked to the Master Fund's investment activities conducted via the BXPE Aggregator. *Master Fund*

The Master Fund will primarily invest in Private Equity Investments, leveraging the talent and investment capabilities of the Blackstone's PE Platform to create an attractive portfolio of alternative investments diversified across geographies and sectors. The Master Fund may access Private Equity Investments in a variety of ways, including through:

- (1) investments in companies and other private assets ('**Direct Investments**');
- (2) secondary market purchases of existing investments in established funds managed by Blackstone affiliates or third-party managers ('**Secondary Investments**'); and
- (3) capital commitments to commingled, blind pool investment funds managed by Blackstone or by third-party managers ('**Primary Commitments**').

Direct Investments may include, without limitation, private and public investments in equity instruments, preferred equity instruments, convertible debt or equity derivative instruments, warrants, options, "PIK" (paid-in-kind) notes, mezzanine debt and "PIPE" (private investments in public equity) transactions.

To a lesser extent the Master Fund will also invest in Debt and Other Securities. Each investment in Direct Investments, Secondary Investments, Primary Commitments and Debt and Other Securities, whether held directly or through an intermediate vehicle, is referred to as an '**Investment**'. The Master Fund may make Investments through special purpose vehicles, operating companies or platforms, joint ventures, other investment vehicles and listed companies.

The Master Fund will generally seek to invest at least 80% of its NAV in Private Equity Investments and up to 20% of its NAV in Debt and Other Securities.¹ The Master Fund's Investments may vary materially

from these indicative investment strategies, including due to factors such as a large inflow of capital over a short period of time, BX Managers' (as defined below) assessment of the relative attractiveness of opportunities (see definition of BX Managers under Key Service Providers below), or an increase in anticipated cash requirements or a request by a shareholder of the Underlying Fund to have some or all of its shares in the Underlying Fund redeemed by the Underlying Fund and subject to any limitations or requirements relating to applicable law. For the avoidance of doubt, such Investment allocations do not directly concern the investments made by the Underlying Fund but rather the indirect investments of the Master Fund. Certain Investments could be characterised by the Underlying Fund Investment Manager, in its discretion, as either Private Equity Investments, Direct Investments or Debt and Other Securities depending on the terms and characteristics of such Investments.

The Master Fund will make Investments by investing in or alongside Other Blackstone Accounts (subject to the terms and conditions of such Other Blackstone Accounts' governing documents). The Master Fund may acquire majority-owned interests and/or controlling interests, either through voting rights or management rights, in certain of its Direct Investments. '**Other Blackstone Accounts**' are, as the context requires, individually and collectively, any of the following: investment funds, vehicles, accounts, products and/or other similar arrangements sponsored, advised, and/or managed by Blackstone or its affiliates, whether currently in existence or subsequently established (in each case, including any related successor funds, alternative vehicles, supplemental capital vehicles, surge funds, over-flow funds, co-investment vehicles and other entities formed in connection with Blackstone or its affiliates side-by-side or additional general partner investments with respect thereto) including BXPE US (as defined below).

The Master Fund is subject to certain investment restrictions, as outlined below, designed to promote diversification and manage risk. These restrictions apply on a "look-through" basis to investments made directly or indirectly through the BXPE Aggregator, ensuring that no single investment overly dominates the Master Fund's portfolio:

(1) **20% Diversification Requirement**

In accordance with applicable regulatory guidance, the Master Fund will not at any one time directly or indirectly, through the BXPE Aggregator, invest and hold more than 20% of its NAV in any single Investment, as measured at the time of acquisition; 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 Investment (including the exercise of rights attached to an Investment). Notwithstanding the preceding sentence, the foregoing 20% diversification requirement will not be deemed to be breached as a result of changes in the price or value of Investments solely due to movements in the market or as a result of any other events out of the control of the Underlying Fund Investment Manager; provided that in such circumstances the Underlying Fund Investment Manager shall take reasonable steps to bring the Master Fund within the 20% diversification requirement, except where the Underlying Fund Investment Manager reasonably believes doing so would be prejudicial to the interests of the Underlying Fund, the Master Fund, or any of their respective underlying investors. This 20% diversification requirement will not apply during a ramp-up period of up to four years after the initial subscription to the Underlying Fund is accepted. Furthermore, this restriction shall not apply in respect of collective investment schemes or any other investment vehicles which provide investors access to a diversified

¹ BXPE's investments at any given time may exceed and/or otherwise vary materially from the allocation ranges described herein (including but not limited to during the ramp-up period). Notwithstanding the preceding sentence, BXPE's investment in collateralised debt obligations, collateralised loan obligations, asset-backed securities, mortgage-backed securities and other securitised products are not intended to exceed 20% of its NAV, but may exceed this limit from time to time and on a temporary basis.

pool of assets.

(2) 50% Restriction on Primary Commitments

The Master Fund will not at any one time directly, or indirectly through the BXPE Aggregator, commit more than 50% of its NAV to Primary Commitments at any given time, as measured at the time of initial commitment; provided that no remedial action will be required if such restriction is exceeded for any reason other than making a new Primary Commitment (including the exercise of rights attached to an Investment). This 50% restriction will not apply during a ramp-up period of up to four years after the initial subscription to the Underlying Fund is accepted.

For the avoidance of doubt, these restrictions are subject to any modification or further limitation in each Sub-Fund, as further stated in the appendix applicable to such Sub-Fund in the Underlying Fund's prospectus.

For the purpose of the foregoing limitations, the amount invested in any Investment will be net of leverage or other additional indebtedness that the Underlying Fund Investment Manager deems related to the Investment being acquired, whether incurred, allocated or expected specifically at the Investment level or incurred, allocated or expected from other vehicle indebtedness.

Structure of Investments

The Underlying Fund will invest all or substantially all of its assets into one or more sub-funds of the Master Fund, which in turn invests, directly or indirectly, through the BXPE Aggregator.

The BXPE Aggregator may invest alongside Blackstone Private Equity Strategies Fund LP, a Delaware limited partnership (together with any feeder fund thereof '**BXPE US**'). While BXPE and BXPE US have similar investment objectives and strategies, are expected to have overlapping investment portfolios and together form the '**BXPE Fund Program**', BXPE and BXPE US will be operated as distinct entities and investment structures.

If it considers it appropriate for legal, tax, regulatory, accounting, compliance, structuring, policy and/or other considerations of the Underlying Fund or of certain current or prospective Underlying Fund's shareholders, the Underlying Fund Investment Manager, or any of its affiliates may, in its sole discretion, cause the BXPE Aggregator and/or any Parallel Entities (as defined below) to hold certain investments directly or indirectly through entities or vehicles, including but not limited to (i) entities or vehicles that may elect to be classified as corporations for U.S. federal income tax purposes, whether formed in a U.S. or non-U.S. jurisdiction (each a '**US Classified Corporation**') or (ii) entities or vehicles that are not classified as corporations for U.S. federal income tax purposes (each, a '**Lower Entity**', and together with any US Classified Corporation, '**Intermediate Entities**'). The Underlying Fund Investment Manager's management fees and performance participation allocations may be paid or allocated, as applicable, in whole or in part, at the level of BXPE Aggregator or any such Lower Entity and will generally not take into account any accrued and unpaid taxes of any Intermediate Entity through which BXPE Aggregator indirectly invests in an Investment or taxes paid by any such Intermediate Entity during the applicable reference period or month (as the case may be).

Parallel Entities

If it considers it appropriate for any legal, tax, regulatory, accounting, compliance, structuring, policy and/or other considerations of the Underlying Fund or of certain current or prospective Underlying Fund's shareholders, the Underlying Fund Investment Manager, or any of its affiliates may, in its sole discretion, establish one or more parallel vehicles to invest alongside Underlying Fund and/or the Master Fund (as determined in the Underlying Fund Investment Manager's discretion but excluding BXPE US, '**Parallel Vehicles**'), which may not have investment objectives and/or strategies that are identical to the investment objectives and strategies of the Underlying Fund

and/or feeder vehicles to invest through the Master Fund ('**Feeder Vehicles**'), and collectively with selected parallel entities, Parallel Vehicles and BXPE Aggregator Parallel Vehicles, but excluding BXPE US '**Parallel Entities**'). The costs and expenses associated with the organisation 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 Underlying Fund, the Master Fund, the BXPE 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, accounting, compliance, structuring, policy and/or other considerations mentioned above, the available information relating to and the terms of such Parallel Entities may differ substantially from the available information relating to and the terms of the Underlying Fund and may contain different rights, benefits, powers or duties and terms, including with respect to fees, distributions and liquidity. In particular, such differences may cause investors subscribing or redeeming into Parallel Entities to subscribe at, or have their shares or units redeemed at, a different NAV per share or unit in the corresponding Parallel Entities than in the Master Fund or the Underlying Fund.

If it considers it appropriate for any legal, tax, regulatory, accounting, compliance, structuring, policy and/or other considerations, the Investment Manager or any of its affiliates may, in its sole discretion, establish and introduce one or more intermediate entities through which the Master Fund and/or any Parallel Entities shall invest in the BXPE Aggregator.

Leverage

The Underlying Fund may utilise 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 Underlying Fund will not incur indebtedness, directly or indirectly, that would cause the Leverage Ratio to be in excess of 30% (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).

'**Leverage Ratio**' means, on any date of incurrence of any such indebtedness, the quotient obtained by dividing (i) Aggregate Net Leverage (as defined below) by (ii) Total Assets (as determined in accordance with the Underlying Fund's valuation policy).

'**Aggregate Net Leverage**' means (i) the aggregate amount of recourse indebtedness for borrowed money (e.g., bank debt) of the Underlying Fund minus (ii) cash and cash equivalents of the Underlying Fund minus, without duplication, (iii) cash used in connection with funding a deposit in advance of the closing of an Investment and working capital advances.

For purposes of determining Aggregate Net Leverage, the Underlying Fund Investment Manager shall use the principal amount of borrowings, and not the valuations of the Underlying Fund's borrowings and may, in its sole discretion, determine which securities and other instruments are deemed to be cash equivalents. The Underlying Fund's assets or any part thereof, including any accounts of the Underlying Fund, may be pledged in connection with any credit facilities or borrowings. From time to time, the Leverage Limit may be exceeded, including 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 indebtedness at the Investment level, guarantees of indebtedness, "bad boy" guarantees or other related liabilities that are not recourse indebtedness for borrowed money of the Underlying Fund.

Derivatives

The Underlying Fund may, but is not obligated to, engage in hedging transactions for the purpose of efficient portfolio management. The Underlying Fund Investment Manager may review the hedging policy of

the Underlying Fund 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 Underlying Fund at the relevant time.

Currency Hedging

Sub-Funds of the Underlying Fund or individual classes may be denominated in other currencies. The Underlying Fund may hedge, or enter into hedging transactions in respect of, classes of shares which are denominated in any other currency than the Underlying Fund Base Currency, as is considered appropriate by the Underlying Fund Investment Manager based on prevailing circumstances. The Underlying Fund may or may not hedge certain classes, either partially or fully, and has no obligation to hedge any class at all. It is expected that the extent to which the currency exposures of each hedged class of shares will be hedged will vary. As a result, investors are likely to be exposed to periods of unhedged currency risk. Over-hedged or under-hedged positions undertaken in connection with hedged classes of shares may arise based on the Underlying Fund Investment Manager's decision or due to factors outside the control of the Underlying Fund or the Underlying Fund Investment Manager. In relation to any currency hedging arrangement, the Underlying Fund Investment Manager may appoint one or more third-party service providers, consultants and/or other agents, at the expense of BXPE, to perform any activities in connection with the establishment, operation and/or maintenance of any currency hedging arrangements.

In relation to currency hedging undertaken, if any, in the interest of a hedged class, note that various classes of shares do not constitute separate portfolios of assets and liabilities. While gains and losses on the hedging transactions undertaken in connection with the class-specific hedging programs may be allocated to the associated hedged classes only, the Underlying Fund, as a whole (including both the hedged and non-hedged classes), may be liable for obligations in connection with currency hedges in favor of a specific class in addition to hedges entered into in relation to one or more investments (where such gains, losses and expenses will be allocated generally to the Underlying Fund and/or Parallel Entities) and the Underlying Fund may also be liable for similar obligations in connection with currency hedges performed in relation to certain classes or investments more generally, with respect to the Underlying Fund or a Parallel Entity. Additionally, any financing facilities or guarantees utilised in connection with the hedging program may be entered into by the Underlying Fund (in respect of a Sub-Fund), the Master Fund or the BXPE Aggregator (in respect of the Underlying Fund, the Master Fund or a Parallel Entity) and not any specific class. Accordingly, notwithstanding that Class A Units will be primarily invested in an AUD unhedged share class of the Underlying Fund (and gains and losses on the hedging transactions undertaken in connection with the class-specific hedging programs are generally not expected to be allocated to such non-hedged share class), the Underlying Fund as a whole (including Class A Units) may be liable for obligations in connection with currency hedges as described in the foregoing. In such circumstances, the net asset value and returns attributable to Class A Units could be adversely affected.

Securities Financing Transactions

BXPE may enter into the following securities financing transactions and total return swaps in accordance with the EU Securities Financing Transaction Regulation (Regulation (EU) No. 2015/2365):

- (i) securities lending;
- (ii) repurchase and reverse repurchase agreements;
- (iii) buy-sell back/sell-buy back transactions;
- (iv) margin lending; and
- (v) total return swaps.

Key individuals of the Underlying Fund

The investment committee of the Underlying Fund is comprised of senior and experienced investment professionals at Blackstone, including Jonathan Gray, Joseph Baratta, David Blitzer, Joan Solotar, Michael Chae, Lionel Assant, Christopher James, Prakash Melwani, Vik Sawhney, Viral Patel and Eric Liaw (the '**Underlying Fund Investment Committee**'). The full list of members of the Underlying Fund Investment Committee is available to the Underlying Fund's shareholders upon request at the registered office of the Underlying Fund AIFM.

All Investments in which BXPE participates are reviewed and approved by the Underlying Fund Investment Committee; provided that Investments accessed pursuant to a programmatic allocation process, such as Primary Commitments, are reviewed and approved by the Underlying Fund Investment Committee at the time of an allocation decision. Central to BXPE's investment strategy is the precondition that each investment has been evaluated by the underlying investment business. Each of Blackstone's investment businesses employs a thorough investment origination, diligence, and selection process, and each investment must be approved by a group's respective investment committee.

The Underlying Fund Investment Committee process emphasises a consensus-based approach to decision-making among the members and is the same process that Blackstone has adopted since inception. In addition, BXPE will benefit from the breadth of the entire Blackstone PE Platform, including the various investment, asset management, portfolio operations, finance, investor relations, and legal and compliance professionals located around the globe.

The board of directors of the Underlying Fund (the '**Underlying Fund Board of Directors**') is currently composed of five directors: Christopher James, Qasim Abbas, Claire Gerault, Cornelis ("Kees") Hage and Katia Panichi.

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

Key service providers

The Underlying Fund AIFM, the Underlying Fund Investment Manager and the Sub-Investment Managers

Blackstone Europe Fund Management S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg (the '**Underlying Fund AIFM**') has been appointed as the external alternative investment fund manager of BXPE. The Underlying Fund AIFM is in charge *inter alia* of the risk management function of the Underlying Fund, but it has delegated entirely the portfolio management function of the Underlying Fund to Blackstone Private Investments Advisors L.L.C. (the '**Underlying Fund Investment Manager**'), which is a part of the private equity group of Blackstone, a leading global investment manager. The Underlying Fund Investment Manager is registered as an investment adviser under the U.S. Investment Advisers Act of 1940 and is subject to Rule 206(4)-2 under the Investment Advisers Act.

The Underlying Fund Investment Manager has delegated the portfolio management function for a portion of the Master Fund's Investments to Blackstone Credit Systematic Strategies LLC ('**BCSS**'), Blackstone Liquid Credit Strategies LLC ('**BLCS**') and Blackstone Private Credit Strategies LLC ('**BPCS**'), and together with BCSS and BLCS, the '**Sub-Investment Managers**', each being a '**Sub-Investment Manager**'. The Underlying Fund Investment Manager will have the ability to determine the portion of the Master Fund's Investments that will be

managed by each Sub-Investment Manager, subject to the supervision of the Underlying Fund AIFM. The primary investment focus of the Sub-Investment Managers will be investments in Debt and Other Securities, which may be used to generate income, facilitate capital deployment and provide a potential source of liquidity. The Underlying Fund Investment Manager and the Sub-Investment Managers shall be collectively referred to as the '**BX Managers**', each being a '**BX Manager**'.

The Underlying Fund Depository

The Underlying Fund has appointed the Luxembourg branch of CACEIS Bank, having its registered office at 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg, as depository bank and paying agent of the Underlying Fund (the '**Underlying Fund Depository**') pursuant to the 2010 Law and the terms of a depository bank and paying agent agreement entered into between the Underlying Fund, the Underlying Fund AIFM and the Underlying Fund Depository (the '**Depository Agreement**'), effective as of the incorporation date of the Underlying Fund.

The duties of the Underlying Fund Depository (as further detailed in the Depository Agreement) include:

- (a) the safekeeping of the Underlying Fund's financial instruments that can be held in custody and record keeping and verification of ownership of the other assets of the Underlying Fund,
- (b) oversight duties, and
- (c) cash flow monitoring.

The Underlying Fund Depository has been authorised by Underlying Fund to delegate its safekeeping duties to sub-custodians in relation to financial instruments and to open securities accounts with such sub-custodians subject to compliance with Luxembourg law and the Depository Agreement.

As paying agent of the Underlying Fund, the Depository may receive contributions from Underlying Fund's shareholders, deposit such payments in the cash accounts of the Underlying Fund that may be opened with the Underlying Fund Depository and pay any distributions and/or withdrawal amounts to the Underlying Fund's shareholders from time to time; *provided*, that such services are currently expected to be performed by other financial entities, which may include Blackstone and its affiliates, in compliance with applicable law.

The Underlying Fund Depository will also ensure that cash flows are properly and effectively monitored in accordance with the 2010 Law and the Depository Agreement.

The Underlying Fund Auditor

Deloitte Audit, S.à r.l., or any successor as appointed or removed by the general meeting of the Underlying Fund's shareholders upon proposal by the Underlying Fund Board of Directors will act as approved statutory auditor (*réviseur d'entreprises agréé*) of the Underlying Fund and will audit the Underlying Fund's annual report.

The Underlying Fund Central Administration

The Luxembourg branch of CACEIS Bank has been appointed as transfer and registrar agent and central administration agent of the Underlying Fund (the '**Underlying Fund Central Administration**'), pursuant to an investment fund services agreement entered into between the Underlying Fund, the Underlying Fund AIFM and the Underlying Fund Central Administration (the '**Administration Agreement**') and effective as of the incorporation date of the Underlying Fund.

The Underlying Fund Central Administration is responsible for the administrative duties required by Luxembourg laws and regulations and the duties of the Underlying Fund Central Administration (as further detailed in the Administration Agreement) include, *inter alia*, keeping the accounts and holding the books and records of the Underlying

Fund, calculating the NAV of the Underlying Fund /any Sub-Fund(s) of the Underlying Fund, drawing up the annual financial statements of the Underlying Fund, maintaining the Underlying Fund register of shareholders and recording any subscription, withdrawal or transfer of Shares in such register (registrar function), the distribution of income and the general administration of the Underlying Fund (including the client communication function). 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.

The Luxembourg branch of CACEIS Bank, a credit institution authorised in Luxembourg, has been appointed to provide central administration services (including transfer agency services). In order to provide those services, CACEIS must enter into outsourcing arrangements with third-party service providers in or outside the CACEIS group.

The nature of the outsourced activities includes IT system management, operation, development and maintenance services, reporting, and investor services activities.

Global Distributor and Sub-Distributors

The Underlying Fund AIFM (in such capacity, the '**Global Distributor**') will manage the global distribution of this offering and has delegated the distribution function to the Underlying Fund Investment Manager. The Underlying Fund AIFM may utilise its affiliates to perform some of its functions. The Underlying Fund AIFM (and/or its delegates) agrees to, among other things, manage the Underlying Fund's relationships with participating financial intermediaries (including distributors and distribution platforms) engaged by the Underlying Fund AIFM (and/or its delegates) to participate in the distribution of Shares. The Underlying Fund AIFM (and/or its delegates), will also coordinate the Underlying Fund's marketing and distribution efforts with participating financial intermediaries (including distributors and distribution platforms) with respect to communications related to the terms of the offering, investment strategies, material aspects of operations and subscription procedures.

Exculpation and Indemnifications

To the fullest extent permitted by applicable law, none of the members of the Underlying Fund Board of Directors, the Underlying Fund AIFM, the BX Managers, their respective affiliates or the respective directors, officers, representatives, agents, shareholders, members, partners or employees thereof or any person who serves at the request of the Underlying Fund AIFM or the BX Managers on behalf of the Underlying Fund as a director, officer, agent, member, partner and employee (each, an '**Underlying Fund Indemnified Party**'), will be liable to the Underlying Fund or its shareholders for (i) any losses due to any act or omission by any Underlying Fund Indemnified Party in connection with the conduct of the business of the Underlying Fund that is determined by the Underlying Fund Indemnified Party in good faith to be in or not opposed to the best interests of the Underlying Fund, and, in the case of a criminal action or proceeding, where the Underlying Fund 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 (*faute lourde*), a material violation of applicable laws, or a material breach of the confidential prospectus of the Underlying Fund (as it may be amended, restated or supplemented from time to time) (the '**Underlying Fund Prospectus**'), the articles of incorporation of the Underlying Fund (as amended, restated or otherwise modified from time to time) (the '**Underlying Fund Articles**'), the agreement appointing the Underlying Fund AIFM (the '**Underlying Fund AIFM Agreement**') or the agreement appointing the Investment Management (the '**Underlying Fund Investment Management Agreement**'), (ii) any losses due to any action or omission by any other party/ the Underlying Fund's shareholders, (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 this Prospectus, or

(iv) any change in U.S. federal, state or local or non-U.S. (including Luxembourg) income tax laws, or in interpretations thereof, as they apply to the Underlying Fund or its shareholders, whether the change occurs through legislative, judicial or administrative action.

To the fullest extent permitted by applicable law, the Underlying Fund will indemnify and hold harmless each Underlying Fund 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 Underlying Fund Indemnified Party and arise out of or in connection with the business of the Underlying Fund or the performance by the Underlying Fund Indemnified Party of any of its responsibilities under the Underlying Fund Prospectus, the Underlying Fund Articles, the constitutive document of any parallel vehicle.

However, an Underlying Fund Indemnified Party will be entitled to indemnification under the Underlying Fund Prospectus or the Underlying Fund Articles only if;

a) the Underlying Fund 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 Underlying Fund; and

b) the Underlying Fund Indemnified Party's conduct did not constitute:

(i) actual fraud;

(ii) willful misconduct;

(iii) gross negligence (*faute lourde*);

(iv) a material violation of securities laws; or

(v) a material breach of the Underlying Fund Prospectus, the Underlying Fund Articles, the Underlying Fund AIFM Agreement or the Underlying Fund Investment Management Agreement; and,

with respect to any criminal action or proceeding, the Underlying Fund Indemnified Party 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 Underlying Fund AIFM, the BX Managers or their affiliates.

The Underlying Fund AIFM may have the Underlying Fund purchase, at Underlying Fund's expense, insurance to insure the Underlying Fund and any Underlying Fund Indemnified Party against liability in connection with the activities of the Underlying Fund.

5. Benefits of investing in the Fund and, indirectly, in the Underlying Fund and the Master Fund

BXPE will primarily invest in privately negotiated, equity-oriented investments, leveraging the talent and investment capabilities of Blackstone's PE Platform to create an attractive portfolio of alternative investments diversified across geographies and sectors. BXPE will employ Blackstone's thematic, sector-based approach to private equity investing with a focus on transactions where its scale, brand and/or operating intervention capabilities will create competitive advantages for BXPE. BXPE intends to remain a disciplined, value-oriented investor engaged in building portfolio companies by supporting management teams and business plans, improving operations, providing access to the Blackstone ecosystem and evaluating and participating in follow-on investments to support growth. To a lesser extent BXPE will also invest in Debt and Other Securities - including but not limited to loans, debt securities, public equities, collateralised debt obligations, collateralised loan obligations, asset-backed securities, mortgage-backed securities and other securitised products, derivatives, money market instruments, cash and cash equivalents. Debt and Other Securities may be used to generate income, facilitate capital deployment and provide a potential source of liquidity.

A summary of the features and benefits of investing in the Fund is as follows.

Access

The Fund provides wholesale client investors with the opportunity to gain exposure to the Underlying Fund's investments in Private Equity Investments and Debt and Other Securities, through an Australian domiciled fund.

Private equity is traditionally a difficult-to-access asset class, however, the Fund permits investment without being subject to a number of the burdens typically associated with direct private equity investing, such as, in some circumstances, funding capital calls on short notice and meeting large minimum commitment amounts.

Management expertise and research capabilities

The Fund gives wholesale client investors access to the talent and investment capabilities of Blackstone's PE Platform.

Diversification

With the pooling of investor money, a managed fund can spread its assets across a wider range of investments.

Investments which carry greater benefits generally carry increased risks. Please refer to section 6 for more information about the risks associated with investing into the Fund.

6. Risks of investing in the Fund and, indirectly, in the Underlying Fund and the Master Fund

6.1 Overview

Investors need to understand the investment risks involved before investing in the Fund.

All investments carry risk. Different strategies can carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The value of investments and the level of returns will vary. Future returns may differ from past returns and past performance, of the Fund, the Underlying Fund and Master Fund, is not indicative of future performance.

Neither CIML, nor Blackstone, their directors, associates nor any of their related bodies guarantee the success of the Fund, the Underlying Fund or the Master Fund, the repayment of capital or any particular rate of capital or income return. Investments in the Fund are not guaranteed or underwritten by CIML or Blackstone or any other person or party and you may lose some or all of your investment.

Some of the key risks that may impact the value of your investment in the Fund are outlined below.

You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, your investment time frame, other assets and investments you have and your overall tolerance for risk.

Section 6.2, "General risks of Investing into the Fund" describes some of the risks associated with an investment in the Fund. Section 6.3, "General risks of indirectly investing into the Underlying Fund and Master Fund" describes some of the risks attached to an investment in the Underlying Fund and the Master Fund, including through the Fund.

There is no guarantee that any risk mitigation measures described below will be effective and the risks below are not the only risks. Additional risks and uncertainties not presently known to CIML or not presently deemed material by it may also impair the Fund's operations and performance. For the avoidance of doubt, the below is not intended to be an exhaustive description of the risks involved in an investment in the Fund and, indirectly, in the Underlying Fund and Master Fund.

6.2 General risks of investing into the Fund

Liquidity risk

The Fund's ability to meet withdrawal requests depends on the liquidity of the Underlying Fund and Master Fund's investments, which, due to their private equity nature, are often illiquid, rarely traded, and subject to transfer restrictions, lock-up periods, and the absence of active secondary markets. Realisation events, such as company sales or initial public offerings, may be delayed indefinitely or fail to occur. Should the Underlying Fund or Master Fund encounter difficulties disposing of its underlying investments at satisfactory prices or within a reasonable timeframe, the Fund may need to suspend withdrawals. Such constraints may arise from normal market conditions or be exacerbated by periods of financial distress, economic downturns, or systemic shocks. Investors should be aware that the timing and amount of redemption proceeds may differ significantly from expectations, and that the Fund cannot guarantee any particular level of liquidity at any given time.

The Underlying Fund may impose a discretionary redemption fee of up to 5% of the value of the net asset value of the Fund's shares being redeemed. If this is imposed, CIML may, at its sole discretion, not apply its 0.3% sell spread but apply a sell spread to Investors redeeming units in the Fund to cover the associated costs incurred by the Underlying Fund's discretionary redemption fee (which could amount to a sell spread of up to 5% of the withdrawal amount on redemptions).

PROSPECTIVE AND CURRENT INVESTORS MUST BE AWARE OF THE POTENTIAL LIMITATIONS ON THEIR ABILITY TO WITHDRAW FROM THE FUND. NEITHER CIML, NOR BLACKSTONE, THEIR DIRECTORS, ASSOCIATES, NOR ANY OF THEIR RELATED BODIES PROVIDE ANY GUARANTEE CONCERNING THE LIQUIDITY OF THE FUND OR THE ABILITY OF AN INVESTOR TO WITHDRAW ITS INVESTMENT.

Underlying Fund risk

The Fund invests all or substantially all of its capital into an Underlying Fund managed by Blackstone, ultimately gaining exposure to a range of private equity investments through one or more sub-funds of the Master Fund. The Fund's returns, liquidity, and overall performance are contingent on the Underlying Fund and Master Fund's ability to select, manage, and realise investments in accordance with its investment strategy. Unfavourable market or sector conditions may impede the Underlying Fund or Master Fund's ability to implement its mandate effectively. The Underlying Fund or Master Fund may also face operational difficulties, key personnel departures, strategic misjudgements, or increased competition from other investors seeking similar opportunities. If the Underlying Fund or Master Fund fails to identify or execute attractive investments, or if it experiences higher-than-expected costs, regulatory challenges, or losses resulting from its investment or operational activities, the Fund's value and returns are likely to be adversely affected. In addition, if the Underlying Fund and Master Fund's governing documents, investment management agreements, or operational policies are amended in a manner detrimental to the Fund, the Fund's returns, rights, or redemption options may be impaired.

Private equity investment risk

The Underlying Fund focuses on private equity-style investments which are inherently long-term, illiquid, and often require significant operational involvement and strategic oversight. Private equity investments frequently lack the transparency, reporting frequency, and liquidity of publicly traded securities. Such investments may be subject to lengthy holding periods before value can be realised, and in some cases, exit opportunities (including trade sales, listings, secondary sales, or recapitalisations) may not materialise as anticipated. Valuations of

private equity holdings are typically based on periodic assessments that rely on subjective judgments, valuation models, or comparisons to similar transactions, all of which may not accurately reflect actual realisable values. Further details on the limitations of valuations relevant to the Master Fund and the Underlying Fund are set out in section 6.3 under the heading "Limitation of net asset value". Portfolio companies may face downturns in their industries, difficulties in executing their business plans, challenges in raising additional capital, regulatory scrutiny, reputational harm, or other adverse developments that reduce their worth and erode the returns generated for the Master Fund, the Underlying Fund and, consequently, for the Fund. There is no assurance that the Master Fund and Underlying Fund's private equity investments will achieve targeted returns or even preserve capital.

Withdrawal risk

While the Fund seeks to offer quarterly redemption opportunities, it retains full discretion under the Constitution and applicable law to refuse, scale back, defer, or suspend withdrawal requests, particularly where it faces liquidity constraints or exceptional market conditions. In periods of heightened volatility, reduced market liquidity, or distressed valuations, the Fund may determine that accommodating redemption requests would be detrimental to remaining investors. The Corporations Act and the Constitution stipulate that if the Fund becomes non-liquid, redemptions must be conducted through a withdrawal offer process, which may further limit investors' ability to access their capital in a timely manner. Neither CIML nor Blackstone guarantees the availability or timing of withdrawals, and investors in the Fund should be prepared for long holding periods and the possibility of delayed or suspended redemptions.

Trustee Services Agreement risk

The Fund's investment in the Underlying Fund is facilitated by contractual arrangements between CIML, as responsible entity of the Fund, the Underlying Fund, and the Underlying Fund Investment Manager (an entity associated with Blackstone). If these arrangements were terminated, amended on less favourable terms, or not renewed, the Fund may lose its privileged access to the Underlying Fund or face compulsory redemption of its holdings. In such circumstances, the Fund may be compelled to identify replacement investment opportunities which may be inferior, more costly, or more uncertain in terms of return prospects. Further, renegotiation or termination of these agreements may involve legal costs, transitional periods without comparable investment options, or forced realisations at suboptimal valuations, all of which could negatively affect the Fund's performance, fees, or capacity to meet investor expectations.

Foreign currency and exchange rate risk

The Underlying Fund's assets generally will utilise the currency of the jurisdiction where the portfolio entity is located. Consequently, the return realised on any investment by investors whose functional currency is not the currency of the jurisdiction in which such investment is located may be adversely affected by movements in currency exchange rates, costs of conversion and exchange control regulations in such jurisdiction, in addition to the performance of the investment itself. Moreover, the Underlying Fund 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 U.S. dollar. The Sponsor may in certain circumstances (but is not obliged to) attempt to manage currency exposures using hedging techniques where available and appropriate. The Underlying Fund 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. Furthermore, it cannot be guaranteed that any hedging techniques utilised by the Sponsor will be successful.

The Underlying Fund may issue classes of shares in currencies other than the Underlying Fund Base Currency. BXPE may attempt to reduce or minimise the effect of fluctuations in the exchange rate between the Underlying Fund Base Currency and the currency of the hedged classes of shares on the value of the hedged classes of shares. Accordingly, while gains and losses on the hedging transactions undertaken in connection with, and the expenses of, the hedging programs may be allocated to such hedged classes only, BXPE, as a whole (including both the hedged and non-hedged classes), may be liable for obligations in connection with currency hedges in favour of a specific class of shares in addition to hedges entered into in relation to one or more investments (where such gains, losses and expenses will be allocated generally to BXPE and/or Parallel Entities) and the BXPE Aggregator may also be liable for similar obligations in connection with currency hedges performed in relation to certain classes or investments more generally, with respect to BXPE or a Parallel Entity. Additionally, any financing facilities or guarantees utilised in connection with the hedging program may be entered into by BXPE (in respect of a Sub-Fund) or the BXPE Aggregator (in respect of BXPE 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 BXPE as a whole which are utilised in connection with the hedging program for specific classes of shares denominated in currencies other than the Underlying Fund Base Currency.

Each class of shares 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 shares will be hedged will vary. As a result, investors are likely to be exposed to periods of unhedged currency risk. Over-hedged or under-hedged positions undertaken in connection with hedged classes of shares may arise based on the BX Managers' decision or due to factors outside the control of BXPE or the BX Managers. There is no guarantee that any foreign exchange hedging for currency hedged classes of shares will achieve the objective of reducing the effect of exchange rate fluctuations. The Underlying Fund's shareholders 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 Underlying Fund Base Currency. An Underlying Fund's shareholder in a non-hedged class may both benefit from any appreciation and suffer from any depreciation of the Underlying Fund Base Currency against the applicable non-hedged class currency during the course of the investment. The Underlying Fund may or may not enter into hedging transactions in respect of certain classes, either partially or fully, as is considered appropriate by a BX Manager based on prevailing circumstances at the time, and has no obligation to hedge any class at all. There is no guarantee that any foreign exchange hedging will achieve the objective of reducing the effect of exchange rate fluctuations.

Currency fluctuations and the expenses of the hedging program, or hedging transactions otherwise undertaken in respect of non-USD classes of shares, may negatively impact the returns of BXPE as a whole (including in both hedged and non-hedged classes). Each class of shares may differ from each other in their overall performance, and certain fees (including, but not limited to, the Underlying Fund Management Fee, Underlying Fund Performance Fee and Underlying Fund AIFM and administration fee) will be calculated in the Underlying Fund Base Currency.

Market risk

General market conditions, economic cycles, geopolitical tensions, shifts in investor sentiment, disruptions in equity markets, or instability in global financial systems can affect the value of the Underlying Fund's investments and, therefore, the Fund's performance. Market risk is heightened during periods of recession, inflation, deflation, geopolitical conflict, changes in regulatory or trade policies, or extraordinary events

such as pandemics. The interconnected nature of global markets means that adverse events in one sector or region can rapidly propagate to others. Such volatility may reduce the Underlying Fund or Master Fund's ability to exit investments profitably, raise the cost of capital, and diminish overall returns.

Investment environment risk

The Underlying Fund and Master Fund's capacity to identify, acquire, and develop valuable portfolio companies is influenced by factors beyond its control, including political stability, regulatory changes, interest rate movements, technological innovation, industry consolidation, and shifts in consumer demand. If these external factors become unfavourable, the Underlying Fund and Master Fund may find fewer high-quality targets, pay higher acquisition prices, or spend longer periods deploying capital, all of which can lower returns or prolong the timeframe for generating meaningful gains.

Foreign investment risk

By investing through the Underlying Fund in overseas jurisdictions, the Fund may encounter divergent regulatory regimes, less predictable legal systems, and different industry standards compared to Australia. Some countries may impose taxes on foreign investors, limit capital repatriation, or restrict foreign ownership of key sectors. Political instability, corruption, social unrest, or abrupt policy changes can also disrupt business operations and diminish the value of portfolio companies. These risks can raise operational challenges, delay exits, reduce pricing transparency, and affect the Fund's ability to realise returns.

Responsible Entity risk

The Fund depends on CIML to operate the Fund under Australian regulatory oversight. CIML's effectiveness to operate the Fund can be compromised by key staff departures, resource constraints, suboptimal decision-making, or conflicts of interest. Misjudgements in investment selection, oversight failures, or inadequate responses to market disruptions can erode returns and liquidity. Should CIML fail to fulfil its obligations, the Fund may experience lower returns, impaired liquidity, or operational difficulties.

Operational risk

CIML, Blackstone, and their service providers rely on complex technological systems, internal controls, and skilled personnel to manage the Fund, the Underlying Fund and the Master Fund. Operational failures can result from technological breakdowns, cyber-attacks, data breaches, inadequate business continuity planning, human error, fraud, or third-party misconduct. Such failures may lead to asset misvaluation, recordkeeping errors, regulatory breaches, financial losses, or reputational damage. Although robust compliance frameworks and risk management systems are in place, no measures can entirely eliminate operational risks.

Regulatory risk

The Fund, the Underlying Fund and the Master Fund operate within a dynamic legal and regulatory environment. Changes in tax policy, financial regulation, foreign investment rules, corporate governance standards, accounting requirements, or mandatory disclosure regimes can increase compliance costs, restrict certain activities, or reduce the attractiveness of particular investments. Sudden or unexpected regulatory shifts may require the Fund, the Underlying Fund or the Master Fund to alter their investment approach, restructure existing holdings, or incur unanticipated liabilities. Non-compliance with applicable laws can result in fines, reputational harm, legal disputes, or other sanctions.

Structural risk

The structure of the Fund, including its reliance on the Underlying Fund, investment agreements, fee arrangements, and fund governance

documents, influences how returns are generated and distributed. The Fund's structure could be subject to termination provisions, compulsory redemptions, or variations in fee schedules. Differences in timing between subscription and redemption activities, or changes in the Fund's investment base, may affect the proportionate allocation of gains, losses, income, and capital distributions. These factors can create uneven outcomes for investors, especially if large withdrawals occur at inopportune times, or if the Underlying Fund's structure and policies shift in response to market conditions or regulatory changes.

Distribution risk

The Fund's ability to pay distributions depends on the level and timing of income or returns received from the Underlying Fund. If the Underlying Fund's investments do not generate expected cash flows, if exits are delayed, or if income is needed to offset hedging or operational costs, distribution levels may decline or cease. Investors should not rely on distributions as a guaranteed source of income, and distribution amounts may fluctuate significantly over the life of the investment.

Force majeure event risk

Unpredictable events such as natural disasters, pandemics, terrorist acts, military conflicts, or widespread cyber-attacks can cause severe disruptions to economic activity, supply chains, financial markets, and operational infrastructure. These events may compromise the Underlying Fund's ability to manage its investments, meet obligations, or execute timely disposals. Such circumstances may erode asset values, undermine investor confidence, exacerbate liquidity constraints, and lead to large and prolonged losses. Please refer to further risk disclosure with respect to the Underlying Fund in this regard at section 6.3 under the heading "Force majeure risk".

Class risk

If the Fund offers multiple classes of units with differing fee structures or investment terms, there is a possibility that one class may bear liabilities or expenses not proportionately shared by others. Although measures are generally taken to segregate assets and liabilities on a per-class basis, such arrangements may not be fail-safe. Under extreme conditions, it is possible that adverse outcomes related to one class could spill over and affect other classes, diminishing returns for investors who did not share the same profile or timing of investment.

Conflicts of interest risk

CIML, Blackstone, and their affiliates may engage in multiple activities, including managing other funds and investment vehicles, advising clients with differing objectives, or entering into related-party transactions. These activities can give rise to conflicts of interest, including competition for investment opportunities, allocation of limited resources, prioritisation of certain investors' interests, or favouring related parties in contractual negotiations. Although CIML and Blackstone maintain policies to identify and manage conflicts, no assurance can be given that all conflicts will be resolved in a manner that is neutral or beneficial to the Fund. In certain scenarios, these conflicts may adversely affect returns or governance processes.

Certain activities of Blackstone will give rise to, and contain conflicts of interest that are relevant to the Underlying Fund. These may include, but are not limited to conflicts of interest relating to inducements, fees and costs, related party transactions, strategic relationships, co-investment opportunities, competing interests, related financing counterparties, allocations of investment opportunities between the Underlying Fund and Other Blackstone Accounts and subsequent dispositions and buying and selling investments from and to Other Blackstone Accounts.

Conflicts of interest are summarised in section 11.9 of this PDS.

Availability of investment opportunities risk

The Fund's performance depends on the Underlying Fund and Master Fund's ability to source and execute high-quality private equity transactions. Factors such as increased competition from other private equity managers, scarcity of suitable targets, inflated asset valuations, or regulatory restrictions on certain industries can limit opportunities. If attractive investments become harder to find, the Underlying Fund or Master Fund may hold cash for extended periods, accept lower-quality opportunities, or invest at less favourable valuations, all of which can reduce the Fund's potential returns.

Interest rate and inflation risk

Interest rate fluctuations and persistent inflation can influence the cost of financing, the viability of certain growth strategies, and the demand for goods and services produced by portfolio companies. Rising interest rates can increase borrowing costs, reduce merger and acquisition activity, and hamper refinancing options. Elevated inflation can erode real returns, raise input costs for portfolio companies, and diminish the purchasing power of investor capital over time. While the Underlying Fund and Master Fund may seek to manage these risks through careful portfolio construction, hedging strategies, or selective investments, it cannot ensure that such measures will be effective in stabilising returns.

Counterparty and service provider risk

The Fund, the Underlying Fund and the Master Fund rely on counterparties and service providers to execute trades, value assets, administer investor accounts, provide legal and accounting services, and deliver custodial or settlement functions. If any of these third parties fail to perform as expected, become insolvent, commit fraud, or breach their contractual obligations, the Fund may suffer operational disruptions, financial losses, delays in transaction settlement, or difficulties recovering its assets. Such events may also force the Fund, the Underlying Fund or the Master Fund to incur additional costs in sourcing replacement service providers or pursuing legal remedies, and may adversely affect returns.

Currency movements

The Fund is denominated in AUD and intends to invest in AUD-denominated share classes of the Underlying Fund. The Underlying Fund's reference currency is USD. Accordingly, the AUD value of the Fund's investments in the Underlying Fund, and the Fund's returns, may be materially affected by movements in the AUD/USD exchange rate.

The proceeds of subscriptions for Class B Units will be primarily invested in an AUD currency-hedged share class of the Underlying Fund that is intended to reduce exposure to movements in the AUD/USD exchange rate. Accordingly, this AUD share class is currency-hedged at the Underlying Fund level and such hedging is intended to reduce (but cannot eliminate) the impact of AUD/USD exchange rate fluctuations on the value of that share class. Any such hedging is implemented and maintained (if at all) in accordance with the Underlying Fund's hedging policy. The Fund does not control the hedging strategy at the Underlying Fund level, and hedging may be adjusted, suspended or discontinued in accordance with the Underlying Fund's documentation and policies.

There is no assurance that any hedging arrangements will be maintained or will achieve their intended objective, and the hedge ratio may from time to time be less than or more than 100% of the net asset value attributable to the relevant share class. Hedging may also limit the ability of investors to benefit from favourable currency movements. For example, movements in the AUD/USD exchange rate that would otherwise have increased the AUD value of an unhedged investment in the Underlying Fund may be reduced or offset by the hedging strategy. Hedging transactions may give rise to costs and losses (including roll costs, transaction costs and spreads) and counterparty, operational and timing risks, which may adversely affect the net asset value and returns.

attributable to the relevant share class and, consequently, Class B Units.

The proceeds of subscriptions for Class A Units will be primarily invested in an AUD unhedged share class of the Underlying Fund. Accordingly, the Fund will remain exposed to AUD/USD exchange rate movements and such movements may have a material adverse effect on the net asset value and returns attributable to Class A Units.

6.3 General risks of indirectly investing into the Underlying Fund and Master Fund

The investments that the Underlying Fund and Master Fund make may result in a higher amount of risk than alternative investment options, including volatility or loss of principal. The Master Fund's investments in portfolio companies may be highly speculative and aggressive. Certain risks relating to the Underlying Fund and Master Fund are set forth below.

Lack of liquidity

There is no current public trading market for the shares of the Underlying Fund (the '**Shares**'), and the Underlying Fund's alternative investment fund manager and/or the Underlying Fund's investment manager(s), as the case may be, (the '**Sponsor**') does not expect that such a market will ever develop. Therefore, redemption of Shares by BXPE will likely be the only way for the Underlying Fund to dispose of its Shares. BXPE expects to redeem Shares at a price equal to the applicable net asset value as of the Underlying Fund Redemption Date and not based on the purchase price. Shares may be subject to a discretionary redemption deduction equal to 5% of the applicable net asset value (calculated as of the Underlying Fund Redemption Date). As a result, the Fund, as an investor in the Underlying Fund, may receive less than the price paid for its Shares when it sells them to BXPE pursuant to BXPE's redemption program and the Fund may charge a sell spread to cover this cost.

The aggregate net asset value of total redemptions (on an aggregate basis (without duplication) across BXPE, including redemptions at all Parallel Entities and the BXPE Aggregator, but excluding any redemption fee applicable to the redeemed Shares) is generally limited to 3% of the aggregate net asset value of all BXPE aggregator parallel vehicles and the BXPE Aggregator per calendar quarter (measured using the average of such aggregate net asset value as of the end of the immediately preceding quarter). Notwithstanding the previous sentence, the Underlying Fund Investment Manager in its sole discretion may waive such 3% quarterly restrictions either partially (by determining a higher percentage) or in its entirety, based on the Underlying Fund AIFM's analysis of available liquidity. In addition, certain individual Parallel Entities may have different redemption limitations or terms described here.

In exceptional circumstances and not on a systematic basis, the Underlying Fund may make exceptions to modify or suspend, in whole or in part, the redemption program if in the Underlying Fund Investment Manager's reasonable judgement it deems such action to be in BXPE's best interest and the best interest of BXPE's investors. This includes when redemptions of Shares would place an undue burden on BXPE's liquidity, adversely affect BXPE's operations, risk having an impact on BXPE that would outweigh the benefit of redemptions of Shares, or as a result of legal or regulatory changes. Material modifications of the redemption program (excluding any above-mentioned waiver of the 3% quarterly redemption limitation) will be promptly disclosed to shareholders. If the redemption program is suspended, the Underlying Fund Investment Manager will be required to evaluate on a quarterly basis whether the continued suspension of the redemption program is in BXPE's best interest and the best interest of BXPE's investors.

Pursuant to the limitations above, in the event that not all of the Shares submitted for redemption during a given quarter are to be accepted for redemption by the Underlying Fund, Shares submitted for redemption

during such quarter will be redeemed on a pro rata basis (measured on an aggregate basis (without duplication) across BXPE if applicable). Unsatisfied redemption requests will not be automatically resubmitted for the next available Underlying Fund Redemption Date. Settlements of any redemption of Shares will generally be made within 35 calendar days from the Underlying Fund Redemption Date. As a result, the Fund will experience significant delays in realising liquidity even when its redemption is accepted.

The vast majority of BXPE's assets are expected to consist of investments (including investments in Other Blackstone Accounts) that cannot generally be readily liquidated without impacting BXPE's ability to realise full value upon their disposition. Therefore, BXPE may not always have a sufficient amount of cash to immediately satisfy redemption requests. As a result, the Fund's ability to have its Shares redeemed by BXPE may be limited and at times the Fund may not be able to liquidate its investment.

Effect of redemption requests

Economic events affecting the European economy could cause investors in the Underlying Fund to seek to sell their Shares to BXPE pursuant to BXPE's redemption program at a time when such events are adversely affecting the performance of BXPE's assets. Even if the Sponsor decides to satisfy all resulting redemption requests, BXPE's cash flow could be materially adversely affected. In addition, if BXPE determines to sell assets to satisfy redemption requests, it may not be able to realise the return on such assets that it may have been able to achieve had it sold at a more favorable time, and BXPE's results of operations and financial condition, including, without limitation, breadth of its portfolio by property type and location, could be materially adversely affected.

Performance-based compensation

The Underlying Fund Performance Fee creates a greater incentive for the Sponsor to make more speculative Investments on behalf of BXPE 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. A similar incentive exists at the level of the third-party fund managers in which BXPE may invest. The general partner has a clawback with respect to BXPE's indirect clawback liability pertaining to third-party fund managers in which BXPE may invest in respect of BXPE's applicable share of carried interest generated by such third-party fund managers. This potentially creates other misalignments of interests between such third-party fund managers, on the one hand, and the investors in the third-party pooled investment vehicles on the other hand. This includes an incentive for the third-party fund managers to make more speculative investments, to defer disposition of an investment that would result in a realised loss (or a return on investment that was less than the preferred return, where applicable under the organisational documents of the relevant third-party pooled investment vehicle) and trigger the clawback, or delay the dissolution and liquidation of a third-party pooled investment vehicle if doing so would trigger a clawback obligation and/or seek to deploy capital in investments at an accelerated pace.

Blackstone will generally have no control over the decision to dispose of underlying investments made by third-party fund managers in which it invests, and will be reliant upon such third-party fund managers to make such decisions in a fair and reasonable manner and on a timely basis. In addition, the Tax Reform Bill (United States of America) enacted in 2017 provides for a lower capital gains tax rate on performance-based compensation from Investments held for at least three years. This can be expected to incentivise third-party fund managers in which BXPE invests to accelerate deployment of capital at the beginning of the investment period of closed-ended funds they manage, and the Sponsor and third-party fund managers in which BXPE invests 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 Underlying Fund Performance Fee or equivalent performance-based compensation respectively.

Furthermore, upon the liquidation of BXPE, the Sponsor may receive an Underlying Fund Performance Fee with respect to a distribution in-kind of non-marketable securities. The amount of the Underlying Fund Performance Fee will be dependent on the valuation of the non-marketable securities distributed, which will be determined by the Sponsor and could incentivise the Sponsor to value the securities higher than if there were no Underlying Fund Performance Fee. 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. The Sponsor is entitled to elect to receive its Underlying Fund Performance Fee in the form of an in-kind distribution including if the purpose of such election is to permit Blackstone personnel to donate such securities to charity (which may include private foundations, funds or other charities associated with any such personnel). The tax benefit derived from charitable giving has the effect of reinforcing and enhancing the incentives otherwise resulting from the existence of the Sponsor's Underlying Fund Performance Fee described above.

In addition, the Underlying Fund Investment Manager and the Underlying Fund AIFM will each be paid a fee for their services based on BXPE's net asset value, which will be calculated by the Underlying Fund Central Administration Agent, based on valuations provided by the Underlying Fund AIFM. The Underlying Fund Investment Manager will receive the Underlying Fund Management Fee, equal to 1.25% of BXPE's net asset value per annum. The Underlying Fund Investment Manager may elect to receive the Underlying Fund Management Fee in cash, Shares, units of the Master Fund, units of the BXPE Aggregator and/or shares or units of Parallel Entities (where applicable). The Underlying Fund Investment Manager and the Underlying Fund AIFM will be paid an Underlying Fund AIFM and administration fee equal to 0.10% per annum of the net asset value of the entities which form part of BXPE and have appointed Blackstone Europe Fund Management S.à r.l. as their external alternative investment fund manager.

In addition, the distributions to be received by Blackstone Private Equity Strategies Fund Associates L.P., the BXPE Aggregator's special limited partner or any other entity so designated by the general partner of the BXPE Aggregator with respect to its performance participation interest in the BXPE Aggregator, will be based in part upon the BXPE Aggregator's net assets and the BXPE Aggregator's total return which differs from the Underlying Fund's net asset value and returns. The Underlying Fund Management Fee and the Underlying Fund AIFM and administration fee will be payable to the Underlying Fund Investment Manager and the Underlying Fund AIFM as applicable in consideration for their services. The calculation of BXPE's net asset value includes certain subjective judgements with respect to estimating, for example, the value of BXPE'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, BXPE's net asset value may not correspond to realisable value upon a sale of those assets.

The Underlying Fund Investment Manager may benefit from BXPE retaining ownership of its assets at times when shareholders may be better served by the sale or disposition of BXPE's assets in order to avoid a reduction in its net asset value. If BXPE's net asset value is calculated in a way that is not reflective of its actual net asset value, then the purchase price of Shares or the price paid for the redemption of Shares on a given date may not accurately reflect the value of BXPE's portfolio, and such Shares may be worth less than the purchase price or more than the redemption price.

The Underlying Fund Performance Fee and Underlying Fund Management Fees will be payable without taking into account accrued and unpaid taxes of any Intermediate Entity (including corporation) through which BXPE Aggregator indirectly invests in an investment

or taxes paid by any such Intermediate Entity during the applicable reference period or month (as the case may be). Accordingly, this reduces the Sponsor's incentive to ensure Intermediate Entities are structured in such a manner as to minimise taxes paid or payable by such Intermediate Entities.

Limitations of net asset value

The Underlying Fund Central Administration Agent's determination, under the oversight of the Underlying Fund AIFM, of BXPE's monthly net asset value per Share will be based in part on the latest quarterly valuation of each of its investments, as adjusted each month to incorporate the latest available financial data for such investments, including any cash flow activity related to such investments. As a result, BXPE's published net asset value per Share in any given month may not fully reflect any or all changes in value that may have occurred since the most recent quarterly valuation.

The Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, with the support of the Underlying Fund Investment Manager, may, but is not obligated to, monitor BXPE's Direct Investments on an ongoing basis for events that the Underlying Fund Central Administration Agent believes may have a material impact on BXPE's net asset value as a whole. Material events may include investment-specific events or broader market-driven events which may impact more than one specific investment events that the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, believes may have a material impact on the most recent fair values of such Direct Investments. Possible examples of such a material event include unexpected investment-specific events and broader market-driven events identified by the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, which may impact more than one specific investment, including capital market events, economic and political conditions globally and in the jurisdictions and sectors in which an investment operates, and material changes in cap rates or discount rates. Upon the occurrence of such a material event and provided that the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, is aware that such event has occurred, the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, may, but is not obligated to, provide an estimate of the change in value of the Direct Investment, based on the valuation procedures for Direct Investments.

In addition to tracking the net asset value plus related cash flows of BXPE's Primary Commitments and Secondary Investments, the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, supported by the Underlying Fund Investment Manager, may, but is not obligated to, track relevant issuer-specific events or broader market-driven events that the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, believes may have a material impact on BXPE's net asset value as a whole and the most recent fair values of BXPE's Primary Commitments and Secondary Investments. Upon the occurrence of such a material event and provided that the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, is aware that such event has occurred, the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, may, but is not obligated to, make a corresponding adjustment to reflect the current fair value of such investment fund. The Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, may consider such information and may conclude in certain circumstances that a material event has occurred such that the latest information provided by the investment fund's investment advisor or investment manager no longer represents the fair value of a particular asset held by such investment fund. If the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, concludes in good faith that the latest net asset value reported by an investment fund's investment advisor or investment manager does not represent fair value (e.g., there

is more current information regarding a portfolio asset which significantly changes its fair value), the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, may make a corresponding adjustment to reflect the current fair value of such asset within such investment fund, applying the valuation methodologies for direct investments.

In general, the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, expects that any adjustments to fair values will be calculated after a determination that a material change has occurred and the financial effects of such change are quantifiable by the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM. However, rapidly changing market conditions or material events may not be immediately reflected in BXPE's monthly net asset value. For example, an unexpected termination or renewal of key customer relationships, recent financial results or changes in the capital structure of an investment, regulatory changes that affect an investment, or a significant industry event or adjustment to an industry outlook that may cause the value of an investment to change materially. Obtaining sufficient relevant information after the occurrence has come to light and/or analysing fully the financial impact of such an event may be difficult to do and may require some time. As a result, the net asset value per Share may not reflect a material event until such time as sufficient information is available and analysed, and the financial impact is fully evaluated, such that BXPE's net asset value may be appropriately adjusted in accordance with the valuation policy. Depending on the circumstance, the resulting potential disparity in BXPE's net asset value may be in favor or to the detriment of either shareholders who redeem their Shares, or shareholders who buy new Shares, or existing shareholders.

The methods used by the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, to calculate BXPE's net asset value, including the components used in calculating BXPE's net asset value 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 calculation net asset value, and BXPE's net asset value is not audited by BXPE's independent registered public accounting firm. BXPE calculates and publishes net asset value solely for purposes of establishing the price at which BXPE sells and redeems Shares, and you should not view BXPE's net asset value as a measure of BXPE's historical or future financial condition or performance. The components and methodology used in calculating BXPE's net asset value may differ from those used by other companies now or in the future.

In addition, calculations of BXPE's net asset value, to the extent that they incorporate valuations of BXPE's assets and liabilities may not be prepared in accordance with IFRS. These valuations may differ from liquidation values that could be realised in the event that BXPE were forced to sell assets. Additionally, errors may occur in calculating BXPE's net asset value, which could impact the price at which BXPE's sells and redeems its Shares, the amount of the Underlying Fund Management Fee, the Underlying Fund Performance Fee and the Underlying Fund AIFM and administration fee. The Underlying Fund AIFM, with the support of the BX Managers, has implemented certain policies and procedures to address such errors in net asset value calculations.

If such errors were to occur, the Underlying Fund Central Administration Agent, under the oversight of the Underlying Fund AIFM, with the support of the BX Managers, depending on the circumstances surrounding each error and the extent of any impact the error has on the price at which Shares were sold or redeemed or on the amount of the Underlying Fund Management Fee, the Underlying Fund Performance Fee and the Underlying Fund AIFM and Administration 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 net asset value calculations.

Service providers, vendors and other counterparties generally

Certain third-party advisors, service providers, counterparties and vendors or their affiliates to BXPE and its Portfolio Entities and third-party fund managers in which BXPE invests (including accountants, administrators, paying agents, depositaries, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms), or their affiliates, are owned by Blackstone, BXPE or Other Blackstone Accounts. They may also provide goods or services to, or have other business, personal, financial or other relationships with, Blackstone, the Other Blackstone Accounts (including co-investment vehicles, where applicable) and their respective portfolio entities, and affiliates and personnel of the foregoing. Such advisors and service providers referred to above may be shareholders in BXPE or investors in Other Blackstone Accounts, affiliates of the Sponsor, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone, BXPE and/or Other Blackstone Accounts have an investment, and payments by BXPE and/or such entities may indirectly benefit Blackstone, BXPE, the Other Blackstone Accounts (including co-investment vehicles, where applicable) and their respective portfolio entities or any affiliates or personnel of the foregoing.

Also, advisors, lenders, investors, commercial counterparties, vendors and service providers (including any of their affiliates or personnel) to BXPE and its portfolio entities could have other commercial or personal relationships with Blackstone, Other Blackstone Accounts (including co-investment vehicles, where applicable) 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 BXPE or a portfolio entity, the cost of which will generally be borne directly or indirectly by BXPE, and can be expected to incentivise Blackstone to engage such service provider over a third-party, utilise 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 realise on these opportunities.

Furthermore, Blackstone will from time to time encourage third-party service providers to BXPE and its portfolio entities to use other Blackstone-affiliated service providers and vendors in connection with the business of BXPE, 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 by BXPE or its portfolio entities to or value created in these service providers and vendors do not offset or reduce Underlying Fund fees payable by the shareholders and are not otherwise shared with BXPE. 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.

There will be no restrictions on the ability of third-party fund managers in which BXPE invests or their third-party pooled investment vehicles or portfolio companies to engage affiliates of Blackstone to provide

services or enter into transactions since they are not “affiliates” of Blackstone. In such circumstances, any payments made by such third-party fund managers or their third-party pooled investment vehicles or portfolio companies may be made to or otherwise benefit other parts of Blackstone and be borne indirectly by BXPE (to the extent of its ownership of such third-party fund manager) and will not otherwise be shared with shareholders or be applied to offset fees.

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 available to BXPE and its portfolio entities for the same services. However, legal fees for unconsummated transactions are often charged at a discounted rate, such that if BXPE and its portfolio entities consummate a higher percentage of transactions with a particular law firm than Blackstone, BXPE, Other Blackstone Accounts and their portfolio entities, the shareholders could indirectly pay a higher net effective rate for the services of that law firm than Blackstone, BXPE 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 BXPE and its portfolio entities are different from those used by Blackstone, Other Blackstone Accounts and their portfolio entities, and their affiliates and personnel, BXPE and its portfolio entities can be expected to pay different amounts or rates than those paid by such other persons. Similarly, Blackstone, BXPE, 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 and/or services depending on certain factors, including without limitation the volume of transactions entered into with such counterparty by Blackstone, BXPE and its portfolio entities in the aggregate or other factors.

BXPE, 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, in certain circumstances, 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 BXPE, 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.

Blackstone may, from time to time, encourage service providers to funds and investments to use, at market rates and/or on arm's length terms, Blackstone-affiliated service providers in connection with the business of BXPE, portfolio entities, and unaffiliated entities. This practice provides an indirect benefit to Blackstone in the form of added business for Blackstone-affiliated service providers.

With respect to transactions or agreements with portfolio entities (including, for the avoidance of doubt, long-term incentive plans), at times if unrelated officers of a portfolio entity have not yet been appointed, Blackstone may negotiate and execute agreements between Blackstone and/or BXPE on the one hand, and the portfolio entity or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. Among the measures Blackstone may use to mitigate such conflicts is to involve outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms.

Investment via master-feeder structure

BXPE comprises, and invests through, a master-feeder structure. A master-feeder fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in a master fund may be materially affected by the actions of a larger feeder fund investing in such master fund. If a larger feeder fund withdraws from a master fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. A master fund may become less diverse due to a withdrawal by a larger feeder fund, resulting in increased portfolio risk. A master fund is a single entity and creditors of such master fund may enforce claims against all assets of such master fund. In addition, certain conflicts of interest may exist due to different tax considerations applicable to the Underlying Fund and other feeder funds. Due to regulatory, tax and/or other considerations that may be applicable to BXPE, 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 shareholders in BXPE.

Risk of limited number of investments; lack of diversification

BXPE is subject to restrictions on the percentage of net asset value that may be invested in any single investment. Despite these restrictions, BXPE's investments may be concentrated at any time in a limited number of industries, geographies or investments, and, as a consequence, may be more substantially affected by the unfavourable performance of even a single investment as compared to a more diversified portfolio. In any event, diversification is not a guarantee of either a return or protection against loss in declining markets. There is no assurance that BXPE will perform well or even return capital; if certain investments perform unfavorably, for BXPE to achieve above-average returns, one or a few of its investments must perform very well. There is no assurance that this will be the case.

Furthermore, although BXPE could make an acquisition with the intent to syndicate a portion of the capital invested, there is a risk that any such planned syndication may not be completed, which could result in BXPE holding a larger percentage of its net asset value in a single investment than desired and could result in lower overall returns. In addition, no remedial action will be required if such restriction is exceeded for any reason other than the acquisition of a new investment (including the exercise of rights attached to an investment). To the extent BXPE concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto.

Broad investment mandate

The investment strategy of BXPE covers a broad range of asset classes and geographic regions. A purchaser of Shares must rely upon the ability of the Sponsor to identify, structure and implement investments consistent with BXPE's overall investment objectives and policies at such times as it determines. BXPE will make investments in keeping with its investment program. Subject to certain restrictions, BXPE may make investments throughout the capital structure such as mezzanine securities, senior secured debt, bank debt, unsecured debt, convertible bonds and preferred and common stock and across asset classes including, without limitation, private or public equity, structured equity, minority private equity, commodities and credit. It is expected that, in light of BXPE's investment objective, BXPE may make equity, credit and/or debt investments that do not involve control or influence over the underlying entity in which BXPE invests.

Additionally, BXPE will be permitted to invest (and may actually invest) in any number of companies operating in a wide range of industries, geographies or activities. The Sponsor may also change BXPE's investment and operational policies which could result in BXPE making investments that are different from, and possibly riskier or more

highly leveraged than, the types of investments which the Underlying Fund is currently expected to focus on. BXPE's investment guidelines provide the Sponsor with broad discretion and can be changed in its sole discretion, including being narrowed or expanded as needed for purposes of training BXPE's eligibility for certain regulatory exemptions under applicable law. A change in BXPE's investment strategy may, among other things increase BXPE's exposure to market fluctuations, default risk and interest rate risk, all of which could materially affect the results of BXPE's operations and financial condition.

Investments in Fund Managers and pooled investment vehicles

Although not expected to be a large portion of its investment strategy, BXPE may invest in third-party investment managers that manage third-party pooled investment vehicles in the following asset classes: private equity, credit, real estate, infrastructure, energy and certain other types of asset classes. BXPE may also make investments directly in third-party pooled investment vehicles if it anticipates an investment in the third-party fund manager. The private equity asset class comprises a wide-range of strategies and investment types, and the private equity-oriented investment strategies pursued by third-party fund managers are expected to vary. There are many investment-related risks associated with such types of investments which could impair the performance and value of BXPE's investments.

Multiple levels of fees and expenses

In addition to the direct expenses and management costs borne by BXPE, it may also bear its pro rata share of certain expenses and management costs incurred directly or indirectly by Other Blackstone Accounts, third-party fund managers and/or third-party pooled investment vehicles in which it invests. This would result in more expenses being borne (indirectly) by shareholders than if the shareholders were able to invest directly in the Other Blackstone Accounts, third-party fund managers and/or third-party pooled investment vehicles. With respect to BXPE Primary Commitments to Other Blackstone Accounts only, BXPE is not expected to pay or otherwise bear carried interest, management fees or other incentive compensation in connection with such Other Blackstone Account except in limited circumstances, in which case such carried interest, management fees or other incentive compensation paid will be rebated dollar-for-dollar. BXPE will indirectly bear other expenses in connection with an investment in or alongside an Other Blackstone Account, third-party fund managers and/or third-party pooled investment vehicle, including any investment related expenses and expenses paid to affiliates of the Sponsor, administrative expenses and other expenses as applicable to such Other Blackstone Account, third-party fund managers and/or third-party pooled investment vehicle (to the extent applicable).

In certain limited circumstances BXPE will bear carried interest, management fees or other incentive compensation, including in connection with interests in Other Blackstone Accounts purchased on the secondary market as part of a portfolio transaction and equity interests in certain structured investments (e.g., collateralised loan obligations). These various levels of costs and expenses will be charged whether or not the performance of BXPE generates positive returns. As a result, BXPE, and indirectly the shareholders, may bear multiple levels of expenses, which in the aggregate would exceed the expenses which would typically be incurred by an investment in a single fund investment, and which would offset BXPE's profits. In addition, because of the fees and expenses payable by BXPE pursuant to such investments, its returns on such investments will be lower than the returns to a direct investor in the Other Blackstone Accounts and/or third-party pooled investment vehicles. Such returns will be further diminished to the extent BXPE is also charged management fees and/or bears carried interest or other similar performance-based compensation in connection with its Secondary Commitments in Other Blackstone Accounts and/or its investments in third-party pooled investment vehicles managed by a third-party fund manager.

Minority and non-control Investments in third-party fund managers and third-party pooled investment vehicles; dependence on third-party fund managers.

BXPE may invest in minority, non-controlling, equity, equity-related and/or revenue interests in third-party fund managers and make passive investments in third-party pooled investment vehicles. BXPE will not be responsible for the results of the third-party pooled investment vehicles and third-party fund managers. The existing management of such third-party fund managers will typically retain autonomy over the day-to-day operations of the business and will generally retain a majority stake in such business. In holding such non-controlling interests, BXPE will also have a limited ability to create or take advantage of exit opportunities. BXPE's inability to control the timing of the making, restructuring, refinancing and exiting of its investments may adversely affect performance. The timing and extent to which BXPE realises proceeds from any disposition, listing, financing or other liquidity event with respect to any investment will to a large extent depend on the decisions and actions of third-party fund managers.

The management of third-party fund managers may make business, financial or management decisions with which the Sponsor does not agree or such management may take risks or otherwise act in a manner that does not serve BXPE's interests. The returns of BXPE's investments in such third-party fund managers and/or third-party pooled investment vehicles will depend largely on the performance of unrelated third-party fund managers and could be substantially adversely affected by the unfavourable performance and/or practices and policies of the third-party fund managers. The performance of a third-party fund manager may also rely on the services of a limited number of key individuals, the loss of whom could significantly adversely affect such third-party fund manager's performance.

No established market for secondary investments; limited opportunities

There is no established market for secondary investments and no liquid market is expected to develop for secondary investments. Moreover, the market for secondary investments has been evolving and is likely to continue to evolve. BXPE may acquire interests in third-party pooled investment vehicles from existing investors in such third-party pooled investment vehicles (and, generally, not from the issuers of such investments) and to dispose of such interests, in each case, on an opportunistic basis. In particular, BXPE may target purchases of portfolios of interests in third-party pooled investment vehicles from institutional and other investors, who may be less motivated to sell interests in third-party pooled investment vehicles during periods when the performance of such funds is perceived to be improving. There can be no assurance that BXPE will be able to identify sufficient secondary investment opportunities or that it will be able to acquire sufficient secondary investments on attractive terms. Equally, there can be no assurance that BXPE will be able to realise any secondary investment at a price that reflects what the Sponsor believes to be its market value.

Importance of valuation and acquisition terms

The performance of BXPE's investments in secondary investments will depend in large part on the acquisition price paid by BXPE for such investments and on the structure of the acquisitions. Although the acquisition price of BXPE's secondary investments will likely be the subject of negotiation with the sellers of the investments, the acquisition price is typically determined by reference to the carrying values most recently reported by the third-party pooled investment vehicles (which may be based on interim unaudited financial statements) and other available information. The third-party pooled investment vehicles are not generally obligated to update any valuations in connection with a transfer of interests on a secondary basis, and such valuations may not be indicative of current or ultimate realisable values.

Moreover, there is no established market for secondary investments

or for the privately held portfolio entities in which the third-party pooled investment vehicles may own securities, and there may not be any comparable companies for which public market valuations exist. As a result, the valuation of secondary investments may be based on imperfect information and is subject to inherent uncertainties. Generally, BXPE expects to hold its secondary investments on a long-term basis. As a result, the performance of BXPE will be adversely affected in the event that the valuations assumed by the Sponsor in the course of negotiating acquisitions of investments prove to have been too high.

Leverage

BXPE intends to utilise leverage to finance the operations of BXPE and its portfolio entities. The use of leverage involves a high degree of financial risk and will increase BXPE'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 BXPE 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 BXPE cost of funds. This leverage may also subject BXPE'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. Leverage at a portfolio entity may impair a portfolio entities' ability to finance its future operations and capital needs. Moreover, any rise in interest rates may significantly increase a portfolio entity's interest expense, causing losses and/or the inability to service its debt obligations. If a portfolio entity cannot generate adequate cash flow to meet debt obligations, BXPE may suffer a partial or total loss of capital invested in the portfolio entity. In addition, the amount of leverage used to finance an investment may fluctuate over the life of an investment.

The Sponsor may also obtain leverage at the level of BXPE. BXPE expects to incur indebtedness and enter into guarantees and other credit support arrangements, or incur any other obligations in connection with BXPE investment activities, for any proper purpose, including, without limitation, to fund investments, cover fund expenses, organisational and offering expenses, initial fund expenses support and management fees, provide permanent financing or refinancing, provide cash collateral to secure outstanding letters of credit, provide funds for distributions to shareholders, and to fund redemptions. Borrowings and guarantees by BXPE may be deal-by-deal or on a portfolio basis, and may be on a joint, several, joint and several or cross-collateralised basis (which may be on an investment by-investment or portfolio wide basis) with any Parallel Entities, co-investment vehicles, Other Blackstone Accounts (including for the avoidance of doubt BXPE US), 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 BXPE (e.g., BXPE 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 BXPE and such other vehicles or funds pro rata (and therefore indirectly to the shareholders 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 BXPE.

Furthermore, in the case of indebtedness on a joint and several or cross-collateralised basis, BXPE 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. BXPE could lose its interests in performing investments in the event such performing investments are cross-collateralised with poorly performing or non-performing investments of BXPE and such other vehicles. BXPE may also be obligated in some circumstances to reimburse co-investors for their losses resulting from cross-collateralisation of their investments with assets of BXPE that are in default. Obligations of BXPE due to the

cross-collateralisation of obligations with other investment vehicles are permitted but not counted against BXPE's leverage limitations. Borrowings under any such facilities (and expenses related thereto) may initially be made with respect to an investment opportunity based on preliminary allocations to BXPE and/or Other Blackstone Accounts, and such preliminary allocations may be subject to change and may not take into account excuse rights, investment limits, differences among the relevant entities and other considerations. Although the Sponsor will seek to use leverage in a manner it believes is appropriate, the use of leverage involves a high degree of financial risk.

By executing a subscription document with respect to BXPE, the Fund will be deemed to have acknowledged and consented to the Sponsor causing BXPE to enter into one or more credit facilities or other similar fund-level borrowing arrangements. The aggregate amount of borrowings by BXPE are subject to certain limits. These limits do not include leverage on investments (including investments alongside Other Blackstone Accounts), 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 BXPE may be obligated to fully fund such guarantees, "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 BXPE to financial risks.

The Sponsor may organise Parallel Entities, portfolio vehicles or other subsidiary entities ('**Bond Financing Entities**') for the purpose of providing BXPE with access to the unsecured bond market in Europe. If an investment held by any Parallel Entity organised in connection with a bond financing program for BXPE were to be unable to service or repay its pro rata share of such bond financing, BXPE 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 BXPE 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.

Class risk arising from hedging

In relation to currency hedging undertaken, if any, in the interest of a hedged class, note that various classes of shares do not constitute separate portfolios of assets and liabilities. While gains and losses on the hedging transactions undertaken in connection with the class-specific programs may be allocated to the associated hedged classes only, the Underlying Fund, as a whole (including both the hedged and non-hedged classes), may be liable for obligations in connection with currency hedges in favour of a specific class in addition to hedges entered into in relation to one or more investments (where such gains, losses and expenses will be allocated generally to the Underlying Fund and/or Parallel Entities) and the Underlying Fund may also be liable for similar obligations in connection with currency hedges performed in relation to certain classes or investments more generally with respect to the Underlying Fund or a Parallel Entity. Additionally, any financing facilities or guarantees utilised in connection with the hedging program may be entered into by the Underlying Fund (in respect of a Sub-Fund), the Master Fund or the BXPE Aggregator (in respect of the Underlying Fund, the Master Fund or a Parallel Entity) and not any specific class. Accordingly, notwithstanding that Class A Units will be primarily invested in an AUD unhedged share class of the Underlying Fund (and gains and losses on the hedging transactions undertaken in connection with the class-specific hedging

programs are generally not expected to be allocated to such non-hedged share class), the Underlying Fund as a whole (including Class A Units) may be liable for obligations in connection with currency hedges as described in the foregoing. In such circumstances, the net asset value and returns attributable to Class A Units could be adversely affected.

Hedging risks/derivatives

While it is not currently anticipated that BXPE will use derivative instruments for long-term hedging or speculative purposes as a material component of its investment strategy, BXPE 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 those 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 BXPE, including costs incurred in connection with deals that failed to be consummated. There can be no assurance that any derivatives or other hedging transactions will be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks or where the Sponsor does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of a derivative or other hedging arrangement), thereby resulting in losses to BXPE.

Engaging in derivatives and other hedging transactions may result in a poorer overall performance for BXPE than if it had not engaged in any such transaction. The Sponsor may not be able to effectively hedge against, adequately anticipate or choose not to hedge or mitigate, certain risks that may adversely affect BXPE's investment portfolio. In addition, BXPE'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 interest rate and foreign exchange risks. Recently, counterparties to derivative contracts have sought assurances that the special purpose or other vehicle executing the derivative contract have recourse to main fund, which recourse liability can create significant additional risk to BXPE and its other Investments. Derivative contracts entered into by BXPE will also often have cross-default and/or cross-acceleration provisions such that a default under BXPE's other facilities would also trigger a notice or payment obligation under the relevant derivative contracts, which could create cascading liabilities and additional burdens on BXPE. BXPE will utilize derivatives and other hedging transactions only as determined by the Sponsor in its sole discretion. Co-investors are unlikely to receive the benefit of any derivative or hedging activities engaged in by BXPE, even in cases where such activity is primarily related to BXPE's exposure to a particular Investment in which such co-investors participate.

Liabilities on disposition of investments

In connection with the disposition of an investment, BXPE may be required to make representations about the business, financial affairs and other aspects of such investment, such as environmental matters, property conditions, regulatory matters, tax liabilities, insurance coverage and litigation. BXPE 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 BXPE's assets may sue BXPE under various theories, including breach of contract and tort, for losses they suffer, including from problems not uncovered in due diligence. BXPE 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 or not made.

Allocation of personnel

The Sponsor will devote such time and attention to BXPE as it determines to be necessary to conduct its business affairs in an appropriate manner. However, Blackstone personnel, including members of the BXPE 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. This includes other investment programs to be developed in the future. Certain members of the Sponsor's investment team are also members of other Blackstone investment teams and will continue to serve in those roles and as a result, not all of their business time will be devoted to the Sponsor. Non-investment professionals may not be dedicated solely to the Sponsor and may perform work for Other Blackstone Accounts, which is expected to detract from the time such persons devote to BXPE.

In this regard, however, a core group of Blackstone investment professionals will devote such time and attention as is reasonably necessary to the business related to BXPE (and its investments). Even some key personnel of the Sponsor who devote substantially all of their time to investment programs within the Sponsor group do not devote time predominantly, or solely, to BXPE, as the Sponsor group is one of various programs within Blackstone's private equity business, and such personnel will, in certain circumstances, also be shared with the other Blackstone businesses. Time spent on these other initiatives diverts attention from the activities of BXPE, which could negatively impact BXPE and shareholders. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. Blackstone personnel outside the PE Platform share in the fees and performance-based compensation from BXPE; similarly, the PE Platform's 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 and attention by Blackstone personnel. The Sponsor's determination of the amount of time and attention necessary to conduct BXPE's activities will be conclusive, and shareholders rely on the Sponsor's judgment in this regard.

In addition, professionals of the Sponsor may participate in a Blackstone-sponsored program whereby any professional of the Sponsor may receive carried interest or other compensation from another business unit of Blackstone in connection with such professional's successful referral of a transaction involving any third-party fund manager or third-party pooled investment vehicle to such other business unit of Blackstone or by virtue of other arrangements within Blackstone. Such compensation may include carried interest generated by a fund managed by such other business of Blackstone (or potentially even in a third-party fund manager). It is not expected, however, that the amount of any carried interest or other compensation received in connection with any such program will be material.

Non-controlling investments; investments with third parties

BXPE may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect its position in such investments. In such cases, BXPE will typically be significantly reliant on the existing management, board of directors and other shareholders of such companies, who may not be affiliated with BXPE and whose interests may conflict with the interests of BXPE. BXPE may also co-invest with affiliates of Blackstone (including Other Blackstone Accounts), investors in Other Blackstone Accounts or their affiliates and/or third parties (or affiliated managers or other persons) with respect to specified investments or categories of investments through partnerships, joint ventures or other similar arrangements ('**JV Arrangements**'), thereby acquiring jointly-controlled or non-controlling interests in certain investments in conjunction with participation by one or more third parties in such investment. JV Arrangements may be designed to share risk in the underlying investments with third parties or may involve

BXPE taking on greater risk with an expected greater return or reducing its risk with a corresponding reduction in the rate of return. Such JV Arrangements may involve risks in connection with such third-party involvement, including the possibility that such other participant, third-party partner or co-venturer may have financial difficulties, resulting in a negative impact on such JV Arrangements, may have economic or business interests or goals which are inconsistent with those of BXPE, or may be in a position to take (or block) action in a manner contrary to BXPE's investment objectives or the increased possibility of default by, diminished liquidity or insolvency of, the third party, due to a sustained or general economic downturn.

In addition, BXPE may in certain circumstances be liable for the actions of its third-party partners, coventurers or co-investors (including Other Blackstone Accounts). In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such JV Arrangements, including incentive compensation arrangements, in each case which compensation will not offset Underlying Fund fees. Furthermore, such third-party partners or co-investors to JV Arrangements may provide services (such as asset management oversight services) similar to, and overlapping with, services provided by the Sponsor to BXPE, Other Blackstone Accounts or their respective portfolio entities, and, notwithstanding the foregoing, fees attributable to such services will not offset Underlying Fund fees. Additional conflicts could arise if a joint venture partner is related to Blackstone in any way, such as a limited partner investor in, lender to, a shareholder of, or a service provider to Blackstone, BXPE, Other Blackstone Accounts, or their respective portfolio entities, or any affiliate, personnel, officer or agent of any of the foregoing.

High yield debt

Although not its primary investment strategy, BXPE may invest in debt securities that may be classified as "higher-yielding" (and, therefore, higher-risk) debt securities. In most cases, such debt will be rated below "investment grade" or will be unrated and will face both ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. The market for high yield securities has experienced periods of volatility and reduced liquidity. Securities in the lower rated categories and comparable non-rated securities are subject to greater risk of loss of principal and interest than higher rated and comparable non-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings or comparable non-rated securities in the case of deterioration of general economic conditions.

High yield securities may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by all or substantially all of the issuer's assets. High yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these debt securities may reflect individual corporate developments. General economic recession or a major decline in the demand for products and/or services in the industry in which the issuer operates would likely have a material adverse impact on the value of such securities or could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these high yield debt securities.

Syndication, warehousing and related transactions

Blackstone, Other Blackstone Accounts, joint venture partners, or affiliates or related parties of the foregoing (any party acting in such capacity, including without limitation Blackstone, Other Blackstone Accounts or affiliates or related parties of the foregoing, a **'Warehousing Entity'**) are anticipated to acquire investment as principal and

subsequently transfer some or all of such investment to BXPE, Other Blackstone Accounts or co-investors. This would constitute an affiliate or related party transaction for BXPE or such Other Blackstone Accounts on the one hand, and such Warehousing Entity on the other hand. Similarly, BXPE may acquire an investment and subsequently syndicate, or transfer some or all of such investment, to a Warehousing Entity, notwithstanding that BXPE may have sufficient capital available from shareholders, other investors in BXPE or applicable credit facilities or other sources of capital to fund and/or hold such investment. Furthermore, BXPE may also initially acquire an investment from a Warehousing Entity, directly from any third party, and subsequently sell or transfer such investment back to a Warehousing Entity (or initially sell or transfer such investment to a Warehousing Entity if the investment was acquired directly from a third party), whether in the context of a warehousing arrangement or otherwise, should the Sponsor deem it appropriate in the Sponsor's sole discretion, and BXPE may re-acquire any such investment at a later date should the Sponsor deem it appropriate in the Sponsor's sole discretion. It is anticipated that BXPE generally will deem it appropriate to sell or transfer such investments to a Warehousing Entity as discussed above for the purpose of preserving or managing liquidity for BXPE.

BXPE will execute such purchases, sales or transfers under one or more pricing frameworks, which may include purchases, sales or transfers (a) at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer or (b) at a different price determined by BXPE and the Sponsor, subject to compliance with the conflict of interest mitigation practices, 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 transferring the relevant asset at fair market value at the time of transfer. It may be possible that BXPE acquires transferred assets at above fair market value, and/or separately sell assets at below fair market value and/or returns certain fees it received in connection with such assets should these assets be sold or transferred to a Warehousing Entity. Conflicts of interest will arise in connection with the foregoing transactions. Blackstone, the Sponsor and their respective affiliates have a conflict of interest in deciding whether, when and at what price to sell or transfer assets between BXPE and one or more Warehousing Entities. If an investment is the subject of more than one transfer between BXPE, on the one hand, and a Warehousing Entity, on the other hand, the methodology for determining transfer price may differ for each such transfer and the identity of the Warehousing Entity may also differ for each such transfer. Accordingly, a Warehousing Entity may receive a profit from one or more of such transfers and/or BXPE may incur a loss from one or more of such transfers.

The Sponsor also receives management fees and incentive compensation from Other Blackstone Accounts who may be Warehousing Entities, and the Sponsor may be incentivised to effect transfers between BXPE and such Other Blackstone Accounts to increase its management fees or incentive compensation paid by such Other Blackstone Accounts. Investments sold or transferred to BXPE by a Warehousing Entity may suffer a decline in performance following such sale or transfer and neither Sponsor nor such Warehousing Entity will be obligated to repurchase such investment from BXPE; similarly, investments purchased from BXPE and transferred to a Warehousing Entity may experience improved performance and such Warehousing Entity will not be obligated to sell or transfer the investment to BXPE, and will thus benefit from the improved performance and BXPE will not. The Board of Directors (or the non-affiliated directors thereof) may, but are not required to, approve the price, terms and conditions of such transfer and may approve or waive any conflicts arising in connection therewith on behalf of the shareholders. Additionally, the Sponsor may charge fees on these transfers to either or both of the parties to them.

Any Warehousing Party, 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. As part of structuring such syndication and warehousing arrangements, the Sponsor may require BXPE and Other Blackstone Accounts to enter into conditional purchase agreements, where BXPE and/or such Other Blackstone Accounts agree to acquire future warehoused investments: (i) prior to their original acquisition; and (ii) prior to BXPE and such Other Blackstone Accounts having the requisite available capital to acquire such assets, in each case with such sale being conditional upon BXPE and/or such Other Blackstone Accounts (as the case may be) having sufficient available capital in order to acquire the relevant warehoused assets. The Sponsor entered into warehousing arrangements with Warehouse Entities prior to the formation of BXPE and these arrangements contain conditional purchase arrangements on terms that are in line with the foregoing sentences.

In addition, Blackstone or its affiliates (including a Warehousing Entity) could provide debt and/or equity financing (including preferred equity financing) to BXPE and/or any portfolio entity which financing could give rise to a certain number of conflicts of interests. These conflicts related to syndication of investments, warehousing and related transactions described above will not necessarily be resolved in favor of BXPE, and shareholders will not be entitled to receive notice or disclosure of the occurrence of these conflicts. By subscribing for Shares, shareholders will be deemed to have consented to the syndication of investments, warehousing and related transactions described above, including to the extent the terms of such transactions are approved by the non-affiliated directors of the Underlying Fund.

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. Specified policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will reduce the synergies across Blackstone's various businesses that BXPE expects to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, including, but not limited to, private equity, a credit business, a secondary funds business, an infrastructure business, an insurance solutions business, a hedge fund business, a capital markets group, a life sciences business and a real estate advisory business, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses and to protect against the inappropriate sharing and/or use of information between BXPE and the other business units at Blackstone, Blackstone has implemented certain policies and procedures (e.g. Blackstone's information wall policy) regarding the sharing of information that may reduce the positive synergies that BXPE expects to utilize for the purposes of identifying and managing attractive investments. For example, Blackstone will from time to time come into possession of material non-public information with respect to companies in which Other Blackstone Accounts may be considering making an investment or companies that are clients of Blackstone. As a consequence, that information, which could be of benefit to BXPE, might become restricted to those other respective businesses and otherwise be unavailable to BXPE.

There can be no assurance, however, that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of BXPE to effectively achieve their investment objective by unduly limiting the investment flexibility of BXPE and/or the flow of otherwise appropriate information between the Sponsor and other business units

at Blackstone. Personnel of Blackstone may be unable, for example, to assist with the activities of BXPE 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. In addition, due to these restrictions, BXPE may not be able to initiate a transaction that it otherwise might have initiated and may not be able to arrange for the sale and liquidation of all or any portion of an investment that it otherwise might have sold.

Although Blackstone has implemented information walls and restrictions on information sharing, to the extent that Blackstone is in possession of material non-public information or is otherwise restricted from trading in certain securities, BXPE and the Sponsor may also be deemed to be in possession of such information or otherwise restricted. This could reduce BXPE's investment flexibility. Additionally, the terms of confidentiality or other agreements with or related to companies in which any Blackstone fund has or has considered making an investment or which is otherwise a client of Blackstone will from time to time restrict or otherwise limit the ability of BXPE and/or its portfolio entities and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. Blackstone may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for BXPE, may require BXPE to share such opportunities or otherwise limit the amount of an opportunity BXPE can otherwise take.

Force majeure risk

BXPE and its portfolio entities may be affected by force majeure events (i.e., subject to applicable laws, events beyond the control of the party claiming that the event has occurred, including without limitation, acts of God, fires, floods, earthquakes, hurricanes, tornadoes, landslides, explosions, outbreaks of an infectious disease, pandemic or any other serious public health concerns, war, regional armed conflict, terrorism, nationalisation of industry and labor strikes). Disease outbreaks have occurred in certain countries in the past and are currently occurring (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/O9 flu, COVID-19 and other coronaviruses) and any prolonged occurrence of infectious disease, or other adverse public health developments or natural disasters in any country in which BXPE targets investments could have a material adverse effect on the economy in such country or globally and/or the business operations of portfolio entities in which BXPE invests. Force majeure events could adversely affect BXPE's ability, or the ability of a portfolio entity or a counterparty to perform its obligations, including but not limited to the construction of its in process development.

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 BXPE or a portfolio entity. In addition, the cost to BXPE, its investments or portfolio entities, of repairing or replacing damaged assets resulting from such force majeure event could be material. 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 us and the Sponsor. Additionally, a major governmental intervention into an industry in light of a force majeure event or otherwise, including the nationalisation of an industry or the assertion of control over one or more investments or its assets, could result in a loss to us, including if our investment is cancelled, unwound or acquired (which could be without what the Sponsor considers to be adequate compensation) if an investment or portfolio entity is affected, and any compensation provided by the relevant government may not be adequate. Any of the foregoing may therefore adversely affect the performance of BXPE and its investments.

Availability of insurance against certain catastrophic losses

BXPE and portfolio entities generally maintain liability, fire, flood, extended coverage, rental loss, cyber sabotage and/or terrorism 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 (including cyber sabotage) or other similar events, may be either uninsurable or insurable only at uneconomically high rates such that no insurance coverage exists or maintenance of such coverage would cause an adverse impact on the related portfolio entities. In general, losses related to terrorism and cyber sabotage are becoming harder and more expensive to insure against. In some cases, the insurers exclude terrorism and/or cyber sabotage, in others the coverage against terrorist acts and cyber sabotage 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 avoidance of coverage. If a major loss for which insurance is unavailable occurs, BXPE could lose both invested capital in and anticipated profits from the affected investments.

Valuations

For the purposes of calculating BXPE's monthly net asset value, BXPE's Direct Investments will generally initially be valued at cost based on BXPE's percentage ownership of such Direct Investment, which BXPE expects to represent fair value at that time; however, to the extent the Underlying Fund AIFM does not believe a Direct Investment's cost reflects the current market value, the Underlying Fund AIFM may adjust such valuation. In accordance with the valuation policy, the Underlying Fund AIFM, with the support of the Underlying Fund Investment Manager, will conduct a quarterly valuation of BXPE's Direct Investments that will be reviewed and confirmed for reasonableness by BXPE's independent valuation advisor with monthly valuation updates based on the latest available financial data and cash flow activity. Additionally, a second independent valuation advisor will provide a more detailed "range of value" analysis on a rolling basis throughout the year. For the avoidance of doubt, the Underlying Fund Investment Manager will not make the final valuation decision. Additionally, the Underlying Fund AIFM may in its discretion, but is not obligated to, consider material market data and other information (as of the applicable month end for which net asset value is being calculated) that becomes available after the end of the applicable month in valuing BXPE's assets and liabilities and calculating BXPE's net asset value. Neither the Underlying Fund AIFM nor the Underlying Fund Investment Manager, are obliged to monitor Other Blackstone Accounts' investments for events that could be expected to have a material impact on any Other Blackstone Account's net asset value during a quarter.

Although the valuations of each of BXPE's Direct Investments will be reviewed and confirmed for reasonableness by BXPE's independent valuation advisors at least once per quarter, such valuations are based on asset- and portfolio-level information provided by the Underlying Fund AIFM and/or Underlying Fund Investment Manager, including historical operating revenues and expenses of the Direct Investment, key customer relationships, information regarding recent or planned capital expenditures and any other information relevant to valuing the Direct Investment, which information will not be independently verified by any of BXPE's independent valuation advisors. The information provided may lead to a different result of the monthly valuation update than that of a quarterly valuation. The resulting potential disparity in net asset value between a monthly valuation and a quarterly valuation may inure to the benefit of shareholders whose Shares are redeemed or new subscriber of Shares, depending on whether the net asset value per Share for such class is overstated or understated. None of BXPE's independent valuation advisor will review the Underlying Fund

AIFM's valuations of the investments in Debt and Other Securities. Such quarterly valuations and monthly updates will be subject to inherent uncertainty and will be made under a number of assumptions which may not ultimately be realised.

Within the parameters of the valuation policy, the valuation methodologies used to value BXPE's Direct Investments, and certain other 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 of BXPE's 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 BXPE's assets may differ from their actual realisable value or future fair value. Ultimate realisation of the value of an asset depends to a great extent on economic, market and other conditions beyond BXPE's control and the control of the Underlying Fund AIFM, the BX Managers and BXPE's independent valuation advisors.

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 valuation. There will be no retroactive adjustment in the valuation of such assets, the offering price of BXPE's Shares, the price BXPE paid to redeem Shares or net asset value-based or performance-based fees it paid, directly or indirectly, to the Underlying Fund AIFM, BX Managers and the Recipient to the extent such valuations prove to not accurately reflect the realisable value of BXPE's assets. While BXPE believes its net asset value calculation methodologies are consistent with widely recognised valuation methodologies, there are other methodologies available to calculate net asset value. As a result, other funds focused on private equity investments may use different methodologies or assumptions to determine net asset value. Other Blackstone Accounts face similar risks with respect to valuation and BXPE will incorporate the value of each relevant Other Blackstone Account's net asset value per unit into BXPE's net asset value to the extent BXPE has invested in such Other Blackstone Account. In addition, each relevant Other Blackstone Account's net asset value per unit used to calculate BXPE's net asset value may be as of a date several months earlier than the date as of which BXPE's net asset value is calculated and, as a result, BXPE's net asset value will often not incorporate the current net asset value per unit of such Other Blackstone Account.

Uncertainty of projections

Investment underwriting is based in significant part on estimates or projections of future financial and economic performance, including current and future internal rates of return. Moreover, decisions on how to manage an investment during its hold period are informed by expectations of future performance and projections of operating results, which are often based on management judgments. All of these projections are only estimates of future results that are based upon, among other considerations, assumptions made at the time that the projections are developed, including assumptions regarding the performance of BXPE's investments and assets, the amount and terms of available financing and the manner and timing of dispositions, all of which are subject to significant uncertainty. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions and other events, which are not predictable and may not have been anticipated, can have a material adverse impact on the reliability of

such projections. Moreover, other experts may disagree regarding the feasibility of achieving projected returns. BXPE will make investments which may have different degrees of associated risk. The actual realised returns on BXPE's investments may differ materially from the returns projected at the time of acquisition, which are not a guarantee or prediction of future results.

Changes in valuations

When the Underlying Fund AIFM determines the fair value of BXPE's Direct Investments, the Underlying Fund's AIFM updates the prior month-end valuations by incorporating the latest available financial data for such Direct Investments, as well as any cash flow activity related to the investments during the month. On a quarterly basis, the Underlying Fund AIFM will value BXPE's Direct Investments utilising the valuation methodology it deems most appropriate and consistent with widely recognised valuation methodologies and market conditions. Each quarter, the Underlying Fund AIFM will engage a qualified, independent valuation advisor to provide positive assurance for the valuations of each of BXPE's Direct Investments prepared by the Underlying Fund AIFM. It is expected that the independent valuation advisor will provide such positive assurance on a rolling basis throughout the quarter, such that BXPE's Direct Investments may be reviewed at different times during the quarter but that the independent valuation advisor would provide positive assurance on each private investment at least once per quarter.

Additionally, the Underlying Fund AIFM will engage a second qualified independent valuation advisor to provide a more detailed "range of value" analysis on a rolling basis throughout the year, such that the value of the Underlying Fund's Direct Investments may be estimated by an independent valuation advisor at different times during the year but that the independent valuation advisor would provide a range of value on each Direct Investment at least once per year. Both independent valuation advisors will be engaged on a monthly basis and will review a portion of the portfolio each month. When these quarterly valuations are incorporated into BXPE's net asset value per Share, there may be a material change in BXPE's net asset value per Share amounts for each class of Shares from those previously reported. BXPE will not retroactively adjust the net asset value per Share of each class reported for the previous month. Therefore, because a new quarterly valuation may differ materially from the prior valuation, the adjustment to take into consideration the new valuation, may cause the net asset value per Share for each Class of Shares to increase or decrease, and such increase or decrease will occur in the month the adjustment is made.

Reliance on the Sponsor

The Sponsor will have exclusive responsibility for management and oversight of BXPE's activities. Shareholders will not have the right to make or evaluate any investment made by BXPE, or other decisions concerning direct management of BXPE 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 BXPE (subject to certain specified exceptions). Accordingly, shareholders are dependent upon the judgment and ability of the Sponsor to source transactions and invest and manage the capital of BXPE. No potential investor who is unwilling to entrust all aspects of the management of BXPE to the Sponsor should invest in BXPE.

Liabilities on disposition of investments

In connection with the disposition of an investment, BXPE may be required to make representations about the business, financial affairs and other aspects of such investment, such as environmental matters, property conditions, regulatory matters, tax liabilities, insurance coverage and litigation. BXPE 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 BXPE's assets may sue BXPE under various theories, including breach of contract and tort, for losses they suffer, including from problems not uncovered in due diligence. BXPE 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 or not made.

Indemnification

BXPE 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 BXPE for liabilities incurred in connection with the affairs of BXPE. Members of the Board of Directors will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the Articles. Such liabilities may be material and have an adverse effect on the returns of the shareholders. 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 BXPE would be payable from the assets of BXPE.

Because the Sponsor may cause BXPE 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 BXPE advances expenses to an individual or entity not aligned with or adverse to BXPE. Moreover, in its capacity as Sponsor, of BXPE, 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.

Accounting, disclosure and regulatory standards

BXPE generally applies IFRS accounting standards for the calculation of its net asset value for financial reporting purposes, its valuation of its investments and the establishment of its audited annual report. BXPE's accounting standards may not correspond to the account standards of other underlying entities, resulting in different financial information appearing on their respective financial statements. Information available to shareholders in BXPE's audited annual report may differ from information available in the financial statements of underlying entities, including operations, financial results, capitalisation and financial obligations, earnings and securities. Furthermore, for a company that keeps accounting records in a currency other than U.S. dollars, inflation accounting rules in certain markets require, for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to express in terms of a currency of constant purchasing power. As a result, financial data of prospective investments may be materially affected by restatements for inflation and may not accurately reflect actual value. Accordingly, BXPE's ability to conduct due diligence in connection with an investment and to monitor the investment may be adversely affected by these factors.

No independent advice

The terms of the agreements and arrangements under which BXPE 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 shareholders by separate counsel. Potential investors should therefore seek their own legal, tax and financial advice before making an investment in BXPE.

7. How the Fund operates

7.1 Fund valuation

The Fund is valued by the Fund Administrator and the Fund's NAV is calculated in accordance with the Constitution. The NAV of the Fund is calculated, by deducting the liabilities of the Fund (for example, but not limited to, distributions to the Fund's investors, the Fund's management fee payable to CIML, expenses, provisions and contingent liabilities) from the value of the Fund's assets. Given that the Fund will invest all or substantially all of its assets in shares in the Underlying Fund, which are not an exchange traded asset, all assets of the Fund (including any that are not exchange traded) are determined in accordance with standard market practice, and market prices are generally electronically sourced from third parties. Consequently, in general, the value of the Fund's assets will reflect the value of the shares in the Underlying Fund (i.e., the NAV per share of the class of shares held in the Underlying Fund multiplied by the number of shares held in the Underlying Fund), which is published from time to time.

The Fund Administrator values the Fund in accordance with standard market practice and market prices are generally electronically sourced from third parties.

Where no independent pricing source is available to value an asset, CIML will liaise with the Fund Administrator to determine the value of the asset in accordance with acceptable industry standards.

7.2 Unit pricing

A unit price for each unit class of the Fund is generally calculated monthly on the last Calendar Day of the month.

Investors in the Fund will be issued a number of Class A Units and/or Class B Units depending on their initial investment (calculated by dividing the amount invested by the applicable issue Unit price for the relevant Class). When funds are withdrawn from the Fund, they are redeemed at the relevant redemption unit price for the Units.

The Class A Unit price is calculated by dividing the NAV of the Fund referable to the Class A Units (determined by the net market valuation of assets owned, less all liabilities held, including fees, provisions and accrued expenses in accordance with the Constitution) divided by the number of Class A Units on issue. The issue price is calculated by taking the NAV per Class A Unit plus any buy spread (if applicable). The redemption Class A Unit price is calculated by taking the NAV per Class A Unit less any sell spread (if applicable). The buy spread as at the date of this PDS is 0.00% of the application amount on applications, and the sell spread as at the date of this PDS is 0.30% of the withdrawal amount on redemptions, which will be charged at the time of your transaction being applied into the Fund.

Similarly, the Class B Unit price is calculated by dividing the NAV of the Fund referable to the Class B Units (determined by the net market valuation of assets owned, less all liabilities held, including fees, provisions and accrued expenses in accordance with the Constitution) divided by the number of Class B Units on issue. The issue price is calculated by taking the NAV per Class B Unit plus any buy spread (if applicable). The redemption Class B Unit price is calculated by taking the NAV per Class B Unit less any sell spread (if applicable). The buy spread as at the date of this PDS is 0.00% of the application amount on applications, and the sell spread as at the date of this PDS is 0.30% of the withdrawal amount on redemptions, which will be charged at the time of your transaction being applied into the Fund.

Due to the nature of the underlying private equity assets in which the Underlying Fund and Master Fund invests, Unit prices for the Fund can take more time than usual to calculate. Unit prices are generally finalised and published 25 Business Days following the relevant month end to which the Unit price relates, but could take longer to finalise and publish. In calculating the NAV of the Fund referable to Units, CIML, the Fund Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including, automatic processing services, brokers, market makers or intermediaries, and any fund administrator or valuations agent of the Underlying Fund or other collective investments into which the Underlying Fund invests.

CIML may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets.

CIML has adopted a unit pricing and asset valuation policy, which sets out how CIML exercises discretions in relation to unit pricing. You can obtain a copy of this policy free of charge by contacting CIML.

Where different classes of Units are on issue, the price of a Unit will be determined by reference to the NAV of that class.

7.3 Distributions

When are distributions paid?

The distribution policy of the Fund is to distribute the net income of the Fund annually for the period ending 30 June (when applicable or available from the Underlying Fund), as soon as practicable. You can elect to either have your distributions automatically reinvested or paid directly into a nominated Australian financial institution account. If no election is made, your distributions will be automatically reinvested.

Distributions from the Fund may comprise income and/or capital as determined by CIML under the Constitution. The Fund's ability to pay a distribution is contingent on the income it receives from its investment in the Underlying Fund and may mean that there is no distribution for a period. The Fund, as a shareholder of the Underlying Fund, is allocated accumulating shares in the Underlying Fund, whereby the Underlying Fund intends to reinvest earnings related to such shares on an ad-hoc basis. There is no guarantee that the Underlying Fund will make distributions for accumulating shares. Instead, any earnings related to such shares will be reinvested by the Underlying Fund at its discretion, taking into consideration factors it deems appropriate, including earnings, cash flow, capital needs, general financial condition, and applicable laws. Consequently, the Underlying Fund's earnings reinvestment rates and schedules are expected to vary.

All income of the Fund must be distributed each financial year. CIML may vary the distribution frequency without providing you with notice.

How will my distributions be paid?

On the Fund's application form you may nominate to re-invest your income as additional Class A Units or Class B Units (as relevant) in the Fund, or to receive your income by direct credit. If no election is made, your distributions will be automatically reinvested.

You can alter your distribution method by sending a written request to the Fund Administrator, ten (10) Business Days before the end of a distribution period (i.e. ten (10) Business Days before a month end). All income distributions may be subject to income tax, irrespective of whether they are reinvested. Please consult your tax advisor for further information.

How is the distribution calculated?

CIML may pay distributions with respect to Units at certain specified times during the financial year and is expected to pay distributions at least once every financial year (when applicable or available from the Underlying Fund).

The net taxable income of the Fund with respect to the Units for each distribution period is calculated at the end of the distribution period. In the event that you have an investment in the Units at the close of business on the last day of the period, you are entitled to a share of the Fund's net income referable to the Class of Units held for that period in proportion to the number of Class A Units or Class B Units (as applicable, provided that distributions for a given Class of Units may only be reinvested in Units of the same Class) held in the Fund. If you withdraw your investment on or before the last day of the distribution period, you will not receive a separate income payment for the withdrawn investment for that period. However, any income of the Fund referable to the Units since the beginning of the distribution period will be reflected in the redemption price for Units of the relevant Class.

CIML may determine to offer distribution reinvestment in accordance with the relevant provisions of the Constitution, and the procedure for reinvestment of distributions is to be determined by CIML and notified to Investors from time to time.

7.4 Different classes

This PDS applies to Class A Units and Class B Units in the Fund. Where permitted under the Constitution, CIML may issue other classes of units in the Fund under a separate PDS or information memorandum. Different classes of units may have different terms of issue, including in respect of matters such as minimum initial investment amounts, minimum additional investment amounts, fees, distribution payment times and other matters. CIML is required by law to treat all investors within a class of units equally and all investors in different classes of units fairly.

Although CIML seeks to ensure that the liabilities of one class are kept separate from all other classes, there is a risk that investors of different classes may be exposed to liabilities of another class of units, and they could lose some or all of their investment in the Fund.

7.5 Unit transfers

You can request a transfer of some or all of your Units to a third party by completing and signing a transfer form and providing CIML with any other documentation required by it or any law. You can obtain a transfer form by contacting Channel Client Services on 1800 940 599 or via email at clientservices@channelcapital.com.au (see section 15). CIML reserves the right to refuse to register a transfer of Units.

7.6 Custodian

CIML has appointed an external custodian to manage the cash and cash-like assets of the Fund. CIML under its Australian financial services licence intends to self-custody the non-cash assets of the Fund. CIML has policies and procedures in place to ensure that this is managed to the minimum standards for holding scheme assets as prescribed in section 601FCAA of the Corporations Act, as amended by ASIC Corporations (Asset Holding Standards for Responsible Entities) Instrument 2024/16. Any fees CIML pays to the external custodian or CIML, as applicable, are paid out of the Management Fee referred to in section 8 and are not an additional charge to you.

7.7 Fund Administrator

The Fund Administrator has been appointed to be the administrator and unit registrar for the Fund. Any fees CIML pays to the Fund Administrator are paid out of the Management Fee referred to in section 8 and are not an additional charge to you.

8. Fees and other costs

8.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission ('ASIC') Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

8.2 Fees and costs table

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

Blackstone Private Equity Strategies Fund AUT		
Type of fee or cost	Amount ^{1,8}	How and when paid
Ongoing annual fees and costs²		
<i>Management fees and costs</i> The fees and costs for managing your investment	Class A Units Management fees and costs of 2.3525% per annum of the NAV of the Fund referable to the Class A Units, comprised of: <ul style="list-style-type: none">a management fee of 0.1025% per annum of the NAV of the Fund referable to the Class A Units ('Management Fee');an estimated indirect cost of 1.75% per annum of the NAV of the Fund referable to the Class A Units; andestimated expense recoveries of 0.50% per annum of the NAV of the Fund referable to the Units.^{4,5,6}	The combined Management Fee for all classes of Units is subject to a minimum fee of \$280,375 p.a. and calculated and accrued monthly in the Fund's Unit price(s) and is generally paid monthly in arrears. The Management Fee shall be allocated across all classes of Units in proportion to the net asset value of each such class (as determined at the relevant time of allocation), and are paid from the assets of the Fund referable to the Units. The amount of this fee can be negotiated or rebated for wholesale clients. ³ Indirect costs (which are included in the management fees and cost) will be allocated across all classes of Units in proportion to the net asset value of each such class (as determined at the relevant time of allocation), and are paid from the assets of fund referable to the Units. are paid out of the assets of the Fund or an interposed vehicle as and when incurred. Normal operating expenses of the Fund (other than the abnormal or extraordinary expenses, indirect costs and transaction costs) will be allocated across all classes of Units in proportion to the net asset value of each class (as determined at the relevant time of allocation). These expenses will be borne directly by, and paid from, the assets of each class as they arise. Custody costs, however, will be allocated solely to, and paid from, the assets of the Unit class to which the relevant custody account relates.

Class B Units

Management fees and costs of 2.3525% per annum of the NAV of the Fund referable to the Class B Units, comprised of:

- a management fee of 0.1025% per annum of the NAV of the Fund referable to the Class B Units ('**Management Fee**');
- an estimated indirect costs of 1.75% per annum of the NAV of the Fund referable to the Class B Units; and
- estimated expense recoveries of 0.50% per annum of the NAV of the Fund referable to the Units.^{4,5,6}

Abnormal or extraordinary expenses, indirect costs and transaction costs of the Fund (if incurred) will be allocated across all classes of Units in proportion to the net asset value of each such class of Units relative to the aggregate net asset value of all classes of Units (as determined at the relevant time of allocation) and shall be borne directly by, and paid out of the assets of, each such class of Units as and when incurred and are reflected in the Unit price.

Abnormal or extraordinary expenses relating to the establishment of the Fund will initially be paid by the Underlying Fund Investment Manager and then reimbursed from the assets of the relevant class of Units of the Fund over a period of up to 60 months (or such other period as agreed with the Underlying Fund Investment Manager), starting from 12 months after the date of the first issue of Units under this PDS (or such other date as agreed with the Underlying Fund Investment Manager).

For the period of 12 months (or such other period as may be agreed between CIML and the Underlying Fund Investment Manager) starting from the date of the first issue of Units under this PDS, as applicable (or such other date as may be agreed between CIML and the Underlying Fund Investment Manager), the Underlying Fund Investment Manager may pay normal operating expenses of the Fund or abnormal or extraordinary expenses relating to the establishment of the Fund, to the extent that such expenses exceed 0.50% per annum of the NAV of the Fund. CIML will reimburse the Underlying Fund Investment Manager from the Fund Assets over the following 12 months period (or such other period as agreed with the Underlying Fund Investment Manager).

CIML is also entitled under the Constitution to a Fund establishment fee equal to an amount of \$153,750. CIML is also entitled to an upfront payment with respect to the establishment of Class B Units (on account of establishment related costs), in an amount equal to \$40,000.

<p><i>Performance Fees</i>⁷ Amounts deducted from your investment in relation to the performance of the product</p>	<p>Estimated performance fee of 2.01% per annum of the NAV of the Fund referable to the Units, comprised of;</p> <ul style="list-style-type: none"> • a performance fee of 0.00% per annum of the NAV of the Fund referable to the Units; and • estimated interposed vehicle performance fees of 2.01% per annum of NAV of the Fund referable to the Unit based on the average performance fee of the Underlying Fund on an annualised basis. 	<p>The Fund does not charge a performance fee. Performance fees charged by interposed vehicles are deducted from the assets of the interposed vehicles as and when incurred and are therefore reflected in the Underlying Fund's NAV and the value of the Fund's investment in the Underlying Fund. Performance fees are estimated to be the same across Class A Units and Class B Units and is based on the average performance fee since inception of the Underlying Fund on an annualised basis.</p>
<p><i>Transaction costs</i>⁹ The costs incurred by the scheme when buying or selling assets</p>	<p>Estimated to be 0.15% per annum of the NAV of the Fund referable to the Units.⁷</p>	<p>Transaction costs are deducted from the Fund or the Underlying Fund, as applicable, as and when they are incurred (where not otherwise recovered through the buy/sell spread). Transaction costs are estimated to be the same across Class A Units and Class B Units.</p>

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)^{2, 8}		
<p><i>Establishment fee</i> The fee to open your investment</p>	<p>Nil.</p>	<p>Not applicable.</p>

<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil.	Although entitled to do so under the Constitution, the Fund does not currently charge a contribution fee.
<i>Buy-sell spread</i> ¹⁰ An amount deducted from your investment representing costs incurred in transactions by the scheme	Currently, there is a fixed buy spread of 0.00% and a fixed sell spread of 0.30% for the Fund, which will be charged at the time of your transaction being applied to the Fund.	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and redeeming investors of the Fund, respectively, at the time of the relevant application or redemption.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil.	Not applicable.
<i>Exit fee</i> The fee to close your investment	Nil.	Not applicable.
<i>Switching fee</i> The fee for changing investment options	Nil.	Not applicable.

- All figures disclosed are inclusive of Goods and Services Tax ('GST') less any input tax credits ('ITCs') or reduced input tax credits ('RITCs'), and are shown without any other adjustment in relation to any tax deduction available to CIML.
- All estimates of fees and costs in this section are based on information available as at the date of this PDS. Subject to footnote 6 and 7, all fees reflect CIML's reasonable estimates of the typical fees for the Fund for the current financial year. Class A was established part way through the previous financial year and the costs for Class A reflect CIML's reasonable estimate for the 12-month period from the costs derived to date in the current financial year. As Class B is newly established, the costs reflect CIML's reasonable estimates at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period). Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable. CIML may change fees or introduce fees without your consent if permitted by the Constitution. At least 30 days prior notice will be given to Unitholders before any such increase.
- The amount of this fee may be negotiated or rebated (for wholesale clients). Please refer to the "Differential fees" sub-section in section 8.4 of this PDS for further information.
- Please note that each of CIML and the Underlying Fund Investment Manager incurs various abnormal and extraordinary expenses upon establishment of the Fund (including, but not limited to, legal, taxation, due diligence and other costs). CIML is also entitled under the Constitution to a Fund establishment fee equal to an amount of \$153,750 (including the net effect of GST, ITCs and RITCs) which shall be allocated across all classes of Units in proportion to the net asset value of each such class (as determined at the relevant time of allocation). Both the abnormal and extraordinary expenses relating to the establishment of the Fund and Fund establishment fee will initially be paid by the Underlying Fund Investment Manager and then reimbursed from the assets of each class of Units of the Fund, in proportion to the net asset value of each such class of Units relative to the aggregate net asset value of all classes of Units (as determined at the relevant time of allocation), over a period of up to 60 months (or such other period as agreed with the Underlying Fund Investment Manager), starting from 12 months after the issue of the first Class A Units (or such other date as agreed with the Underlying Fund Investment Manager). CIML is also entitled to an upfront payment with respect to the establishment of Class B Units (on account of establishment related costs), in an amount equal to \$40,000 (including the net effect of GST, ITCs and RITCs). Both the abnormal and extraordinary expenses relating to the establishment of Class B Units and the upfront payment will initially be paid by the Underlying Fund Investment Manager and then reimbursed from the assets of the Class B Units of the Fund over a period of up to 60 months (or such other period as agreed with the Underlying Fund Investment Manager), starting from 12 months after the issue of the first Class B Units (or such other date as agreed with the Underlying Fund Investment Manager).
- For a period of 12 months from the date on which Units are first issued under this PDS, the Underlying Fund Investment Manager may pay any normal operating expenses of the Fund or abnormal or extraordinary expenses relating to the establishment of the Fund to the extent that such expenses exceed 0.50% per annum of the NAV of the Fund. CIML will reimburse the Underlying Fund Investment Manager from the Fund Assets over the following 12-month period (or such other period as agreed with the Underlying Fund Investment Manager).
- The estimated expense recoveries of 0.50% p.a. of the NAV of the Fund referable to the Class A Units and 0.50% p.a. of the NAV of the Fund referable to the Class B Units, do not include estimates for the charge of the Fund establishment fee, the \$40,000 upfront payment (on account of establishment related costs) of Class B Units, and other abnormal and extraordinary expenses related to the establishment of the Fund and the establishment of Class B units, as there is no intention for these costs to be recovered prior to 31 December 2026 (or such other date as agreed between CIML and the Underlying Fund Investment Manager).
- The Fund invests in interposed vehicles that may charge performance fees. CIML reasonably estimates the performance fees charged by these interposed vehicles based on (i) the average fee incurred for the previous five financial years; (ii) if the interposed vehicle was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the interposed vehicle was in operation; or (iii) if the interposed vehicle was first offered in the current financial year, CIML's reasonable estimate of the fee for the current financial year adjusted to reflect a 12-month period. Past performance is not a reliable indicator of future performance and the actual performance fee payable in future years may be higher or lower than the amount stated above, subject to the performance of the interposed vehicles over the relevant period. Please refer to the "Additional explanation of fees and costs" section below for further information.

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8. Additional fees and costs may apply, including any additional fees incurred by you if you consult a financial adviser. Please refer to the "Remuneration of financial advisers" sub-section in section 8.4 of this PDS for further information.
 9. The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy-sell spread charged to transacting Investors where applicable. Please refer to the "Additional explanation of fees and costs" section below for further information.
 10. In estimating the buy-sell spread for the Fund, CIML has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for CIML to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations. CIML may vary the buy-sell spreads for the Fund from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed at www.channelcapital.com.au/funds. Please refer to the "Additional explanation of fees and costs" section below for further details.

8.3 Example of fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Units in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – <i>Blackstone Private Equity Strategies Fund AUT</i>		BALANCE OF \$100,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs ^{3,4,6}	Class A Units: 2.3525% of the NAV of the Fund referable to the Class A Units Class B Units: 2.3525% of the NAV of the Fund referable to the Class B Units	And , for every \$100,000 you have in the Fund, you will be charged or have deducted from your investment each year: Class A Units: \$2,352.50 Class B Units: \$2,352.50
PLUS Performance fees ⁵	2.01% of the NAV of the Fund referable to the Units	And , you will be charged or have deducted from your investment \$2,010.00 in performance fees each year.
PLUS Transaction costs ³	0.15% of the NAV of the Fund referable to the Units	And , you will be charged or have deducted from your investment \$150.00 in transaction costs each year.
EQUALS Cost of the <i>Blackstone Private Equity Strategies Fund AUT</i>		If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of: Class A Units: \$4,512.50 ^{1,2} Class B Units: \$4,512.50 ^{1,2}

What it costs you will depend on the fees you negotiate.

- Additional fees and costs may apply, including any additional fees incurred by you if you consult a financial adviser. You should refer to the "Statement of Advice" which details any fees that may be payable for their advice. Please also note that a buy-sell spread may apply to investments into and redemptions from the Fund, which is not taken into account in this example. Please refer to the "Additional explanation of fees and costs" in this PDS for further details.
- This example is prescribed by the Corporations Act, and each is based on an assumption that the additional \$5,000 investment in the Fund occurs on the last Business Day of the year (and therefore, the management fees and costs are calculated using an investment balance of \$100,000 only). This example also assumes that the value of your investment in the Fund remains constant at \$100,000 throughout the year and that there are no abnormal or extraordinary expenses during the year. Please note that this is just an example for illustrative purposes only. In practice, the amount payable depends on the circumstances of each investor and will vary.
- All estimates of fees and costs in this section are based on information available as at the date of this PDS. Subject to footnote 5, all fees reflect CIML's reasonable estimates of the typical fees for the Fund for the current financial year. Class A was established part way through the previous financial year and the costs for Class A reflect CIML's reasonable estimate for the 12-month period from the costs derived to date in the current financial year. As Class B is newly established, the costs reflect CIML's reasonable estimates at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period). Please refer to the "Additional explanation of fees and costs" section for more information on fees and costs that may be payable. CIML may change fees or introduce fees without your consent if permitted by the Constitution. At least 30 days prior notice will be given to Unitholders before any such increase.
- The amount of this fee may be negotiated or rebated (for wholesale clients). Please refer to the "Differential fees" sub-section in section 8.4 of this PDS for further information.
- Please refer to footnote 6 and 7 of the fees and costs summary table above and the "Additional explanation of fees and costs" in section 8.4 of this PDS for further details.
- The management fees and costs comprise of the Management Fee, indirect costs and expense recoveries.

8.4 Additional explanation of fees and costs

Set out below is additional information about management fees and costs of the Fund, performance fees, transaction costs, and other information about fees and other costs in relation to the Fund.

Management fees and costs

Management fees and costs are expressed as a percentage of the Fund's NAV referable to the Units. The management fees and costs of the Fund include the Management Fee, indirect costs (if any) and expense recoveries. These costs are reflected in the Unit price and are not an additional cost to you. Management fees and costs do not include transaction costs (i.e. costs associated with investing the underlying assets of the Fund, some of which may be recovered through buy-sell spreads).

Management Fees

CIML is entitled to be paid a Management Fee out of the assets of the Fund. The Fund currently intends on charging a combined Management Fee on all classes of Units equivalent to an amount of 0.1025% per annum subject to a minimum fee of \$280,375 p.a. The Management Fee shall be allocated across all classes of Units in proportion to the net asset value of each such class of Units relative to the aggregate net asset value of all classes of Units (as determined at the relevant time of allocation) and is paid from the assets of the Fund referable to the Units.

Indirect costs

Indirect costs of the Fund are costs (excluding the transaction costs and buy-sell spread) incurred in managing the Fund's asset's which CIML knows, or reasonably estimate, have or will reduce, directly or indirectly, the return on the Fund or interposed vehicle in which the Fund invests. Indirect costs include management fees and costs that may be incurred by, or payable in respect of, the interposed vehicles in which the Fund invests.

The impact of such costs will typically be reflected in the Underlying Fund's NAV and by extension in the Unit price of the Fund, and as such are an additional cost to you but are not paid to CIML.

The management fees and costs figure of 2.3525% per annum for Class A Units, and 2.3525% for Class B Units disclosed in the fees and costs summary in this PDS include the estimated indirect costs of 1.75% per annum for Class A and Class B, which is the reasonable estimate at the date of this PDS.

The indirect costs figure comprises of:

- the Underlying Fund's management fee of 1.25% per annum of the net assets of the Underlying Fund ('**Underlying Fund Management Fee**'). The Underlying Fund Management Fee is payable monthly in arrears; and
- the Underlying Fund's estimated expenses of 0.50% per annum.

The Underlying Fund Investment Manager has agreed to waive its management fee on the Underlying Fund for the initial six-month period following the later of (i) the date on which the Underlying Fund first accepts investments from parties not affiliated with Blackstone, or (ii) the date on which the Underlying Fund commences investment operations. After this initial waiver period, the Underlying Fund Management Fee becomes payable.

The Underlying Fund Management Fee is generally borne by the Master Fund, or alternatively, and without duplication, by the Underlying Fund, the BXPE Aggregator, Parallel Entities, or any Intermediate Entities.

In the event that the Underlying Fund Management Fee is paid by the Underlying Fund, the BXPE Aggregator, the Parallel Entities or any Intermediate Entities, such payment is deemed to be made on behalf of the Master Fund and the Underlying Fund in consideration of the Underlying Fund Investment Manager's services to both.

If, at any time, a similar management fee (calculated on a comparable basis) is charged to a Parallel Entity, it will be imposed without duplication of the Underlying Fund Management Fee payable by the Master Fund or any other related investment vehicle. In such cases, the net asset value of that particular Parallel Entity will be excluded from the calculation of the Underlying Fund Management Fee payable by other investment vehicles, ensuring that the Fund does not incur duplicate fees across multiple structures within the overall investment platform.

The actual indirect costs that the Fund with respect to the Units incurs may differ from the estimated indirect costs disclosed in this PDS.

Expense recoveries

Normal operating expenses

Generally any expenses that CIML or the Underlying Fund Investment Manager may recover from the Fund are paid out of the assets of the relevant class of the Fund in accordance with the Constitution.

Normal operating expenses of the Fund that may be recovered from the Fund include registry, administration, custodian, accounting, audit and legal costs.

Abnormal or Extraordinary Expenses

Generally, if abnormal or extraordinary expenses are incurred, CIML has the right under the Constitution to recover abnormal or extraordinary expenses out of the assets of the Fund. Abnormal or extraordinary expenses are expected to occur infrequently and may include (without limitation):

- expenses incurred upon establishment of the Fund or any class of Units thereof (including, but not limited to, legal, taxation, due diligence and other costs);
- convening of an investors' meeting;
- termination of the Fund;
- amending the Constitution;
- defending or bringing of litigation proceedings; and
- replacement of CIML as the responsible entity of the Fund.

If the Trustee Services Agreement is terminated by notice within the first 24 months from the date of the launch of the Fund (other than for cause), the Responsible Entity will continue to have the right to the Fund's management fee during the remainder of those first 24 months as if it continued to be the trustee for such period. The Fund's management fee is 0.1025% per annum of the net asset value of the Fund subject to a minimum fee of \$280,375 p.a.

The abnormal or extraordinary expenses relating to establishment of the Fund will initially be paid by the Underlying Fund Investment Manager and then reimbursed from the assets of the relevant class of Units of the Fund over a period of up to 60 months (or such other period as agreed with the Underlying Fund Investment Manager), starting from 12 months after the date of the first issue of Units under this PDS (or such other date as agreed with the Underlying Fund Investment Manager).

For the period of 12 months (or such other period as may be agreed between CIML and the Underlying Fund Investment Manager) starting from the date on which Units are first issued under this PDS (or such

other date as may be agreed between CIML and the Underlying Fund Investment Manager), the Underlying Fund Investment Manager may pay any normal operating expenses of the Fund or abnormal or extraordinary expenses relating to the establishment of the Fund, to the extent that such expenses exceed 0.50% per annum of the NAV of the Fund. CIML will reimburse the Underlying Fund Investment Manager from the Fund Assets over the following 12 months period (or such other period as agreed with the Underlying Fund Investment Manager).

CIML will charge a fund establishment fee equal to an amount up to \$153,750 (including the net effect of GST and RITC). The Fund establishment fee will initially be paid by the Underlying Fund Investment Manager and then reimbursed from the assets of each class of Units of the Fund, in proportion to the net asset value of each such class of Units relative to the aggregate net asset value of all classes of Units (as determined at the relevant time of allocation), over a period of up to 60 months (or such other period as agreed with the Underlying Fund Investment Manager), starting from 12 months after the issue of the first Class A Units (or such other date as may be agreed between CIML and the Underlying Fund Investment Manager).

CIML is also entitled to an upfront payment with respect to the establishment of Class B Units (on account of establishment related costs), in an amount equal to \$40,000 (including the net effect of GST, ITCs and RITCs). The abnormal or extraordinary expenses relating to establishment of Class B Units and the upfront payment will initially be paid by the Underlying Fund Investment Manager and then reimbursed from the assets of the Class B Units of the Fund over a period of up to 60 months (or such other period as agreed with the Underlying Fund Investment Manager), starting from 12 months after the issue of the first Class B Units (or such other date as may be agreed between CIML and the Underlying Fund Investment Manager).

The management fees and costs figure of 2.3525% per annum for Class A Units, and 2.3525% for Class B Units disclosed in the fees and costs summary in this PDS include the expense recoveries of 0.50% per annum of the NAV of the Fund referable to the Class A Units and 0.50% per annum of the NAV of the Fund referable to the Class B Units, which is the reasonable estimate at the date of this PDS.

The expense recoveries figures for the Class A Units include estimates of normal operating expenses of 0.50% per annum of the NAV of the Fund referable to the Class A Units, which is CIML's reasonable estimate for the 12-month period derived from the costs to date in the current financial year.

The expense recoveries figures for Class B Units include estimates of normal operating expenses of 0.50% per annum referable to the Class B Units, which is CIML's reasonable estimate at the date of this PDS of those costs that will apply for the Fund for the current financial year (adjusted to reflect a 12-month period).

For the avoidance of doubt, the expense recoveries figures disclosed in the fees and costs summary in this PDS do not include estimates for the charge of the Fund establishment fee, the \$40,000 upfront payment (on account of establishment related costs) of Class B Units and other abnormal and extraordinary expenses related to the establishment of the Fund and the establishment of Class B units as there is no intention for these costs to be recovered prior to 31 December 2026 (or such other date as agreed between CIML and the Underlying Fund Investment Manager).

Performance fee

Fund's performance fee

The Fund will not charge a performance fee.

Performance fees charged by interposed vehicles, specifically the Underlying Fund, are reflected in the Underlying Fund's NAV and

therefore the value of the Fund's investment in the Underlying Fund. The Underlying Fund Investment Manager is entitled to be paid a performance fee from the Underlying Fund, which is borne by the Underlying Fund.

Underlying Fund's performance fee

The Underlying Fund may be subject to a performance-based fee ('**Underlying Fund Performance Fee**') payable to BXPE US, BXPE Aggregator or any other entity designated by the general partner of the BXPE Aggregator (the '**Underlying Fund Performance Fee Recipient**'). The Underlying Fund Performance Fee is calculated at a rate of 12.5% and is assessed against returns generated in excess of a specified annual hurdle (the '**Underlying Fund Hurdle Amount**') and measured against a structure that includes a high water mark (the '**Underlying Fund High Water Mark**') and a full catch-up mechanism (the '**Underlying Fund Catch-Up**'). The Underlying Fund Hurdle Amount is set at 5% per annum and is determined by calculating an internal rate of return based on the net asset value of the BXPE Aggregator's units at the start of the relevant measurement period (the '**Underlying Fund Reference Period**') as well as all distributions, issuances, and changes in value during that Underlying Fund Reference Period. The Underlying Fund Catch-Up ensures that once the Underlying Fund Hurdle Amount is exceeded, all subsequent returns up to a point are allocated to the Underlying Fund Performance Fee Recipient until the Underlying Fund Performance Fee Recipient has received 12.5% of the sum of the Underlying Fund Hurdle Amount and amounts previously allocated under the Underlying Fund Catch-Up, after which further excess profits (the '**Underlying Fund Excess Profits**') are split so that the Underlying Fund Performance Fee Recipient receives 12.5% of these Underlying Fund Excess Profits. The Underlying Fund High Water Mark operates through a loss carry forward concept (the '**Underlying Fund Loss Carry Forward Amount**'), meaning that any deficit in performance from prior periods must be overcome in subsequent periods before the Underlying Fund Performance Fee Recipient becomes entitled to receive the Underlying Fund Performance Fee again.

This arrangement applies on a calendar-year basis, accrues monthly, and is paid quarterly. Interim quarterly calculations are made (each an amount allocated, a '**Underlying Fund Performance Fee Quarterly Allocation**'), but the final annual calculation may lead to adjustments if subsequent performance reduces what the Underlying Fund Performance Fee would have been. Such reductions create a '**Quarterly Shortfall**' if later quarters in the same year perform worse than expected. If a Quarterly Shortfall arises, future distributions of the Underlying Fund Performance Fee are reduced in the same calendar year. If at the end of the calendar year any Quarterly Shortfall remains, this shortfall, together with interest accruing at an annual rate of 5%, continues as a '**Quarterly Shortfall Obligation**' into the next four calendar years. After that period, if the Quarterly Shortfall Obligation is not eliminated through offsetting positive performance, the Underlying Fund Performance Fee Recipient (or its affiliates) must reimburse the BXPE Aggregator in cash.

The Underlying Fund Performance Fee is assessed not only at the calendar year-end but also at the time of redemptions. Units of the BXPE Aggregator, which invests alongside but is distinct from the BXPE US, may be redeemed in connection with redemptions of shares in the Underlying Fund's feeder entities, and such redeemed units bear their proportionate share of the Underlying Fund Performance Fee for the portion of the Underlying Fund Reference Period they were outstanding. The Underlying Fund Performance Fee Recipient may elect to receive the Underlying Fund Performance Fee in cash, in shares or units of the Underlying Fund or its related entities, or in shares or units of Parallel Entities or Intermediate Entities that may have been established for tax, regulatory, or other considerations. If the Underlying Fund Performance Fee Recipient chooses to receive

shares or units, these instruments may be redeemed at the Underlying Fund Performance Fee Recipient's request without the imposition of redemption deductions, although volume limitations may apply.

The calculation of the Underlying Fund's total return (the '**Underlying Fund Total Return**'), which forms the basis of determining whether the Underlying Fund Hurdle Amount has been met and whether Underlying Fund Excess Profits exist, includes all distributions accrued or paid on BXPE Aggregator units since the beginning of the Underlying Fund Reference Period, adjustments to the aggregate net asset value of such units, and takes into account various expenses and tax treatments, but excludes currency-driven impacts solely attributable to non-USD classes and excludes proceeds from the initial issuance of such units. Similarly, in calculating Underlying Fund Total Return and the Underlying Fund Hurdle Amount, the Underlying Fund disregards any accrued and unpaid taxes of intermediate entities through which investments are made, as well as impacts solely resulting from currency fluctuations or hedging activities.

If one or more additional BXPE Aggregator Parallel Vehicles or Parallel Entities exist alongside the BXPE Aggregator, the Underlying Fund Performance Fee and all associated terms (including the Underlying Fund Total Return, Underlying Fund Hurdle Amount, Underlying Fund Catch-Up, Underlying Fund Excess Profits, Underlying Fund High Water Mark, Underlying Fund Loss Carry Forward Amount, Quarterly Allocation, Quarterly Shortfall, and Quarterly Shortfall Obligation) are applied on a combined basis across these entities. This ensures a consistent and integrated approach to calculating and allocating the Underlying Fund Performance Fee, regardless of the underlying structural arrangements implemented for legal, tax, regulatory, or other operational reasons.

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs which may include, but are not limited to, brokerage, buy-sell spread, settlement costs, clearing costs, and stamp duty custody transaction costs on investment transactions.

Transaction costs also include transaction costs of the interposed vehicles in which the Fund invests, including the Underlying Fund.

Transaction costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transaction costs not covered by the buy-sell spread. Transaction costs which are incurred, where it has not already been recovered by the buy-sell spread charged by CIML (if any), are reflected in the Unit price. As these costs are factored into the asset value of the Fund's assets and reflected in the Unit price, they are an additional cost to you and are not a fee paid to CIML.

Transaction costs are not included in the Fund's management fees and costs. Instead, they are recovered from the assets of the Fund or interposed vehicles in which the Fund invests, as and when they are incurred and therefore are an additional cost to you.

As the Fund will invest all or sustainably all its assets in only the Underlying Fund and cash, CIML generally does not expect these investments to incur transaction costs, other than any withdrawal charges by the Underlying Fund (as described below) However, the Fund may incur transactional costs through the Fund's interposed vehicles.

The Fund's estimated gross transaction costs are 0.15% per annum of the NAV of the Fund referable to the Units.

The transaction costs as set out in the 'Fees and costs summary' are shown net of any amount recovered by the way of the buy-sell spread charged by the Fund, and as a percentage of the NAV of the Fund referable to the Units. The Fund's estimated net transaction costs are 0.15% per annum of the NAV of the Fund referable to the Units.

Please note, the Fund's estimated transaction costs may not provide an accurate indicator of the actual transaction costs that you may incur in the future.

Buy-sell spreads

A buy-sell spread is an amount deducted from the value of an Investor's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or redemption.

The Constitution permits CIML to impose a buy-sell transaction cost to cover the expenses relating to the purchase or sale of Fund assets associated with an application or redemption.

As at the date of this PDS, the buy spread is 0.00% of the application amount on applications and the sell spread is 0.30% of the withdrawal amount on redemptions.

If the Underlying Fund commences applying a buy-sell spread to applications and/or redemptions, CIML would seek to update the buy-sell spread to applications and redemptions from the Fund to pass such costs to the Fund's investors entering or exiting the Fund.

Please note that the sell spread charged to you at the time of your redemption from the Fund may be greater than the sell spread as stated in this PDS. CIML reserves the right to update the buy-sell spreads for the Fund at its sole discretion.

Discretionary Redemption Deduction

Fund

As stated above, the Fund currently imposes a buy spread of 0.00% of the application amount on applications and a sell spread of 0.30% of the withdrawal amount on redemptions, however, there is an exception related to any discretionary redemption deduction imposed by the Underlying Fund (as discussed below).

Underlying Fund Redemption Deduction

The Underlying Fund may impose a discretionary redemption fee (the '**Underlying Fund Redemption Fee**') of up to 5% of the value of the net asset value of the Fund's shares being redeemed (calculated as of the Underlying Fund Redemption Date). If the Underlying Fund imposes the Underlying Fund Redemption Fee, CIML may, at its sole discretion, not apply the 0.3% sell spread but apply a sell spread to Investors redeeming units in the Fund to cover the associated costs incurred by the Underlying Fund's Underlying Fund Redemption Fee which could amount to a sell spread of up to 5% of the withdrawal amount on redemptions.

Changes to fees

The Constitution sets out the fees and expenses payable by the Fund. All fees in this PDS can change without the consent of the Investors. Reasons for a change may include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to ITCs and RITCs entitled to be claimed by the Fund. You will be given notice of any variation of fees or charges charged by the Fund in accordance with the Corporations Act (for example, where there is an increase in the Management Fees charged by the Fund), 30 days before the increase takes effect. Changes to expenses, indirect costs, performance fees of interposed vehicles, transaction costs and the buy-sell spread do not require prior written notice to you.

Any fees and costs stated in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time.

The Constitution sets the maximum amount CIML can charge for all fees. If CIML wishes to raise fees above the amounts allowed for in the Constitution, CIML will need to amend the Constitution in

accordance with the Corporations Act and the relevant provisions in the Constitution.

CIML may in its absolute and unfettered discretion waive, reduce, refund or defer any part of the fees and expenses that CIML is entitled to receive under the Constitution.

Maximum fees

Please note that the fees set out below represent the maximum amounts payable under the Constitution and are not the actual amounts charged. The Constitution provides that the following fees may be payable to CIML:

- Management Fee – the Constitution permits CIML to charge a management fee of up to 3.3% (including GST) per annum of the gross asset value of the Fund;
- Establishment fee – the Constitution permits CIML to charge an establishment fee of \$153,750. The fee is accrued in the Net Trust Value (as defined in the Constitution) and payable from commencement of the Fund;
- Entry Fee – the Constitution permits CIML to charge an entry fee of up to 3.3% (including GST) on applications into the Fund.

CIML is also entitled under the Constitution to be paid or reimbursed fees and costs with respect to duties properly performed by CIML as responsible entity of the Fund, including the establishment of Class B Units.

Remuneration of financial advisers

Your financial adviser (if you use one) may receive fees for services they provide to you. These fees and benefits will be directly paid by you and, depending on your adviser, may be deducted from your initial investment in the Fund by your adviser prior to you being allocated Units.

CIML does not pay commissions to financial advisers.

Payment to platforms

Payments may be made to a platform where they include one or more funds operated by CIML on their menu. Any platform payments are deducted from the Fund's management fee and are not a separate charge to you.

Differential fees

There may be differing fee arrangements for you in different classes. Rebates of management fees may be negotiated between Blackstone and / or CIML and certain wholesale clients as defined by the Corporations Act. These arrangements reflect terms privately agreed with each wholesale client. Neither Blackstone nor CIML (contact details for both can be found in section 15 of this PDS) are under any obligation to make arrangements on these terms available to all other Investors (including other wholesale clients).

Tax and Duties

In addition to the fees and costs described in this section, you should also consider the government taxes and other duties that may apply to an investment in the Fund.

All fees and expenses referred to in the PDS and this section are quoted on a GST inclusive basis, less any ITCs and RITCs available to the Fund, unless otherwise specified. The benefits of any tax deductions are not passed on to Investors in the form of a reduced fee or cost.

See further information on taxation at section 10 of this PDS.

9. Investing in the Fund

9.1 Applications

The Unit price of each Class and NAV of the Fund are calculated and determined monthly on the last Calendar Day of each month. To invest in the Fund, applications must be received, verified and accepted and cleared application monies received in the Fund's application bank account by 12 noon (Sydney, New South Wales time) seven (7) Business Days prior to the last Calendar Day of each month. CIML may accept applications in limited circumstances and in its absolute discretion, after this day.

For an application to be valid, it must be correctly completed, and it must comply with the designated minimum investment amounts (as per the Key Fund information in section 1 of this PDS) and be appropriately signed by the applicant(s). CIML may, at its discretion, accept amounts less than the minimum investment amounts.

If, for any reason, CIML is unable to process your application (for example, the application form is incomplete or incorrectly completed or CIML is not satisfied that it has received the necessary proof of identification requirements to comply with the 'AML Requirements', as defined in section 12 of this PDS), the application monies will be held by CIML in a trust account for up to 30 Calendar Days (while CIML endeavours to verify your identification information or obtain any necessary outstanding information) after which CIML will return the application monies to you. Any interest received on application monies, including monies for additional investments will be retained by the Fund, and no interest will be paid to you if for any reason your application cannot be accepted.

CIML reserves the right not to accept (wholly or in part) any application for any reason or without reason. If CIML refuses to accept an application, any monies received from you will be returned to you without interest.

Investors may also access the Fund indirectly. This PDS has been authorised for use by IDPS operators. Such Indirect Investors do not acquire the rights of an Investor of the Fund except in relation to CIML's complaints resolution process. Rather, it is the operator or custodian of the IDPS that acquires those rights. Therefore, Indirect Investors do not receive income distributions or reports directly from us, do not have the right to attend meetings of unitholders and do not have cooling off rights. Indirect Investors should not complete the Fund's application form. The rights of Indirect Investors are set out in the disclosure document for the IDPS. If you are investing through an IDPS, enquiries should be made directly to the IDPS operator.

9.2 Additional applications

If you are an existing Unitholder in the Fund you may apply for additional Units by completing an additional application form. It is not necessary for you to complete another full application form. Please insert your investor number, name and personal details as well as your additional investment amount into the spaces provided on the form.

Additional investments can be made (in accordance with the application process and timings set out in this section), by providing CIML with a completed additional application form. The additional investment amount will be added to your existing investment in the Fund. Additional investments are made on the basis of the PDS current at the time of investment. The latest PDS may be obtained from the Fund's website at www.channelcapital.com.au/funds.

9.3 Redemptions

It is expected that CIML will generally process requests for redemption quarterly as at the last Calendar Day of each quarter (the '**Redemption Date**'), where liquidity is available.

Notwithstanding this intention and expectation, under the terms of the Constitution, Investors do not have a right to redeem their Units in the Fund. CIML has discretion to accept or not accept redemption requests for any reason.

Redemption requests are to be made in writing by completing a redemption form to be received by the Fund Administrator by 12 noon (Sydney, New South Wales time) seven (7) Business Days before the last Business Day of the first month of the applicable quarter, and will be processed using the Redemption Date as at the last day of the calendar quarter.

For the avoidance of doubt, a withdrawal request for a Redemption Date of 30 June would be due seven (7) Business Days prior to the last Business Day of April.

CIML, at its sole discretion, has the right to waive notice periods and as a result, an investor's redemption request may be processed using an earlier Redemption Date. Rejected requests will not carry over to the next period.

You can obtain a redemption form by contacting Channel Client Services (see section 15).

Your Units will be redeemed based on the Unit price prevailing at the Redemption Date. As part of the redemption proceeds, investors will receive their share of any net income of the Fund for the period of time during which their Units were issued in the relevant distribution period. These proceeds are included in the Unit price. Investors will also receive their share of the capital value of the Fund referable to the Units on redemption.

If your redemption request would result in your investment balance being less than \$50,000, CIML may treat your redemption request as being for your entire investment. CIML will provide Investors with advance notice of any compulsory redemptions. The minimum balance does not apply to investments through an IDPS.

There may be circumstances where your ability to redeem from the Fund is restricted, including circumstances where:

- disposal would be prejudicial to other Investors, such as where there is a large single redemption, a number of significant redemptions together or adverse market conditions; or
- it is not practicable to sell investments in the Fund in the usual timeframe.

In the event of any material changes to an Investor's withdrawal rights in the Fund (for example, in the circumstances that withdrawal rights are to be suspended), CIML will ensure that such information is made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds, or otherwise communicated to investors as soon as practicable.

For more information about such redemption risks, see risks in section 6 related to withdrawal and liquidity.

The amount available to fund redemption requests is subject to the available cash of the Fund referable to the Units on the relevant Redemption Date. The cash available to fund redemption requests may,

from time to time, be limited.

If the Fund does not have sufficient cash referable to the relevant Units to meet all redemption requests for a Redemption Date, redemptions will be partially accepted and processed pro-rata across all redeeming Investors. The amount redeemed will be based on the amount of their redemption request relative to the amount of cash CIML reasonably considers is available to fund redemptions on the relevant Redemption Date.

Any redemptions rejected in either whole or in part on a Redemption Date will not be carried over to the next Redemption Date for processing and will be considered cancelled in either whole or part. A new redemption request will need to be submitted for the next Redemption Date.

To meet redemption requests for a Redemption Date, CIML may also choose to redeem some of the Fund's shares in the Underlying Fund. However, the Underlying Fund's liquidity may be limited. The Underlying Fund permits redemption of shares as of the close of the final Calendar Day of each quarter (each an '**Underlying Fund Redemption Date**'). The redemption price of the Underlying Fund's shares is based on the net asset value per share of the class being redeemed as at the Underlying Fund Redemption Date. In any given quarter, redemptions across the BXPE Aggregator and any parallel vehicles to the BXPE Aggregator are generally capped at an aggregate of 3% of the combined net asset value of such vehicles (measured on an average basis for the immediately preceding quarter). However, the Underlying Fund Investment Manager may waive or increase this 3% limit in its discretion, particularly when liquidity is available. If redemptions exceed the applicable limit, requests may be satisfied on a pro rata basis. Any redemption request that is not executed in full will not be automatically carried over to the next Underlying Fund Redemption Date. Additionally, the Underlying Fund may, on an exceptional and non-systematic basis, suspend or modify redemptions (whether in whole or part) if allowing redemptions would unduly burden the Underlying Fund's liquidity, hinder its operations or otherwise be detrimental to the Underlying Fund's overall best interests. Any material change or suspension will be promptly disclosed, and the Underlying Fund Investment Manager will reassess the suspension each quarter to confirm whether it remains appropriate. Where the Fund holds shares in the Underlying Fund that were originally subscribed on different dates, those shares are generally redeemed on a "first-in-first-out" basis.

Once CIML has decided to accept a redemption request in part or in whole, CIML has up to 1,055 Calendar Days to effect the redemption request, which may include redeeming some of the Fund's shareholdings in the Underlying Fund.

Redemption proceeds will generally be paid within 50 Calendar Days after the relevant Redemption Date, subject to the rights and obligations of CIML set out in this section 9.3.

In certain circumstances CIML may suspend redemptions up to 730 Calendar Days in accordance with the Constitution, including (without limitation) if it believes this is in the best interests of Investors to do so or if it cannot realise all Fund assets in cash.

Under the Corporations Act, the Fund is illiquid if it has less than 80% liquid assets (generally cash, marketable securities, or other assets that CIML reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying redemption requests whilst the Fund is liquid, being 1,055 Calendar Days), made up of the period of:

- 325 Calendar Days to affect a redemption request; and

- 730 Calendar Days where redemptions are suspended.

The relevant redemption proceeds must be paid to a redeeming Investor within 50 Calendar Days following the redemption of their Units in the Fund.

If you have invested indirectly in the Fund through an IDPS, you need to provide your redemption request directly to your IDPS operator. The redemption cut-off times for pricing purposes and the time to process a redemption request is dependent on your IDPS operator.

Additional information

Under the Corporations Act, redemptions are not permitted if the Fund becomes non liquid (as defined under the Corporations Act). If the Fund is non liquid, withdrawals from the Fund will only be possible if CIML makes a withdrawal offer in accordance with the Corporations Act. CIML is not obliged to make such an offer. However, if CIML does, you are only able to redeem your investment in accordance with the terms of a current withdrawal offer. If an insufficient amount of money is available from the assets specified in the withdrawal offer to satisfy redemption requests, the requests will be satisfied proportionately amongst those Investors wishing to redeem from the Fund.

Redemption requests must be signed by the appropriate authorised signatories. Bank accounts must be in the name(s) of the Fund's investor(s) as specified in the application form or as otherwise notified to CIML. Proceeds will be paid in AUD.

Investors should be aware that the Fund reserves the right to make changes to withdrawal rights, including the suspension of such rights, under certain circumstances as permitted by law and the Fund's constitution. In the event that a material change to withdrawal rights is deemed necessary, the Fund will take all reasonable steps to ensure that investors are promptly informed of such changes. This notification will be provided in a timely manner through appropriate communication channels, which may include written correspondence, electronic communication, or public announcements. Investors are encouraged to review all communications from the Fund carefully, as any material changes to withdrawal rights could impact their ability to access their investment within the expected timeframe. The Fund remains committed to acting in the best interests of investors and will endeavour to provide as much notice as possible regarding any significant changes to withdrawal rights.

9.4 Cooling off period

The offer under this PDS is only available to wholesale clients and no cooling off rights apply to Investors.

If you are an Indirect Investor and are investing through an IDPS, you should contact your IDPS operator to confirm any cooling off rights you may have with your IDPS operator. If you invest through an IDPS you will not acquire direct rights as a unitholder and as such, the terms of the IDPS guide will govern your rights and obligations with respect to your investment.

10. Taxation

10.1 Overview

There are tax implications when investing in, receiving income from and exiting from the Fund. CIML cannot give tax advice and CIML recommends that you consult your professional tax adviser as the tax implications of investing in the Fund can impact investors differently. Below is a general outline of some key Australian and New Zealand tax considerations for investors. It is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for investors. Nor does it cover the application of foreign taxation laws. This information is based on CIML's current interpretation of the relevant Australian and New Zealand taxation laws as at the date of this PDS and does not consider an Investor's specific circumstances. As such, investors should not place reliance on this as a basis for making their decision as to whether to invest.

10.2 Tax treatment of the Fund

CIML, as responsible entity of the Fund, intends to manage the Fund such that it is generally not subject to Australian tax. To achieve this, CIML proposes to make, if it is eligible to do so, an irrevocable election for the Fund to become an Attribution Managed Investment Trust ('AMIT') from the income year of establishment. CIML, as responsible entity of the Fund, intends to manage the Fund so that it is eligible to be an AMIT. If, however, due to factors outside of CIML's control, the Fund is not able to qualify as an AMIT, CIML will notify investors of this.

10.3 Taxation of Investors

Australian tax resident investors

Where the Fund elects to be an AMIT, Australian tax resident investors will be assessed for tax on their attributed share of the Fund's taxable income and the amounts attributed will retain their tax character when passing through the Fund.

Foreign tax resident investors may be subject to withholding tax or have tax paid on their behalf by CIML in relation to the attribution of taxable income components to them. However, on the basis that all of the income of the Fund is anticipated to be foreign sourced, it is not expected that significant withholding should apply to distributions from the Fund.

On the basis that the Fund will be primarily invested in the Underlying Fund, and the Underlying Fund is likely to be treated as a foreign company for Australian income tax purposes, most of the income of the Fund should be in the form of foreign sourced dividends. It is not anticipated that the Fund's level of investment in the Underlying Fund should result in the Fund being subject to taxation on the 'controlled foreign company' rules on its investment in the Underlying Fund.

While the Fund is an AMIT, income earned by the Fund that is attributed to you, should form part of an Australian tax resident's assessable income in the year of attribution. This is the case irrespective of whether the Fund pays the distribution that is attributable to that income after the end of the year of income, or you reinvest the relevant distribution.

Tax losses, if any, incurred by the Fund remain within the Fund to be carried forward and cannot be distributed to investors. Provided the Fund satisfies the relevant loss testing requirements, it may be able to offset its carry forward tax losses against the taxable income it derives in a future income year.

CIML also has the power to accumulate (and not distribute) taxable income, which means that you may be attributed taxable income that is never distributed. At this stage, CIML does not anticipate that it will use its powers to accumulate taxable income.

At the end of the Fund's tax year, CIML will send to you the components of all of the assessable income, capital gains and tax offsets attributed to you for that year. This information should assist you in completing your income tax return for that year.

New Zealand tax resident investors

The following summary of New Zealand taxation matters is a general guide that outlines the New Zealand taxation implications that may be applicable to New Zealand resident investors and assumes that an investor will:

- hold less than 10% of the total Fund units on issue; and
- have a cost base of greater than NZD 50,000 for the Fund units.

It is strongly recommended that New Zealand investors seek professional advice on the taxation implications before investing in the Fund.

New Zealand resident investors in the Fund are likely to be subject to tax under the Foreign Investment Fund ('FIF') rules. This is on the assumption that no specific FIF exemptions are likely to apply to units in the Fund.

The application of the FIF rules should be separately assessed for Class A and Class B Units in the Fund.

Under the FIF rules, there are different calculation methods for calculating taxable income. The income calculation methods that may be available to investors are the Fair Dividend Rate ('FDR') and Comparative Value ('CV') methods.

FDR method

Taxable income under the FDR method is generally calculated at 5% of the market value of the Fund units at the beginning of an investor's tax year (1 April for individuals). In certain circumstances, a different measurement period could apply to an investor. Taxable income under the FDR method will arise irrespective of actual investment performance (i.e. taxable income could arise even if an overall investment loss is made).

If the Fund units are not held at the start of the investor's tax year (or other measurement period as applicable), FDR income for the year (or period) will be nil. There are special rules which apply if Fund units are acquired after the start of the tax year and disposed of before the end of the same tax year (or other measurement period as applicable). These rules will generally tax the lesser of 5% of the cost of the acquired units or the gain on such transactions, as a "quick sale".

Distributions received in respect of the Fund units and disposals/redemptions of the Fund units (outside of certain "quick sales") are not separately subject to tax if the FDR method is applied to calculate FIF income.

Investors should seek independent tax advice to confirm their eligibility to use the FDR method in respect of the Fund units, and the specific application of these rules including their FDR measurement period and application of the quick sale rules (if any).

CV method

Alternatively, New Zealand resident individual investors and qualifying New Zealand resident discretionary trusts (such as family trusts) may

be able to elect to be taxed on the actual return on the Fund units under the CV method.

Taxable income under the CV method will comprise both realised and unrealised gains in the value of the units plus any distributions received during the tax year. If the CV calculation for the year results in a loss, this will generally not be available as a deduction (CV losses are capped at "nil" on a net investment portfolio basis for an investor).

Similar to the FDR method, investors should seek independent tax advice to confirm their eligibility to use the CV method in respect of their Fund units and the specific application of these rules, including portfolio consistency and any loss denial requirements.

Tax credits for Australian withholding tax

Australian withholding tax deducted from distributions from the Fund (if any) may be available as a tax credit to offset a New Zealand resident investor's income tax liability on the Fund units. New Zealand resident investors would not, however, be entitled to a foreign tax credit in relation to withholding from distributions from the Underlying Fund (if any). Independent tax advice should be sought on the availability of tax credits (if any) as these will depend on investors' individual circumstances.

10.4 Capital gains tax ('CGT')

Australian tax resident investors

Australian resident investors may be subject to capital gains tax on their units in the Fund if they hold their units in the Fund on a capital account.

In particular, an Australian resident investor may make a capital gain or loss on their units in the Fund if they redeem or otherwise dispose of their units in the Fund.

Where the exit is by way of a redemption, the capital proceeds may be reduced to the extent that any portion of the proceeds paid on redemption are instead treated as a distribution (i.e., an attribution of income/capital gains by the Fund (where it is an AMIT)).

The amount of the capital gain or loss that arises for an Australian resident investor on the redemption of their units in the Fund should be based on the difference between the proceeds they receive on redemption, and the "cost base" or 'reduced cost base' of their units in the Fund.

The "cost base" or "reduced cost base" of a unitholder's units in the Fund should be based on the amount paid for the units, as adjusted for any adjustments that arise during the unitholder's holding of units in the Fund. While the Fund is an AMIT, the AMIT cost base adjustment regime should apply to unitholders in the Fund such that if, for a year:

- the amount distributed to that investor exceeds the assessable income components attributed to them for that year (for example, the Fund undertakes a return of capital), investors should decrease the "cost base" or "reduced cost base" of their units by the excess; or
- the amount distributed to that investor is less than the assessable income components attributed to that for that year (for example, CIML determines to accumulate taxable income in the Fund),

investors should increase the "cost base" or "reduced cost base" of their units by the shortfall.

The amount of any AMIT cost base adjustment will be notified to investors in the AMMA tax statement that they receive at the end of each financial year.

Australian tax residents must include in their assessable income for each year their net capital gains (i.e. after offsetting any available capital losses). Individuals, trusts and complying superannuation entities may be eligible for CGT concessions in relation to capital gains made with respect to their Units where they have held those Units for at least twelve (12) months. For example, where Australian tax residents have held their units for at least 12 months, a CGT discount may be available of 50% for individuals and trustees, and 33 1/3% for complying superannuation entities.

Where an investor holds their Units in the Fund on a revenue account, gains and losses would be taxable as ordinary income or allowed as a deduction, respectively, and will not qualify for a CGT discount.

Foreign tax residents should only be subject to CGT on Australian-sourced capital gains made by the Fund or if the Units they are disposing of are taxable Australian property. However, it is unlikely that the Units should constitute taxable Australian property, unless they are held by the foreign tax resident through a "permanent establishment" in Australia.

New Zealand tax resident investors

The disposal of units in the Fund (by way of sale or redemption) would not be separately taxable to New Zealand resident investors where the FDR method is applied to calculate taxable income and the sale is not a "quick sale" transaction (refer to the summary of the FDR method calculation above).

Where the CV method is applied for the period in which the disposal occurs, proceeds derived from the sale of the units will be taken into account in the CV method calculation (refer to the summary of the CV method calculation above).

10.5 Goods and services tax ('GST')

Unless otherwise stated, the fees and other costs shown in this PDS include the net effect of GST, less any ITCs or RITCs or reduced input tax credits ('RITCs'). The rate of GST may change if the relevant law changes.

GST, ITCs and RITCs have the same meaning as determined in A New System of Tax (Goods and Services Tax) Act 1999.

The application for or withdrawal of Units by Investors should not be directly subject to GST. However, the Fund may incur GST as part of the expenses of the Fund. The Fund may then be entitled to claim ITCs or RITCs for GST incurred on certain expenses.

10.6 Foreign tax offsets

Australian tax residents are required to include in their assessable income their share of any foreign income which forms part of the Fund's net income. Investors may be entitled to a tax offset (or credit)

in respect of foreign taxes paid in respect of the foreign source income of the Fund that is attributed to them.

10.7 Tax file number ('TFN') and Australian Business Number ('ABN')

It is not compulsory for Investors to provide their TFN or ABN, and it is not an offence if you decline to provide it. However, unless entitled to an exemption, if an Investor does not provide their TFN or ABN, tax will be withheld from income distributions at the highest marginal tax rate plus the Medicare levy (and any other levies required to be withheld from distributions from time to time). The ABN, TFN or details of an appropriate exemption can be provided on the Fund's application form when making an initial investment. The collection of TFNs is authorised and their use is strictly regulated by tax and privacy laws.

10.8 Taxation of financial arrangements ('TOFA')

Generally, TOFA applies to gains and losses from financial arrangements and how they are treated for income tax purposes.

Under the TOFA rules there is a hedging election that allows tax treatment (including timing) of hedging financial arrangements to align with the tax treatment of the hedged asset. CIML intends to make this hedging election in respect of the foreign currency hedging that will be undertaken in the Fund. If the hedging election is applicable, this should mitigate the risk for significant taxable income to arise for the Fund on its hedging arrangements independent of a gain on the underlying hedged asset, and mitigate volatility in the attributable income of the Fund.

Generally, the Fund's investors are not directly subject to TOFA unless they have elected for the TOFA rules to apply. Regardless of this, you should seek your own taxation advice in relation to the applicability of TOFA to your particular circumstances.

10.9 Stamp duty

Investors should not be liable for stamp duty on the acquisition of their Units. The Fund should not be liable for stamp duty on making investments.

11. Additional Fund information

11.1 Continuous disclosure

When the Fund has more than 100 investors it will be considered a "disclosing entity" for the purposes of the Corporations Act. This means the Fund will be subject to regular reporting and disclosure obligations. Copies of any documents lodged with ASIC in relation to the Fund may be obtained from, or can be inspected at, an ASIC office. Investors will have a right to obtain a copy, free of charge, in respect of the Fund, of:

- the most recent annual financial report; and
- any half yearly financial report lodged with ASIC after that most recent annual financial report but before the date of this PDS.

Continuous disclosure obligations will be met by following ASIC's good practice guidance via website notices, rather than lodging copies of these notices with ASIC. Accordingly, should CIML as responsible entity of the Fund, become aware of material information that would otherwise be required to be lodged with ASIC as part of any continuous disclosure obligations, it will ensure that such material information will be made available as soon as practicable on the Fund's website at www.channelcapital.com.au/funds, or otherwise communicated to investors as soon as practicable. If you would like hard copies of this information, please contact Channel Client Services (see section 15) and you will be sent the information free of charge.

11.2 Communicating with Investors

Investors will receive the following communications from CIML:

- confirmation of your investments and withdrawals;
- AMMA Statement (where the Fund elects to be an AMIT);
- a periodic statement detailing the transactions during the period and the balance of your investments; and
- a distribution statement, following each distribution.

Annual financial reports will be made available at www.channelcapital.com.au/funds. They will not be sent to Investors unless requested in writing.

If you are an Indirect Investor investing through an IDPS, you should contact your IDPS operator to confirm any communications you may receive in relation to the Fund from your IDPS operator.

11.3 Complaints resolutions

CIML has established procedures for dealing with complaints. CIML aims to resolve any concerns or complaints quickly and fairly and will respond within 30 Calendar Days after receiving the complaint. If an Investor has a concern or complaint, they can contact CIML at:

Channel Investment Management Limited
GPO Box 206
Brisbane QLD 4001
Phone: 1800 940 599
Email: clientservices@channelcapital.com.au

CIML is a member of and participates in the Australian Financial Complaints Authority ('**AFCA**'), an independent complaints resolution authorised. If an Investor is not satisfied with the outcome, the complaint can be referred to an independent external dispute resolution scheme. Complaints should be lodged with AFCA at:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Phone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au

Retail investors are generally only able to access AFCA.

All investors, regardless of whether you hold Units in the Fund directly or hold Units indirectly via an IDPS, can access CIML's complaints resolution process outlined above. If investing via an IDPS and your complaint concerns the operation of the IDPS then you should contact the IDPS operator directly.

11.4 Constitution

The operation of the Fund is governed by its Constitution, this PDS, the Corporations Act and other laws such as the general law relating to trusts. The Constitution addresses matters such as unit pricing, applications and redemptions, the issue and transfer of units, unitholder meetings, CIML's powers to invest, borrow and generally manage the Fund and fee entitlement and right to be indemnified from the Fund's assets.

You can inspect a copy of the Constitution at ASIC or CIML's head office or request a copy by contacting CIML.

11.5 Compliance plan

The compliance plan outlines the principles and procedures which CIML intends to follow to ensure that it complies with the provisions of its Australian financial services licence, the Corporations Act and the Constitution. Each year the compliance plan is independently audited as required by the Corporations Act and a copy of the auditor's report is lodged with ASIC.

11.6 Trustee Services Agreement

CIML and the Underlying Fund Investment Manager have entered into a trustee services agreement governing arrangements between the parties thereto. Under the trustee services agreement, CIML must seek the approval of, or consult with, the Underlying Fund Investment Manager in relation to certain matters relating to the Fund. Subject to and in accordance with applicable laws and regulation, the Underlying Fund Investment Manager is required to manage the Underlying Fund in the best interests of shareholders of the Underlying Fund. For efficient operation of the Underlying Fund, CIML has waived all voting rights it may hold in the Underlying Fund with respect to any shares it holds in the Underlying Fund as responsible entity of the Fund. Voting rights in the Underlying Fund include in particular the right to vote on the following resolutions at a general meeting:

- to remove one or more directors of the Underlying Fund;
- to appoint of one or more directors of the Underlying Fund;
- to put the Underlying Fund into liquidation; and/or
- to amend the articles of incorporation of the Underlying Fund.

Voting rights also extend to voting on matters such as suing (1) the directors for a breach of company law or the articles of association or (2) the majority shareholders for abuse of majority. If the relevant

shareholding exceeds 10% of the shares in the Underlying Fund the rights extend to a number of other matters including a right to bring a claim against a negligent director on behalf of the Underlying Fund, a right to requisition a general meeting of shareholders and an investigation right.

CIML has also appointed the Underlying Fund Investment Manager or (one of) its affiliates under the trustee services agreement as the distribution and marketing agent for the Fund.

11.7 Consents

The Fund Administrator, the external custodian, and Blackstone (together, the '**Consenting Parties**') have each given, and have not withdrawn before the date of this PDS, their written consent to be named in this PDS for the Fund in the form and context in which they are named.

The Consenting Parties have not otherwise been involved in the preparation of this PDS and do not accept any responsibility or liability to Unitholders for any information contained in this PDS. In addition, the Consenting Parties are not involved in the investment decision-making process for the Fund.

11.8 Labour standards and environmental, social and ethical considerations

CIML does not take into account labour standards and environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments of the Fund (referred to as Environmental, Social and Governance ('**ESG**')).

The Underlying Fund and the Underlying Fund Investment Manager do not take into account labour standards and environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments of the Underlying Fund.

The Fund and the Underlying Fund are not designed for investors who are looking for funds meeting specific ESG goals. Neither the Fund nor the Underlying Fund is marketed as an ESG product. Any reference herein to environmental or social considerations is not intended to qualify their respective duties to maximise risk-adjusted returns.

Investors may have differing views, opinions and understanding of the meaning of sustainability and ESG-related terminology used in this PDS to CIML, the Underlying Fund and the Underlying Fund Investment Manager.

11.9 Conflicts of interest

General conflicts of interest

CIML and third-party service providers of the Fund may, in the course of their business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Fund and its Unitholders.

Additionally, certain activities of Blackstone and its affiliates, as further described below, may give rise to, and contain embedded, conflicts of interest that are relevant to the Underlying Fund (for example, but without limitation, conflicts of interest relating to inducements, fees and costs, related party transactions, cross-transactions. Competing

interests, allocations of investment opportunities and subsequent dispositions).

Blackstone and CIML have implemented policies and procedures to seek to identify and appropriately manage conflicts. There is no guarantee however that any such conflicts will be resolved in a manner that will not have an adverse effect on the Fund or Underlying Fund.

Other than as set out in this PDS, there are no existing agreements or arrangements and there are no currently proposed transactions in which CIML was, or is to be, a participant, and in which any related party of CIML had or will have a direct or indirect material interest.

A Trustee Services Agreement has been entered into on arm's length terms between CIML and Blackstone. CIML and Blackstone may be subject to conflicts of interest when performing their duties in relation to the Fund. Both CIML and Blackstone have conflicts of interest policies and procedures in place that are designed to appropriately manage these conflicts of interest that arise in relation to managing the Fund.

Blackstone and BXPE conflicts of interest

At the BXPE level, conflicts of interest may arise from relationships between Blackstone and its subsidiaries, BXPE, the Fund, and other investment funds and vehicles managed or advised by Blackstone, as its clients ('**Other Blackstone Accounts**'). Blackstone, the Underlying Fund, Blackstone's advisors, and other related parties have multiple interests (including advisory, transactional and financial interests) that could potentially conflict with those of BXPE and the Fund as investors.

While established procedures are in place to address these conflicts, any such conflict may still have adverse effects on BXPE and the Fund.

Blackstone and its affiliates are part of Blackstone's global business. Blackstone's global businesses primarily include private equity, a credit business, a secondary funds business, an infrastructure business, an insurance solutions business, a hedge fund business, a capital markets group, a life sciences business and a real estate advisory business. As a result of this broad range of activities, Blackstone and its affiliates, personnel and associates do and, in the future, will have multiple advisory, transactional, financial and other interests and relationships that conflict with the interests of the Fund.

Participation of BXPE personnel, Senior Advisors, Executive Advisors, individuals providing advisory services to Blackstone, investment funds, vehicles and accounts sponsored by Blackstone and the portfolio companies of such funds, vehicles and accounts, and who are designated as "Consultants" by Blackstone ('**Consultants**') in the Underlying Fund's investment activities is subject to applicable law and insider information barrier policies and procedures, which may limit the involvement of such personnel in certain circumstances and the ability of Blackstone investment teams to leverage such integration with Blackstone.

Discussions with Senior Advisors, Consultants, Executive Advisors and employees of Blackstone's managed portfolio companies are also subject to inside information barrier policies and procedures, which may restrict or limit discussions and/or collaborations with the Blackstone investment teams.

Blackstone and its affiliates are subject to a comprehensive compliance program which includes, among others, policies and procedures reasonably designed to address conflicts of interest that arise during the course of Blackstone's global business. The policies and procedures recognise that Blackstone and its affiliates are in a position of trust and

confidence with respect to Blackstone funds and managed accounts and have a duty to place the interests of their clients before those of their own or their employees and also include obligations to preserve the confidentiality of information obtained in the course of Blackstone's business and use such information properly and consistent with applicable law and regulations. In addition to the information barriers described above, Blackstone and its affiliates have established electronic firewalls and other protocols and procedures designed to protect confidential information.

Actions that could be taken to mitigate a conflict include, by way of example and without limitation, (i) if applicable, handling the conflict as described in this PDS, (ii) obtaining from the Board of Directors of Blackstone (or the non-affiliated members of the Board of Directors) advice, waiver or consent as to the conflict, or acting in accordance with standards or procedures approved by the Board of Directors 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 Directors, including non-affiliated members of the Board of Directors, as applicable, or shareholders (including, without limitation, in distribution notices, financial statements, letters to shareholders 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) validating the arms-length nature of the transaction by referencing participation by unaffiliated third parties, (vii) in the case of conflicts among clients, creating 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 or represent one of the clients that has a conflicting position with other clients, (viii) implementing policies and procedures reasonably designed to mitigate the conflict of interest, or (ix) otherwise handling the conflict as determined appropriate Blackstone in its good faith reasonable discretion. There can be no assurance that all conflicts of interest will be identified and resolved in a manner that is favourable to BXPE.

To implement best practices in the application and monitoring of conflict resolution, Blackstone has created a central compliance team (the '**Blackstone Central Compliance Team**'). The Blackstone Central Compliance Team is responsible for analysing and addressing new or potential conflicts of interest that may arise in Blackstone's business, including conflicts relating to specific transactions and circumstances, including fees and other compensation earned by Blackstone entities (other than management or performance fees or similar amounts) in connection with the activities of Blackstone funds and accounts, as well as those implicit in the overall activities of Blackstone and its various businesses. In addition, Blackstone has established policies and procedures for mitigating and managing possible conflicts of interest as they relate to business overseen by Blackstone and, in particular, for elevating, evaluating and resolving such conflicts.

The activities of Blackstone and its related parties and its clients might lead to conflicts of interest concerning BXPE and the Fund, such as the allocation of investment opportunities and subsequent dispositions. The Underlying Fund, Other Blackstone Accounts, Blackstone and vehicles within Blackstone's other business activities may have fiduciary and other duties under applicable laws that cannot be eliminated or modified in the Underlying Fund's documents. These documents may contain provisions that reduce or modify other duties and obligations owed to BXPE and the Fund.

In case the Underlying Fund or Blackstone identifies a conflict of interest, they may take actions to mitigate it. However, there is no guarantee that all conflicts will be resolved in favour of BXPE or the Fund. By acquiring shares in the Underlying Fund, the Fund acknowledges, consents to, and waives claims regarding conflicts of interest, provided that the Underlying Fund and Blackstone have conducted activities in accordance with the Underlying Fund's documents and fiduciary duties. As a result of the broad range of Blackstone activities described above, the Underlying Fund Investment Manager and its affiliates' personnel and associates manage a broad range of Other Blackstone Accounts which may compete with the Fund and BXPE and such Other Blackstone Accounts for investment opportunities. These Other Blackstone Accounts may also take actions which are contrary to the interests of the Fund and BXPE.

For example, an Other Blackstone Account may own a debt investment in a company in which BXPE has an equity investment, subject to conflicts of interest policies that limit such investments, including for example by generally prohibiting a Blackstone debt fund from being an active investor in a Blackstone private equity portfolio company by acquiring more than a specified percentage of any debt tranche. The interests of an equity investor and a debt investor will generally not be aligned when the company in which they invest is distressed. A Blackstone private equity fund in these circumstances may vote its equity interest in a distressed company in a way that is contrary to the interests of the Other Blackstone Account as a debt investor in the same company.

Blackstone's capital markets business and other Blackstone service providers may provide capital markets, loan servicing, and other services to BXPE and Other Blackstone Accounts and to portfolio companies of BXPE and of these Other Blackstone Accounts and may provide loans and other financing to these Other Blackstone Accounts and portfolio companies. These service providers will receive fees, commissions and other payments for these activities. It is also possible that portfolio companies of BXPE and the Other Blackstone Accounts may compete with, or provide services to, portfolio companies of other Blackstone funds and investment vehicles and vice versa which may result indirectly in economic benefits to Blackstone.

Blackstone also makes substantial investments for its own account, which may have an adverse impact on the Fund and BXPE, for example by reducing the amount of an investment opportunity that is allocated to BXPE or acquiring a stake in another investment manager that competes with BXPE for investment opportunities.

12. Anti-Money Laundering, and Counter-Terrorism Financing and other relevant legislation

12.1 Anti-Money Laundering and Counter-Terrorism Financing

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('**AML Act**') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to CIML ('**AML Requirements**'), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The Australian Transaction Reports and Analysis Centre ('**AUSTRAC**') enforces the AML Act. In order to comply with the AML Requirements, CIML is required to, amongst other things:

- verify your identity and source of your application monies before providing services to you, and to re-identify you if it considers it necessary to do so; and
- where you supply documentation relating to the verification of your identity, keep a record of this documentation for seven (7) years.

CIML and the Fund Administrator as its agent (collectively the '**AML Entities**') reserve the right to request such information as is necessary to verify your identity and the source of the payment. In the event of delay or failure by you to produce this information, the AML Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds, if necessary, to comply with AML Requirements applicable to them. Neither the AML Entities nor their delegates shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring Investors. As a result of the implementation of these measures and controls transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements where transactions are delayed, blocked, frozen or refused, the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and the Entities may from time to time require additional information from you to assist in this process. The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC.

The AML Entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

12.2 Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard

The United States of America has introduced rules (known as FATCA) which are intended to prevent U.S. persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office ('**ATO**'), which may then pass the information on to the U.S. Internal Revenue Service ('**IRS**').

In order to comply with these obligations, CIML will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund. If you do not provide this information, CIML will not be able to process your application.

The Australian Government has implemented the OECD Common Reporting Standard Automatic Exchange of Financial Account Information ('**CRS**'). CRS, like the FATCA regime, requires banks and other financial institutions to collect and report to the ATO.

CRS requires certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your Units in the Fund) to the ATO. In order for the Fund to comply with its obligations, CIML will request that you provide certain information and certifications to it. If you do not provide this information, CIML will not be able to process your application. CIML will determine whether the Fund is required to report your details to the ATO based on its assessment of the relevant information received.

The ATO may provide this information to other jurisdictions that have signed the "CRS Competent Authority Agreement", the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 (Cth) to give effect to the CRS.

13. Privacy

CIML has a board of directors approved privacy policy. CIML collects and manage your personal information in accordance with this policy, the Privacy Act 1998 (Cth) ('**Privacy Act**') and the Australian Privacy Principles ('**APP**').

CIML may collect personal information from you in the Fund's Unit application process and any other relevant forms in order to process your application, administer your investment and for other purpose permitted under the Privacy Act. Further, some of the information to be collected, by CIML, in connection with an application is for the purposes of satisfying tax, company and/or anti-money laundering. In some cases, CIML may also collect personal information from third parties including public sources, its related companies, referrers, brokers, agents, your adviser(s) and CIML's service providers.

If you do not provide CIML with your relevant personal information, it will not be able provide you with products or services (such as issuing you Units in the Fund).

Privacy laws apply to CIML's handling of personal information and CIML will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information it collects and holds;
- how it collects and holds personal information;
- whether collection is required or authorised by law;
- the purposes for which it collects, holds, uses and discloses personal information;
- the entities or persons to which personal information is usually disclosed;
- how you may access personal information that it holds about you and seek correction of such information (note that exceptions apply in some circumstances);

- how you may complain about a breach of the APPs, or a registered APP code (if any) that binds CIML, and how it will deal with such a complaint; and
- whether it is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for CIML to specify those countries.

CIML may also be allowed or obliged to disclose information by law. If a Fund's investor has concerns about the completeness or accuracy of the information CIML has about them or would like to access or amend personal information held by CIML, they can contact CIML's Privacy Officer at:

Attention: Privacy Officer
Channel Investment Management Limited GPO Box 206
Brisbane QLD 4001
Phone: 1800 940 599

CIML's privacy policy is publicly available at www.channelcapital.com.au or you can obtain a copy free of charge by contacting CIML. If you are investing indirectly through an IDPS, CIML does not collect or hold your personal information in connection with your investment in the Fund. Please contact your IDPS operator for more information about their privacy policy.

14. Glossary

ABN	Australian Business Number
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
Administration Agreement	Has the meaning given in section 4.3
Aggregate Net Leverage	Has the meaning given in section 4.3
AIFM	alternative investment fund manager
AMIT	Attribution Managed Investment Trust
AML Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)
AML Entities	Has the meaning given in section 12.1
AML Requirements	Other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to CIML
APP	Australian Privacy Principles
ASIC	Australian Securities and Investment Commission
ATO	Australian Taxation Office
AUD	Australian Dollar currency
AUSTRAC	Australian Transaction Reports and Analysis Centre
BCSS	Has the meaning given in section 4.3
Blackstone	Blackstone Inc. together with its affiliates.
Blackstone Central Compliance Team	Has the meaning given in section 11.9
BLCS	Has the meaning given in section 4.3
Bond Financing Entities	Has the meaning given in section 6.3
Business Day	A day other than Saturday, Sunday, a bank holiday or public holiday in Sydney, New South Wales or where context relates to the Underlying Fund, a Business Day shall be deemed any day other than a Saturday, Sunday or a day on which banking institutions are authorised or obligated by law or executive order to close in Luxembourg, the United States, France and the United Kingdom.
BPCS	Has the meaning given in section 4.3
BX Manager	The members of the Underlying Fund's board of directors, its appointed alternative investment fund manager, any Blackstone-affiliated managers.
BXPE	The Underlying Fund, the Master Fund, the BXPE Aggregator and the Parallel Entities
BXPE Aggregator	A special limited partnership subsidiary of BXPE Master FCP established for the purpose of holding BXPE's investments
BXPE Fund Program	Has the meaning given in section 4.3
BXPE US	Blackstone Private Equity Strategies Fund LP
Calendar Day	All days in a month, including weekends and holidays.
CGT	Capital Gains Tax
Channel	Channel Capital Pty Ltd ACN 162 591 568 (authorised representative number 001274413 of CIML)
CIML, Responsible Entity, we, us, and our	Channel Investment Management Limited ACN 163 234 240 AFSL 439007
Class	Means a class of units in the Fund including Class A Units and Class B Units
Class A Units	Has the meaning given in the 'Important Information' section
Class B Units	Has the meaning given in the 'Important Information' section
Consenting Parties	Has the meaning given in section 11.7
Constitution	Means the constitution of the Fund
Consultants	Has the meaning given in section 11.9
Corporations Act	Corporations Act 2001 (Cth)
CRS	Common Reporting Standard
CSSF	Commission de Surveillance du Secteur Financier
Debt and Other Securities	Has the meaning given in section 3

Depository Agreement	Has the meaning given in section 4.3
Direct Investments	Has the meaning given in section 4.3
ESG	Environmental Social and Governance
FATCA	Foreign Account Tax Compliance Act
Feeder Vehicles	Has the meaning given in section 4.3
FMCA	Financial Markets Conduct Act 2013 (New Zealand)
Fund	Blackstone Private Equity Strategies Fund AUT ARSN 684 523 206
Fund Administrator or Apex	Apex Fund Services Pty Ltd ABN 81 118 902 891 or as otherwise appointed by CIML
Fund Auditor	Ernst & Young
Fund Custodian	The external custodian of the Fund being Citibank, N.A., Hong Kong Branch, or as otherwise appointed by CIML, as well as CIML when providing self-custody services to the Fund.
Global Distributor	Has the meaning given in section 4.3
GST	Goods and Services Tax
IDPS	Investor Directed Portfolio Service, IDPS-like scheme or a nominee or custody services (collectively known as master trusts or wrap accounts)
IFRS	International Financial Reporting Standards
Intermediate Entities	Has the meaning given in section 4.3
Investment	Has the meaning given in section 4.3
Investor or Unitholder	Means a person who is the registered holder of Units
IRS	U.S. Internal Revenue Service
ITC	Input tax credits
JV Arrangements	Has the meaning given in section 6.3
Leverage Limit	Has the meaning given in section 4.3
Leverage Ratio	Has the meaning given in section 4.3
Lower Entity	Has the meaning given in section 4.3
Master Fund	BXPE Master FCP
NAV	Net asset value
NZD	The lawful currency of New Zealand
Other Blackstone Accounts	As the context requires, individually and collectively, any of the following: investment funds, vehicles, accounts, products and/or other similar arrangements sponsored, advised, and/or managed by Blackstone or its affiliates, whether currently in existence or subsequently established (in each case, including any related successor funds, alternative vehicles, supplemental capital vehicles, surge funds, over-flow funds, coinvestment vehicles and other entities formed in connection with Blackstone or its affiliates side-by-side or additional general partner investments with respect thereto) including BXPE US.
Parallel Entities	Has the meaning given in section 4.3
Parallel Vehicles	Has the meaning given in section 4.3
PDS	Product Disclosure Statement
Primary Commitments	Has the meaning given in section 4.3
Privacy Act	Privacy Act 1998 (Cth)
Private Equity Investments	Has the meaning given in section 3
Redemption Date	Has the meaning given in section 9.3
RITC	Reduced input tax credits
SEC	U.S. Securities and Exchange Commission
Secondary Investments	Has the meaning given in section 4.3

Share(s)	Shares of the Underlying Fund.
Sponsor	As the context requires, individually and collectively the Underlying Fund AIFM and the BX Managers.
Sub-Investment Manager	Has the meaning given in section 4.3
TFN	Tax File Number
TOFA	Taxation of financial arrangements
Underlying Fund	Blackstone Private Equity Strategies Fund SICAV
Underlying Fund AIFM	Blackstone Europe Fund Management S.à r.l.
Underlying Fund AIFM Agreement	Has the meaning given in section 4.3
Underlying Fund Articles	Has the meaning given in section 4.3
Underlying Fund Auditor	Deloitte Audit S.à r.l.
Underlying Fund Board of Directors	Has the meaning given in section 4.3
Underlying Fund Central Administration Agency	Has the meaning given in section 4.3
Underlying Fund Depository	CACEIS Bank - Luxembourg branch
Underlying Fund Indemnified Party	Has the meaning given in section 4.3
Underlying Fund Investment Committee	Has the meaning given in section 4.3
Underlying Fund Investment Management Agreement	Has the meaning given in section 4.3
Underlying Fund Performance Fee	A performance fee to which the Underlying Fund Investment Manager, as well as any third-party fund managers in which BXPE may invest, is entitled.
Underlying Fund Prospectus	Has the meaning given in section 4.3
Underlying Fund Redemption Date	Has the meaning given in section 9.3
Unit(s)	Class A Unit/s and/or Class B Unit/s in the Fund (as applicable)
US Classified Corporation	Has the meaning given in section 4.3
USD	U.S. Dollar currency
Warehousing Entity	Has the meaning given in section 6.3

15. Contacts

Responsible Entity

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