

**Blackstone First-Quarter Investor Call
April 23, 2026, at 9:00am ET**

Weston Tucker: Great, thank you Katie. And Good morning and welcome to Blackstone’s first-quarter conference call. Joining today are: Steve Schwarzman, Chairman and CEO; Jon Gray, President and Chief Operating Officer; and Michael Chae, Vice Chairman and Chief Financial Officer. Earlier this morning, we issued a press release and slide presentation, which are available on our website. We expect to file our 10-Q report in a few weeks.

I’d like to remind you that today’s call may include forward-looking statements which are uncertain and may differ from actual results materially. We do not undertake any duty to update these statements. For a discussion of some of the factors that could affect results, please see the “Risk Factors” section of our 10-K. We’ll also refer to non-GAAP measures, and you’ll find reconciliations in the press release on the shareholders page of our website.

Also note that: nothing on this call constitutes an offer to sell, or a solicitation of an offer to purchase, an interest in any Blackstone fund. This audio-cast is copyrighted material of Blackstone and may not be duplicated without consent.

Quickly on results: We reported GAAP net income for the quarter of \$1.3 billion. Distributable earnings were \$1.8 billion, or \$1.36 per common share, and we declared a dividend of \$1.16 per share, which will be paid to holders of record as of May 4th.

With that, I’ll turn the call over to Steve.

Steve Schwarzman: Good morning and thank you for joining our call. Blackstone reported outstanding results in the first quarter. Distributable earnings increased 25% year over year to \$1.8 billion, as Weston mentioned, underpinned by 23% growth in fee-related earnings and a 26% increase in net realizations. Inflows reached \$69 billion in the first quarter and nearly \$250 billion over the last twelve months, reflecting broad-based strength across our fund-raising channels. Total assets under management grew 12% year over year to a new record level of more than \$1.3 trillion. Most importantly, nearly all of our flagship strategies reported positive appreciation in the quarter, compared to declines in major equity and credit indices, led by exceptional strength in infrastructure.

We achieved these results amid a volatile market backdrop, which was impacted by geopolitical turbulence (including the war in Iran) and AI disruption fears. We’ve also been navigating an intensely negative campaign against the private credit sector – despite the strong long-term returns generated in this area, resilient fund structures, and continued healthy demand from institutional investors and insurance companies.

First, with respect to the market backdrop: Since 2020 alone, we’ve experienced five market-moving events around this same time of year: the COVID shutdown in 2020; the Ukraine invasion in 2022; the regional banking crisis in 2023; the tariff announcements in 2025; and now, the conflict in the Middle East, which triggered the largest quarterly increase in oil prices in over 35 years. In each of these prior events, having patience was key – when the world ultimately

normalized, risk appetite returned and investors refocused on fundamentals. To that end – what we see through the lens of our extensive global portfolio is an economy that has been highly resilient through the macro shocks of the past several years. The AI revolution and extraordinary level of investment taking place in data centers, equipment, chips, energy infrastructure and other related areas continues to power economic growth – and we see no signs of that engine slowing down.

At Blackstone, we began thinking about the transformative potential of AI many years ago. I personally became active in this field in 2015, spending time with key industry figures that would define the AI revolution. Today, we believe Blackstone has become the largest investor in AI-related infrastructure in the world, and we have a front-row seat to the remarkable advancements underway in this ecosystem. In 2021, well before ChatGPT arrived, we privatized QTS which would become the cornerstone of our data center strategy. Our total portfolio now consists of over \$150 billion of data centers globally including facilities under construction – and it continues to grow rapidly, with an additional \$160 billion in prospective pipeline development. In addition to developing data centers, two weeks ago we filed to launch a new public company that will acquire stabilized, newly constructed data centers, leveraging our deep expertise in this area.

We've also become one of the largest investors in the modernization and growth of the US electric grid given the rising demand for energy, including to power data centers. Specifically, we are the most active private investor in the utility sector over the past several years. Our portfolio also includes the longest cross-country network of natural gas pipelines in the US, with this resource expected to account for approximately half of data center power generation within the next five years. Additionally, we are major providers of private credit to energy companies. Alongside our expansive platforms in digital and energy infrastructure, we've also invested in several of the leading innovators driving the AI revolution itself – such as Anthropic and OpenAI, primarily through our wealth platform.

In addition to these winning areas, we expect AI to catalyze new opportunities across other Blackstone business lines – such as life sciences, where we believe AI will accelerate advancements in biomedical research. At the same time, the firm has significant exposure to physical assets which we believe are well insulated from disruption and benefit from their own positive tailwinds, including logistics, residential real estate, transportation and communications infrastructure, and many forms of asset-based credit. We also own fast-growing franchise businesses that are effectively royalty streams on physical assets, alongside a significant portfolio in the healthcare and industrial sectors. Overall, we believe Blackstone is extraordinarily well positioned for an AI-enabled future.

Of course, some sectors and companies will see disruption. Software in particular has come into focus as an “at risk” area, and we expect a range of outcomes here. The sector will have to adapt to AI, and there will be winners and losers, with mission-critical platforms likely to be more resilient. As technology moats narrow, advantages will increasingly come from proprietary data, deep workflow knowledge, customer trust, being embedded as systems of record, and the speed and strength of execution. At Blackstone, we will continue to drive preparations in our own portfolio to help our companies address and incorporate these innovations.

Turning to private credit, where it's worthwhile to separate fact from fiction. External assertions have ranged from the sector posing systemic risk, to the prospect of significant losses of investor capital. These assertions, and their dissemination, have negatively impacted capital flows in the wealth channel to private credit strategies, including to our flagship vehicle in this space – BCRED. Despite the external noise, our institutional and insurance clients, who represent 75% of our credit platform AUM, have continued to commit large-scale capital to the asset class. Of note, BDCs and credit interval funds with redemption features represent less than 10% of the US non-investment grade credit market. Meanwhile, the Treasury Secretary, leaders of the Federal Reserve and the SEC, and the heads of numerous financial institutions have now acknowledged they do not see systemic risk from private credit.

The key question is whether private credit is a good product for investors, and can it continue to deliver a premium to liquid credit over time? At Blackstone, we've generated 9.4% net returns annually in our non-investment grade private credit strategies since inception nearly 20 years ago – roughly double the return of the leveraged loan market. This track record crosses market and economic cycles, periods of high and low interest rates, and multiple credit default cycles. We believe we're moving toward a period of lower base rates, once we work through the impact of the Iran war, and we also expect defaults to move higher from historic lows, as we've stated previously. But we've designed our funds with these cycles in mind – with low fund leverage, high current income generation and the equivalent of meaningful reserves for future potential losses. We remain highly confident in our ability to continue to achieve a premium return to liquid markets over time. Meanwhile, our overall credit platform is expanding significantly, including to the investment-grade private credit area, which Jon will discuss further. Performance and innovation have been the foundation of the outstanding results we've achieved in credit, as with every business at Blackstone – and we believe will continue to drive our growth in credit going forward.

In closing, the firm remains laser focused on delivering for our investors in these dynamic markets. We've established leading businesses across virtually every part of the alternatives industry, with over 90 distinct investment strategies, providing a unique platform for future growth and profitability. Our people are more innovative than ever, and we are relentlessly pursuing new markets and asset classes. We remain steadfast in our mission to be the best in the world at whatever we do, and we have no intention of slowing down.

And with that – I'll turn it over to Jon.

Jon Gray: Thank you, Steve, and good morning, everyone. The outstanding results we achieved in difficult markets are a testament to the breadth of our platform and the power of our brand. Blackstone is an all-weather firm. Meanwhile, multiple pillars of strength are driving us forward: Our institutional business is thriving, our credit platform is expanding despite the market noise, and our private wealth business continues to shine.

Starting with our institutional business, which remains the bedrock of our firm. AUM in this channel is now approximately \$715 billion, up more than 50% in the last five years, and we're seeing powerful momentum today across numerous areas. Our dedicated infrastructure platform

grew 41% year over year to \$84 billion, underpinned by exceptional investment performance. The commingled BIP strategy has generated 19% net returns annually since inception seven years ago (versus our original target of 10%-12%). Data centers and energy infrastructure continue to be the largest drivers of gains in this area, as well as for the firm overall. As the AI revolution accelerates, we see a profound shift underway toward hard assets – and having one of the largest infrastructure platforms, alongside the largest real estate business in the world, should be quite favorable for our investors.

Sticking with our open-ended strategies, our multi-asset investing segment, BXMA, crossed the \$100 billion milestone in the first quarter, up 15% year-over-year – its fastest organic growth in nearly twelve years. BXMA delivered its 24th consecutive quarter of positive returns in its largest strategy in Q1, despite the market downdraft.

In our institutional drawdown area, we are raising a new cycle of funds across a number of highly successful and differentiated strategies – most of which we expect to be significantly larger than predecessors. In life sciences, our new flagship BXLS VI hit its hard cap in the first quarter, raising \$6.3 billion – an industry record and nearly 40% larger than the prior vintage – on the back of 18% net annual returns in the prior fund since inception. The diversity of the sources of capital was remarkable, including from pensions, sovereign wealth funds, foundations and endowments, family offices, insurance clients and the wealth channel; and 50% of total capital came from outside the United States. This outcome exemplifies the breadth and power of the firm’s fund-raising engines.

In corporate private equity, we’ve raised nearly \$12 billion to date for our new Asia flagship, including April closings, and we’re approaching its \$13 billion hard cap, compared to approximately \$6 billion for the previous vintage. In secondaries, we raised an additional \$6 billion in the first quarter for our latest private equity flagship, bringing it to \$11 billion to date – halfway to our target of at least the size of its \$22 billion predecessor. The secondaries platform, like BXMA, crossed over the \$100 billion milestone in the first quarter. Post quarter end, we closed an initial \$1.7 billion for our fifth private equity energy transition flagship, which we expect to be substantially larger than the prior \$5.6 billion vintage. Finally, in credit, we held a final close for our latest opportunistic fund, COF V, in the first quarter, which hit its cap and was meaningfully oversubscribed, reaching over \$10 billion of investable capital – one of the largest institutional credit fund-raises in our history. This success in fund-raising is in sharp contrast to what one reads regularly in the press about weak institutional demand for private markets strategies. Again, what matters is performance. Our opportunistic credit strategy has achieved 13% net returns annually since inception nearly 20 years ago.

Stepping back for a moment on our credit business, which continues to deliver strong results amid the noise. We now manage \$536 billion of total assets across corporate and real estate credit, up 15% year over year, including \$40 billion of inflows in the first quarter. The BXCI segment specifically grew 18% year over year, and Q1 represented one of our best quarters of fund-raising from institutions and insurance clients on record.

The foundation of our growth in credit is innovation, which is powering our expansion beyond non-investment grade strategies to many forms of investment grade private credit. In Q1, our

investment grade private credit platform grew 23% year over year to approximately \$130 billion. We are becoming a key capital provider for the real economy, including infrastructure, residential and consumer finance, commercial finance and aircraft leasing. The opportunity here is enormous. The need for capital to build out AI infrastructure exceeds the capacity of public markets. For our investors, our direct-to-borrower model is designed to produce a durable premium to comparably rated liquid credits by eliminating distribution costs, while delivering borrowers greater certainty. Our model generated nearly 180 basis points of excess spread on credits we placed or originated over the last twelve months for our private investment grade-focused limited partners. In the insurance channel overall, our open-architecture, multi-client approach continues to resonate, with AUM growing 18% year over year to \$280 billion – up four-fold in the past five years.

In our non-investment grade strategies, we continue to see strong demand, as I mentioned, underpinned by our institutional clients. That said, we have seen demand slow in the individual investor channel, as Steve noted, specifically for BCRED. In Q1, BCRED's gross sales were \$1.9 billion – a solid but decelerating number – while repurchases increased, resulting in net outflows for BCRED of \$1.4 billion in the quarter.

As we saw with BREIT, however, we believe what ultimately matters is long-term performance, and delivering a premium to liquid markets. BCRED has generated 9.4% net returns annually since inception over five years ago for its largest share class – nearly 60% higher than the leveraged loan index, through periods of both high and low interest rates. On a year-to-date basis, BCRED protected investor capital against a backdrop of widening spreads and declines in the public credit indices. It did so despite taking significant loss reserves – the portfolio now carries a weighted average mark of 96.4, including the bottom 5% of loans at less than 70 cents. Meanwhile, BCRED's borrowers reported low double-digit EBITDA growth for the most recent twelve-month period, while interest coverage has improved by approximately 40% over the past two years to 2.2 times, as rates have declined and earnings have grown.

Overall, our private wealth platform continued to shine in Q1. Our AUM in the channel increased 14% year over year to \$310 billion and is up nearly three-fold in the past five years, powered by our performance and brand. As one illustration of our differentiation in this channel – in a recent survey of financial advisors by Bank of America's equity research team, Blackstone ranked #1 in terms of brand quality for the fourth time in a row, with a score that was four times higher than the nearest competitor.

Our total sales in private wealth were \$10 billion in Q1, including \$7 billion for the perpetual strategies. BXPE led the way with \$2.5 billion raised and has achieved a remarkable 18% annualized net return for its largest share class, lifting NAV to \$21 billion in only nine quarters. Our infrastructure vehicle in private wealth, BXINFRA, saw its best quarter of fund-raising since launch at approximately \$900 million, bringing NAV to nearly \$5 billion in just five quarters.

BREIT, our largest private wealth vehicle by NAV, raised \$1.2 billion in the quarter – up 44% year over year to the highest level in three years. Meanwhile, repurchases fell 41% over the same period, leading to positive net inflows for each of the past two months. BREIT has generated a 9.3% net return for its largest share class since inception over nine years ago – 60% above the

public REIT index – including positive returns each of the past fifteen months. The vehicle’s portfolio positioning, including its significant exposure to data centers – now at 23% – has enabled BREIT to navigate an extremely challenging period for real estate markets and deliver a highly differentiated experience for investors.

Looking forward, we remain very optimistic about our prospects in the vast and underpenetrated private wealth channel. Our innovation is accelerating, and we have a multitude of products in the pipeline, including a new perpetual multi-strategy product targeting more liquid exposures, called BXHF. This vehicle will leverage the capabilities of our BXMA business and is another important building block alongside our flagship private wealth vehicles in real estate, private equity, credit, and infrastructure, enabling us to offer the full spectrum of these asset classes to individual investors. We plan to bring a number of multi-asset strategies to market over time, including through our strategic alliance with Wellington and Vanguard. Meanwhile, we’re seeing positive developments in the defined contribution channel, with the regulatory rule-making process well underway. Overall, there is huge runway before us in private wealth.

In closing, as we demonstrated again in Q1, this firm is built to deliver for investors through good times and challenging ones. We believe we remain tremendously well positioned to navigate the road ahead, whatever it may bring.

And with that, I’ll turn things over to Michael.

Michael Chae: Thanks Jon, and good morning, everyone.

In the first quarter, the firm delivered 20 percent-plus year-over-year growth across fee revenues, fee-related earnings, net realizations and distributable earnings; while at the same time, our funds reported resilient investment performance — all against a backdrop of significant turbulence in the external environment. This broad-based strength highlights the exceptional balance and durability of our business.

Starting with results. Fee related earnings grew 23% year over year to \$1.5 billion, or \$1.26 per share – representing one of the three best quarters of FRE in our history, and the best outside of a calendar Q4. Fee revenues increased 20% year over year to \$2.6 billion, driven by strong growth in both total management fees and fee-related performance revenues. Total management fees reached a record \$2.1 billion, up 13% year over year, underpinned by double-digit growth in base management fees across three of our four segments including: 14% for private equity, 15% for credit and insurance, and 21% for BXMA. In real estate, base management fees declined moderately on a year-over-year basis in Q1, in line with the trajectory we previously outlined, due to harvesting activity in our opportunistic funds and headwinds in our institutional core-plus platform.

At the same time, transaction and advisory fees for the firm nearly doubled year over year to \$212 million, with a record quarter for our capital markets business. It’s important to note that we generate these fees utilizing minimal capital. As our franchise continues to scale, including in infrastructure and investment grade private credit, we expect continued strength in this revenue stream. Fee-related performance revenues were \$488 million in Q1, up 66% year over year,

powered by a four-fold increase in these revenues at BREIT and a nearly two-and-a-half fold increase at BXPE, alongside contributions from BCRED, BXINFRA and other perpetual strategies.

Distributable earnings increased 25% year over year to \$1.8 billion in the first quarter, or \$1.36 per share. In addition to robust FRE, net realizations totaled \$448 million in the quarter – up 26% year over year. Gross performance revenues grew 70% year over year to \$780 million, reflecting the highest level for a calendar Q1 in four years. Principal investment income was lower on a year-over-year basis, with the prior year including the sale of our internally developed Bistro software asset. Realization activity in the first quarter included numerous monetizations in the public portfolio, the sale to a strategic buyer of an aerospace and defense company, the recapitalization of a housing finance platform in India, and the sales of certain other energy positions.

This disposition activity reflected a transaction environment that was strengthening in the latter part of 2025 and entering 2026, allowing us to execute four IPOs last year. The significant recent market volatility and broader uncertainty has had the effect of pushing out exit pipelines and slowing realization activity in the near term. That said, if there is a durable resolution of the conflict in the Middle East, we would expect robust activity in the second half of the year.

Turning to investment performance. Our funds delivered resilient returns in the first quarter, powered by the large-scale portfolio we have been building across the AI and energy ecosystem.

Infrastructure led the way again in Q1, with 7.8% appreciation in the quarter and 25% appreciation for the last twelve months. Gains in the quarter were broad-based, with particular strength in data centers and in the energy portfolio. The corporate private equity funds appreciated 3.2% in the first quarter and 16% for the LTM period, with Q1 returns also powered by energy – both the private and public holdings – along with Medline’s strong post-IPO performance. These gains were partly offset by material declines in our software portfolio, in the context of the significant contraction of software market multiples. Overall, our private equity operating companies have continued to report healthy underlying fundamentals, with revenue growth increasing sequentially in Q1 to 10% year over year.

In credit, our non-investment grade private credit strategies reported a gross return of 0.6% in the first quarter and 9% for the last twelve months, reflecting solid underlying credit performance across the vast majority of our holdings. In Q1, certain mark-downs in the portfolio were more than offset by continuing substantial current income. At the same time, in real estate credit, our business generated healthy performance again in the first quarter, with the non-investment grade funds appreciating 2.3%, and over 14% for the LTM period.

Meanwhile, BXMA reported a gross return for the absolute return composite of 1.7% in the first quarter, and over 12% for the last twelve months. BXMA has achieved positive composite returns in each of the last 24 quarters as Jon noted, notwithstanding multiple, significant market drawdowns during this period. BXMA delivered this positive Q1 return in a quarter where public equities, liquid fixed income, and the HFRX hedge fund index were all negative. Indeed, since the start of 2021, BXMA has generated a 50% higher cumulative return than the 60/40 portfolio,

equating to approximately 250 basis points on an annualized basis. This performance powered BXMA's sixth consecutive quarter of double-digit year-over-year growth in AUM in Q1.

Finally, in real estate, overall values were stable in the first quarter. Significant strength in data centers was offset by declines in life sciences office, along with our public holdings in India in the context of a 15% decline in the country's stock market in Q1. The BREP opportunistic funds reported modest depreciation in the first quarter – outside of the India public portfolio, BREP values were stable. The core-plus funds appreciated 0.8% in the quarter, driven by BREIT's strong, positive performance.

I would highlight three important factors with respect to the positioning of our real estate business. First, funds across our global platform – including the most recent vintages of our BREP Global and Asia strategies, our BPP U.S. institutional core-plus vehicle and, of course, BREIT – have significant exposure to our rapidly growing data center portfolio. Second, in logistics (our largest exposure in real estate), as you've heard from us and other industry participants recently, we're seeing very positive momentum in leasing activity, including a record forward pipeline for our US platform. Third, we expect the collapse of new supply will be very supportive of fundamentals over time across major sectors, including logistics and multifamily, where industry forecasts call for deliveries this year to be at their lowest levels in 12 years.

Overall for the firm, strong investment performance lifted the net accrued performance revenue on the balance sheet (our "store of value"), up 9% year over year to \$7 billion – the highest level in three-and-a-half years, equating to \$5.69 per share. Meanwhile, performance revenue eligible AUM in the ground expanded to a record \$635 billion in the first quarter – also up 9% year over year. The firm's significant embedded earnings power continues to build.

In closing, it has certainly been a complex operating environment, broadly and for the firm –but our balance provides resiliency in these dynamic markets and creates a strong foundation for future growth. We believe we remain the partner of choice in private markets for investors around the world. And we have greater investment firepower than ever before to capitalize on the many opportunities before us.

Thank you for joining today's call, and we would like to open it up now for questions.

Moderator: Thank you. As a reminder, please press star one to ask a question. We ask you limit yourself to one question to allow as many callers to join the queue as possible. We'll take our first question from Craig Siegenthaler with Bank of America.

Craig Siegenthaler: Thanks, good morning, everyone, and Steve, Jon, hope everyone's doing well. Our question is on the IPO pipeline. You're sticking with your expectation for a record year of IPO activity despite the conflict in Iran. So what's driving the record IPO outlook, because I think some of your peers are going to talk about a more muted 2026 in their upcoming calls. And do you expect that to translate to sizeable, realized performance fees in the second half of this year or is that more of a 2027 event?

Jon Gray: So Craig, I think it reflects the diversity of our firm and really our strong presence in the physical world and frankly around AI infrastructure. So we saw in the back half of last year, we took two companies public in the US, in Legence and Medline, those stocks are up 180% and 60%. So if you bring good companies that have real earnings momentum, the market wants that. So I would say it breaks into different buckets. It's AI beneficiary companies, obviously, electricity, digital infrastructure, some of the tech companies that are going to go public this year. Then I'd say the AI unaffected companies, Medline would fall into that bucket.

Those areas, investors, I think have a lot of interest. Where there will be less activity will be in the professional services, information services, software, the white-collar world. But again, given where we're exposed across our firm, we think we'll be able to get a number of IPOs done. So I do think it's really a function of how people perceive this business. In terms of translating, I think you made the right point on what happens timing-wise, these things get public, then overtime you sell.

Interestingly, in the case of Legence and Medline, both have performed so well. We've been able to do secondaries relatively quickly, but it is on the path towards liquidity. And we would say once this war resolves and the markets stabilize a bit here, I do think we'll see an acceleration, but I think our mix of businesses is favorable, maybe a little more favorable to others in this IPO regard.

Michael Chae: Hey, Craig, it's Michael. I'd also just add that even today, partly based on the IPO activity that we've undertaken recently. If you look at our net accrued performance revenue receivable, actually within corporate private equity, within the corporate private equity portion of that, nearly a third is public. And so that puts us in position to more readily monetize these positions if we like the value and markets are right over time.

And then on top of that, as Jon mentioned, subsequent new issue activity, assuming markets hold up.

Craig Siegenthaler: Thank you, Michael.

Moderator: Thank you. We'll take our next question from Michael Cyprys with Morgan Stanley.

Michael Cyprys: Hey, good morning. Thanks for taking the question. So with AI powering strong returns across Blackstone's complex, curious where you see that showing up in growth and fundraising results. And as you look out across the business today, where do you see the biggest drivers of growth over the next year versus the next three to five years, as you pursue new markets and asset classes?

Jon Gray: So, Michael, I guess I would say it's broad-based in terms of the impact of the AI. Certainly, our infrastructure business, both for institutional clients and individual investors, is benefiting because there you have two very big engines. You've got the data centers as well as what's happening in energy. I think as it relates to our energy transition business, which we talked about in the prepared remarks, given the performance there and the need for energy for not

only data centers, but for robotics and autonomous vehicles and reindustrialization, there you'll definitely see strength.

In real estate, it is becoming a bigger and bigger part. And as you've seen in BREIT, it's clearly been a big beneficiary and it allowed us to power through this difficult period of time. But even in our flagship US Core+ fund, it's become a bigger share. And now beginning in some of our opportunistic vehicles. So there, I think it will start to have over time a very positive impact in terms of returns. And then on the credit front, asset-based finance is an area where credit investors are very focused. They have concerns about what's going to happen with various corporate credits. They're saying, I'm interested in asset-based finance. And again, AI infrastructure ties into that as well. So I would just say that it's broad based. I would also point out, by the way, in our private equity vehicle for wealth, a similar story there where we own some of the big LLMs and tech companies, the three big companies likely to go public, and we also have a bunch of AI infrastructure.

So when you look across our firm, this strategic decision that we made to go long AI infrastructure, I think is going to be the single most important thing for the performance of our clients and ultimately the growth of our business. It doesn't happen overnight, but you're beginning to see it move into our results and I think it will really differentiate things, lead to inflows and most importantly, lead to these positive returns for our customers.

Michael Chae: Mike, I'd just add broadly, if you step way back, being in a position where we think we're probably the leading large scale private capital provider to these areas around the ecosystem that need capital so badly to transform the world, that puts us in a really great position. That's sort of the big picture overlay, I would say, in the coming years.

Moderator: Thank you. We'll take our next question from Bart Dziarski with RBC Capital Markets.

Bart Dziarski: Great. Thanks and good morning, everyone. I wanted to ask around the private wealth and you have a business plan to sort of expand FTE to 450 by the end of this year. And just in the current environment; like, are you accelerating that business plan? Are you dialing it back? Just how is that evolving as we go through in the private wealth channel? Thanks.

Jon Gray: We continue to move in wealth, I would say, at a fairly rapid pace. Joan Solotar and her team have done a terrific job expanding who we're serving within the United States, but broadly around the globe. Canada for us is an exciting market. Japan, I think over time, we'll grow more in Europe, the Middle East, Asia.

There's a lot of opportunity. Wealth is so underpenetrated relative to what we see in the institutional world, which is, call it a third or more allocated to alternatives. Individual investors are low single digits, even very wealthy ones. So we see this as a big TAM. And then as I referenced, we have a pretty unique asset in our brand, the recognition of who Blackstone is, the fact that people trust us as a steward of capital. And then we've got this range of products.

So for investors who want private equity or credit or real estate or infrastructure, now hedge funds, and then these multi-asset areas where we can offer a holistic solution to investors we think are very special. So we continue to invest around the globe, expanding our team, more boots on-the-ground and delivering this product. And as customers have good experiences like we experienced with institutional investors, they start with one product and then start to expand.

So this feels to us as an area that has a long runway. And interestingly, going through this moment in credit, we went through a moment obviously a few years ago in real estate, and showing that these products can deliver both in terms of their liquidity promises as well as their returns builds confidence with financial advisers and their underlying clients. So our confidence in this channel remains as strong as ever and our positioning, we think is quite unique.

Bart Dziarski: Great. Thanks for that.

Moderator: Thank you. We'll take our next question from Alex Blostein with Goldman Sachs.

Alex Blostein: Hi, good morning, everybody. Thank you. Jon, just to build on that last point, if you zoom out a bit, the wealth channel clearly still going through some growing pains, right? I mean, we see a quite significant reaction in the channel, not just for you guys, but for the whole space. So curious if you take a step back, sort of what are the lessons learned from the recent experience, which obviously the industry is still going through with respect to redemptions in terms of how the products are sold, how they package, how are you thinking about the minimums that would be appropriate for clients to have in order to come into some of these products as you kind of continue on this path of expanding the footprint there? Thanks.

Jon Gray: Well, Alex, it's interesting. What's been more challenging is some of the social media and press reporting is so different than the facts that we see. When you think about these products, they're sold not directly to individual investors. They're sold through financial advisers who are obviously sophisticated. There's incredible levels of disclosure when we're selling these products. If you look at BCRED, on the cover page, there are six bold, highlighted lines talking about the liquidity limitations in the product.

To me, it's not a surprise that we have more than 300,000 customers. And yet we have not heard complaints from them that they don't understand that they are trading away some liquidity for higher returns. And I think you just have to look back at the BREIT experience, there was a lot of noise at the time. We said the products are working, they're protecting individual investors.

And so when you look back in the fullness of time, you have a product that's been around almost nine-and-a-half years. For one year, you had more limitations on liquidity instead of one month, it took you four months to get substantially all of your money back. And in exchange for that, you produced a 60% premium annualized returns.

And that's the business. And so these caps on redemptions are not a bug. They're a feature of these products. If you're in any of these products over a 10-year period, there'll be a moment of cycle. The key question is, are you offering a premium in exchange for giving up this liquidity. Have you properly disclosed this? So I feel very good about what we've done.

I think ultimately, the products will continue to produce this premium as they have in BREIT and BCRED. And I think these tests are helpful. I don't think it deters the long-term trend-line, which is for individual investors to get the exposure, the higher returns, the diversification benefits, the opportunity to invest in some of the fastest companies in the world in real estate and infrastructure.

I think that all holds together. We're going to get through this like we've always gotten through these moments, and the products will continue to grow.

Moderator: Thank you. We'll take our next question from Bill Katz with TD Cowen.

Bill Katz: Okay. Thank you very much. Just want to mix up my question a little bit given the first set of questions. So you seem to spend a lot of time this quarter in particular talking about BXMA. And I was wondering if you could maybe step back and talk a little bit about what you're seeing in terms of institutional allocations. And then within the wealth segment, are you seeing, how are financial advisors, sort of repositioning from BCRED, where you see the demand going? And would that also include then sort of the hedge fund complex at large? Thank you.

Jon Gray: So Bill, you have been a follower of us for a long time. So you know we haven't talked a lot about our absolute return business because it had been pretty flat for a long time. It had protected investor capital. But since we brought Joe Dowling on, the business has really inflected in terms of performance. We've delivered, I think, 250 basis points a year of premiums here since Joe joined us more than five years ago. We've had 24 quarters in a row of positive performance as we talked about in our flagship strategy.

And that of course attracts investors' attention. If you can deliver downside protected, vehicle that delivers a premium to 60/40 and you have liquidity, that is a powerful combination. And at the same time, I think investors are recognizing in a world with a lot of volatility to be able to protect their capital in something that is more liquid is very valuable. And I do believe as base rates have come down and I think, over time, will come down further, I think these products become more and more important.

So I would say the receptivity in the institutional meetings I have has really picked up. I would guess in the individual channel, we'll see more and more receptivity. The multi managers have done quite well. I think the product offerings we will bring, I think will be attractive over time to individual investors as well. So this is an area of the firm that, as I noted, has been pretty flat, but is now growing again, I guess, up 15% year on year, which is remarkable.

And I think, again, performance drives everything for us. What they've done in BXMA bodes very well for the future of that business.

Moderator: Thank you. We'll take our next question from Glenn Schorr with Evercore.

Jon Gray: Oh, by the way, one other question Bill had was on BCRED, where the flows are going and so forth. I should just hit that quickly. Sorry, Glenn. I would just say we've continued to see inflows. Obviously, in the quarter, we had a good quarter away from BCRED. The war has probably slowed things down a little bit here in the near term. But we would expect, given the strong performance of the underlying products, once we get a resolution there, we're going to continue to see strength. So just as we saw BREIT went through a long period of time, in their case, we did very well with other products. I think the strength of our product offering will continue to be very valuable and we do think investors will look at these various areas. And then obviously, as people feel better about credit, we'll see a return there as well. Sorry, Glenn, go ahead.

Glenn Schorr: No problem. So I wanted to ask on credit and the different moving ins and outs on fees. So maybe you could help separate the headwinds and tailwinds to help us talk about the future. So we saw a drop in credit fee-paying AUM during the quarter and the resulting impact on management fees, but, but credit deployment was down in the quarter, but I'm wondering how much of this is timing. You raised a boatload of institutional money between last quarter and this quarter on the institutional side in private credit. And maybe talk about the timing of deployment and how we should think about that translating to management fees. I appreciate it.

Michael Chae: Yeah, there are a number of moving parts. And fee AUM was up 14% year over year in the quarter. We saw \$37 billion of inflows. The platform, you know, is broadening in scale and diversity. There obviously is some near-term deceleration in the BDC area. But overall, I think the breadth of the platform is the story over time. As part of that, you know our asset-based finance area, which we call IABC, was up 29% year over year in fee-earning AUM.

We do have substantial, what you're getting at substantial dry powder not earning management fees, \$74 billion of dry powder in the credit area, credit insurance area and the vast majority of that earns fees upon investment. So you'll see that brought in over time. And so those are some of the, I think, key drivers. Quarter over quarter, there was this sequential decline of 1%. Again, there's puts and takes, but it was mostly attributable to sort of a one-time benefit in the fourth quarter related to some insurance partnerships and sort of an annual adjustment there. So lots of moving parts. The direction of travel, we think, over the medium and long term is very good.

You will see in the very near term some deceleration. But the breadth of the platform across strategies and also as you're pointing out, this building dry powder that will earn fees as invested make us continue to be very positive over time.

Jon Gray: And I would just add to that, Glenn, it is striking the difference in terms of what we've seen from the institutional and insurance clients relative to the wealth channel, to all the noise about private credit. It's as sharp a contrast as I've seen and I think it does bode very well for our credit platform.

Glenn Schorr: I wonder if I could ask just a very quick follow-up.

In that line, Jon, in the past, when real estate went through something similar-ish to this, you were able to deploy a lot of money and take advantage of some dislocation. If software helps – I

mean, I should say AI helps more than it hurts. Software spreads have widened a ton in credit. And I'm wondering how you think about balancing the opportunity versus too much concentration risk while things are wide like this.

Jon Gray: Yeah. Look, I think when you have these moments where markets gap out, it could be on the non-investment grade side. Frankly, it could be on the investment-grade side in the fund finance areas, people get nervous. That does create opportunity. Interestingly, the market has held up much better than the headlines.

The leverage loan market at this point has recovered quite a bit for everything really but the non-software names. I think there will probably be some opportunity in technology. I do think there's going to be a heterogeneous outcome for different software companies. So I think you've got to be thoughtful in terms of where you focus. But overall, I think it is attractive. And the fact that we raised more than \$10 billion of investable capital for our COF fund, I think that will prove to be very well timed. So if investors, if we see big trade-offs or sub-sectors where we have differentiated insights, I do think we'll be able to deploy capital into that. We've done a few things, but it has been interesting how resilient this market has been despite the headlines.

Glenn Schorr: Thanks, Jon.

Moderator: Thank you. We'll take our next question from Dan Fannon with Jefferies.

Dan Fannon: Thanks. Good morning. Last quarter, you talked about strong management fee growth for 2026. Based on the previous comments sounds like credit slowing a bit here as we think about the near term, but maybe if you could talk more broadly about the other large segments as we think about the rest of the year in management fee growth.

Michael Chae: Sure, Dan, right. So stepping back, if you look at that first quarter, three of our four business segments, outside real estate, grew combined management fees 15% year over year. So that is carrying forward the healthy momentum for 2025 and in terms of some of the building blocks of that and the outlook on the positive side, we talked about the new drawdown fundraising cycle that's underway.

We will see an embedded upward ramp from these, mostly later in the year. SP X, our Strategic Partners Fund, that was activated in late Q1 and we'll continue to fundraise. Our third Asia private equity fund, our energy transition fund, we expect to activate in the near term. Now those will all have fee holidays. So the impact will really be in the second half of the year and especially in the fourth quarter.

You continue to see the seasoning and expansion of our perpetual strategies overall. It's nearly half of our firmwide fee earning AUM now, the power of BXPE scaling, it's \$21 billion of NAV in two years, more than doubling year over year. BXINFRA actually has emerged. That's about \$5 billion, up three times year over year. And of course, Infrastructure up 41% year over year, including BXINFRA, and there will be new products. So, and then as we just talked about a couple of questions ago, BXMA obviously has terrific momentum.

On sort of the caveat side, we just talked about the deceleration in credit, notwithstanding many of the positives within that platform. And then, as we referenced last quarter, some slowing in our real estate segment, reflecting really two things, harvesting activity in our opportunistic funds and some headwinds in BPP, as I mentioned. So those are, I think, really the key factors and sort of the architecture of the year.

Dan Fannon: Thank you.

Moderator: Thank you. We'll take our next question from Ken Worthington with J.P. Morgan.

Ken Worthington: Hi, good morning and thanks for taking the question. As we think about the Middle East conflict and fundraising from that geographic customer segment, how big have Middle Eastern clients been historically for Blackstone? And do you see the conflict impacting fundraising from these clients in the near to intermediate term? And on the other side, does the conflict change where, what and how big investing looks in the Middle East for Blackstone?

Jon Gray: Thank you, Ken. I'd say we've seen remarkable resilience from those clients so far, in terms of continuing to make commitments to our vehicles. It's possible some of them may make some different choices in terms of reinvesting at home for a period of time. But right now, we've continued to see strong interest. I would say as it relates to our platform, as you know, we're very diversified. So there's no country outside the United States who represents more than low single digits to our overall firm. It's why, it's really the way Steve built the firm and I think it provides real resilience to the overall firm as well.

I would say in terms of those countries, I think it's a mistake to bet against the Middle East, either the GCC countries or Israel. These countries are really embracing capitalism, investment, growth. And I think once this conflict is resolved, that pattern will be restored. I think these countries will continue to be quite strong and reflecting that, we made two commitments during this war period, one in Abu Dhabi to help build a payments company, and one in Dubai in the aerospace area, aircraft leasing.

So we continue to be believers in that part of the world and we think this will prove to be temporal.

Ken Worthington: Great, thank you.

Moderator: Thank you. We'll take our next question from Brian Bedell with Deutsche Bank.

Brian Bedell: Oh, great. Thanks, thanks for taking my question. Just if you can provide some context within the retail credit, within the retail wealth product space, just in terms of what you're hearing from financial advisers and sort of the composition of the clients that are asking for redemption requests. I think for BREIT, it was a minority of customers and I suspect that's the case for BCRED as well as most people understand the long-term viability of the products.

But what, if you could just characterize that, what you're hearing from that FAs and to what extent you think it's just the risk-off environment that might, you know, impact flows in the near

term? And then of course, given your brand strength, do you expect to actually gain market share in this channel, given not just only the brand and the performance, but also the breadth of product.

Jon Gray: All right. Well, Brian, I guess I'd start with your last question on market share. I do believe that when these shakeouts happen, we saw this in the real estate area. I think the number of competitors has diminished and I think it positions BREIT very well as real estate starts to get an upcycle pickup. And the way we managed through that proved important.

I think there is a likelihood as well here in credit that the combination of how people manage transparency, liquidity, valuations, returns can be beneficial also. So I do think we could see a changing of the guard or winnowing a little bit through this process. So yes to that. The other part of the question was around –

Weston Tucker: The profile of the redeemers.

Jon Gray: The profile of the redeemers. Yeah. So what I would say is, you're exactly right. Contrary to this popular idea that it's small investors that are leading the charge here, it is actually a smaller number of large investors who are double the size basically on average of the typical investor in these vehicles. They're the ones, we saw this if you went back to BREIT, it's the same story here with BCRED.

The great mass by a number of smaller investors tends to stick with the product over a long period of time. It's sort of the bigger boulders as opposed to the pebbles where you get more movement in terms of redemptions and that's proven to be similar again, as I said, different than the popular perception.

Brian Bedell: Thank you. Great color. Thank you.

Moderator: Thank you. We'll take our next question from Brian McKenna with Citizens.

Brian McKenna: Okay, great. Thanks. So we've seen time and time again that capital and liquidity become a lot more valuable during periods of volatility. I appreciate the benefits of this from a deployment standpoint. But from a business perspective, can you just remind us why you operate a capital-light model? And then what are some of the strategic and competitive advantages of having this kind of balance sheet during all parts of the cycle?

And really, that's from a business growth perspective, and really your ability to always be in a position to lean into longer growth opportunities across the business.

Jon Gray: Well, we appreciate that question because running capital light can be a harder business model because you have to raise money from third parties as opposed to borrowing large amounts of money, earning a spread on that. But we do believe that, given what can happen when the environment changes, what the regulatory climate can look like that being an investment manager gives us the greatest flexibility, operating a business with virtually no net

debt, no insurance liabilities means that if we need to use capital to do something at the firm level, it's available.

There's no moment where we're facing any sort of liquidity crisis. As you know, we pay out basically 100% of our earnings between our dividends and our stock purchases. We like this capital-light model. We like being an open architecture, third-party manager for our investors. We think that's the right long-term approach.

And particularly when you get to moments, you're not going to see there's no redemption risk at a firm level. There's no credit risk at a firm level. We think this is an all-weather business model. And it's why we've been through a lot of volatility, particularly in the last six years, and the Blackstone firm keeps powering ahead. So we're going to continue to be a capital-light investment manager, focusing on delivering performance. That's what really matters, building our brand, building this reservoir of trust. And if we do that, you'll continue to see very strong capital flows and you will see strong financial performance. And that remains sort of the hallmark of our firm.

Brian McKenna: Great, thanks Jon.

Moderator: Thank you. We'll take our next question from Brennan Hawken with BMO Capital Markets.

Brennan Hawken: Good morning, Jon. Good morning, Michael. A couple of questions, a little more modeling oriented. So quarter-over-quarter base fee growth has slowed in recent quarters. We understand you have several large funds on fee holidays, but could you maybe help us get an idea about what that might look like over time as we progress through the year and make our way closer to those big funds coming off the holiday? And then also a second component, stock-based comp ticked up a bit here. How should we think about stock-based comp for the course of the year and next couple of years? Thanks.

Michael Chae: Sure. Thank you, Brennan. I'll take the second one first. Yeah, on stock-based comp, and I think if you step back, Jon just hit it. I mean, if you look over the long term at our capital return policy, nearly 100% of our cash earnings and at the same time, our sort of approach and our program around keeping our share count effectively flat.

I think over – in the last eight years, our share count has basically grown at like 0.3% a year, while our AUM has grown and compounded like 14% per year. So we like that relationship. And there is seasonality to EBC growth in the course of the year. The rate of growth in the first quarter was below that of a year ago, which I think was sort of a preview that we gave.

And I do think in the fullness of the year, you will see that rate of growth end-up being materially lower than the first quarter, materially lower. So that's, I think kind of a framework on that.

On base management fees for the course of the year, I gave some of the building blocks a couple of questions ago. And I think sequentially, you are seeing, probably this quarter and next quarter, some more moderate growth across the firm.

We expect that to accelerate in the latter part of the year, in part based on those drawdown funds coming online, getting through their fee holidays as well as continued momentum elsewhere, which I outlined. You do have these – sort of these headwinds in the real estate area. And again, we think those will, I think in a sense, bottom out in the middle part of the year and also, I think accelerate sequentially as we sort of exit the year into the early part of next year.

Brennan Hawken: Great. Thanks for taking my questions.

Moderator: Thank you. We'll take our next question from Steven Chubak with Wolfe Research.

Steven Chubak: Hi, good morning, Steve and Jon, and thanks for taking my question. So, I wanted to drill down into some of the comments on AI exposure. You spoke of outsized exposure to companies, are certainly well placed for AI transformation across utilities and data centers, and I know you cited a couple of other examples. At the same time, there are growing concerns around disintermediation risk.

You cited the challenges facing the software sector, but the threat of AI admittedly extends beyond software. I was hoping you could just speak to your process for how you're re-underwriting AI risk across your portfolios and what are some of the actions you're taking to maybe better position the book to navigate this looming threat?

Jon Gray: So I'd start with acknowledging you're right, this does go beyond software. It does include, as I mentioned, information services, professional services, really sort of the broader white-collar world. Our biggest exposure would be in software and that's less than 7%. So pretty small as a percentage of the firm's AUM. Nevertheless, we are quite focused on working with our companies to adapt to an AI-forward world.

Many of these software companies have very valuable incumbency models that should enable them, if they become adroit with AI, to do quite well. And other companies are more exposed. Nevertheless, I think these management teams are capable and many of them will shift to the new world. I think software will be very important sitting on top of these large language models, but the outcomes will be quite differentiated.

So for us, working with our portfolio operations team and our AI experts with our portfolio companies is super important. As we think about deploying new capital, yes, you've got to be thinking about, what are the risks in this world, what are the multiples. If you looked in the quarter, our biggest investments, and this really doesn't speak to a change, but just how deep we are in the physical world. The biggest investments we made in the quarter were a Spanish waste company, another data center company that we invested in, a residential services business, another business in the energy, electrical equipment space; our exposure in those areas is really going to pay off. And I think, by the way, interestingly, real estate, which really has been the sleeping giant at Blackstone here, as investors pivot back to hard assets, as we get some calming

after the war and as the performance picks up along the lines Michael was talking about, particularly around logistics, where we're seeing very favorable supply-demand fundamentals, I think that's an area where we could start to see an acceleration.

But no question today, this is top of mind when we're investing capital, particularly in, I'll call it those white-collar affected areas, and with our existing portfolio company. It gets a huge amount of focus here.

Steven Chubak: That's great. And at the risk of breaching the one question rule, I was hoping, just at the risk of this not getting covered, if you could just speak to the DOL and the provisional guidance that was offered on alts inclusion in 401ks.

Jon Gray: Well, I think what's interesting in 401ks, which people don't fully realize is that fiduciaries today can put private assets into 401k plans, defined contribution plans. What's really held it back, of course, is the long history of litigation. And so what you end up with is individuals who are not in a defined benefits plan end up getting no exposure to alternatives. And yet, their colleagues who may have joined their company 10 years earlier have a huge team and a third of their assets in alternatives.

And so we think it makes a ton of sense for there to be the benefits of diversification and returns, exposure to some of the fastest, most innovative companies in the world, exposure to real estate and infrastructure, which are mostly in the private markets. And so what this DOL ruling, and it's still working its way through the system does, is start to establish a safe harbor like annuities got, I guess, a decade ago, so that a planned sponsor can put this in the mix.

It will be a minority of assets, but we'll give individual investors the opportunity to get this exposure. It's still a very regulated system between the sponsors, consultants, the ERISA standards, but I think this is a good development. It will take time, but we see interest here. So this is an area that we think over time has a lot of potential.

Steven Chubak: That's great color. Thanks for accommodating the additional follow-up.

Moderator: Thank you. We'll take our next question from Arnaud Gibrat with BNP Paribas.

Arnaud Gibrat: Yeah, good morning. My question is regarding the Corebridge and Equitable merger. I was wondering how this will affect your existing investment management partnership with Corebridge. I was wondering if there are risks to the assets or indeed if there is a, perhaps a growth opportunity to grow the partnership through the merger? And also, what's your plan for your 12% stake in Corebridge? Thank you.

Jon Gray: So we view this as an exciting opportunity for Corebridge with their merger with Equitable. As it relates to our existing IMA with them, we have a contractual relationship where we're entitled to manage \$92.5 billion of assets. So long as we meet certain performance thresholds, I think we're at around \$80 billion today. We expect that will continue to grow.

More importantly, we've delivered very strong performance for Corebridge and its balance sheet. On average, across our insurance clients, as we mentioned, we've delivered 180 basis point premium relative to comparably rated investment-grade credit. And our hope here is, as the joint balance sheet expands, that we can do similar things for Equitable. Obviously, we haven't gotten into any of the details. It's early days. The merger hasn't been approved, but we would love to try to expand what we do for the combined company. Our base business remains secure and we look at this as a potential opportunity to expand because we can think we can continue to deliver these premium for insurance policyholders on the equitable side, but we'll have to wait and see.

Oh, I didn't comment on our stake. Obviously, now we're in a merger period. We're going to wait and see. We think Corebridge represents very compelling value on the screen of where it trades today. I think this merger has to go through. We're long-term investors. We believe in the combination of these companies. And ultimately, at some point, because we run a capital-light business, we'll recycle that capital, but we don't expect that in the near term.

Moderator: Thank you. We'll take our next question from Patrick Davitt with Autonomous Research.

Patrick Davitt: Hey, good morning, everyone. The market is still having a lot of trouble framing how to think about the refinancing risk in the software loan portfolios. And given that's still many years out and the loans are generally still performing really well, it feels like we're kind of in a state of limbo. So could you better frame what options or levers your credit team has, if any, to proactively work with the backing sponsors well ahead of those maturities to help give some tangible outcomes that nip this concern in the bud preemptively. Thank you.

Jon Gray: Well, it's interesting, if you look at our software exposure and BCRED for instance, the average borrower put up \$3 billion of equity. So they have a lot of incentives here to make these investments work. And as you said, Patrick, the performance of the companies has continued to be remarkably good. In fact, in our credit portfolio, our software businesses were the best performing sector. So, I think when it comes to options when you have multiple years away, you know there's a lot of things that could happen. Right now, obviously, sentiment is quite negative. The market is going to see how these companies perform as AI continues to move out.

Given the low levels of leverage, using BCRED again as an example, these were 37% loan-to-value loans. In many cases, the EBITDA has grown quite substantially. So I think for those that are well-performing, you know, these wall of maturities, people find a way either through refinancings, extensions, these things tend to happen. I think the challenge is less around performing companies, more around if you have a business that is struggling and what you do and that becomes harder.

And those are the situations, of course, where we've taken meaningful marks in the portfolio. So that I think is what happens. But generally, if performance continues, I think you'll find a receptive market. It may take a bit of time. Right now, the uncertainty quotient is just very high.

Moderator: Thank you. We'll take our final question from Crispin Love with Piper Sandler.

Crispin Love: Thank you. I appreciate you squeezing me in here. I just have a follow-up on the 401k question on the, just the retail channel noise we've seen recently. How do you think that may impact the 401k opportunity longer-term? 401ks definitely have less need for near-term liquidity and private markets exposures may make sense here, as you have articulated. But is it worth the risk and potential headaches for the alts, for the planned sponsors to get involved with a less sophisticated investor base compared to private wealth, just with the pushback you'd likely see from senators, headlines, etc.

Jon Gray: Yeah, well, you made an important point, which is obviously near-term redemption's not the focus in retirement savings. And so we think the rational argument here of getting the benefit of long-term compounding from high-performing alternatives is quite compelling. It may have, in some cases, raised some questions from some of the planned sponsors.

But again, I think how this ultimately plays out, I don't believe that you're going to see large losses in the things that you read in the press coming from these private credit sponsors. And if the products perform, we get through the redemption cycle again. I think people will see, like we did with BREIT, that these products are more resilient than the skeptics argue. And as a result, that, combined with the nature of the long-term hold of the 401k vehicles, I think people will see these are quite beneficial.

I mean to me, the fact that we have this enormous institutional market, most of which is anchored by defined benefit plans for US retirement workers. And then somehow that same worker who works for a different company today, or no longer works for a state that has a pension plan, is no longer entitled to \$1 of exposure. It just doesn't seem fair, it doesn't seem rational. So I think the key again will be showing people that these products are run in a responsible way and deliver a premium performance.

And in the fullness of time, that's going to win the argument.

Crispin Love: Great, thank you Jon.

Moderator: Thank you. That will conclude our question and answer session. At this time, I'd like to turn the call back over to Weston Tucker for any additional or closing remarks.

Weston Tucker: Great. Thank you everyone for joining us today and we look forward to following up after the call.