

# Blackstone Real Estate Income Trust (BREIT)

## Why Private Real Estate?

*Blackstone Advisory Partners L.P., Dealer Manager / Member FINRA*

This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein, and must be read in conjunction with the prospectus in order to understand fully all of the implications and risks of the offering to which this sales and advertising literature relates. A COPY OF THE [PROSPECTUS](#) MUST BE MADE AVAILABLE TO YOU IN CONNECTION WITH THIS OFFERING, AND IS AVAILABLE AT [WWW.BREIT.COM](http://WWW.BREIT.COM)

**Blackstone**

# Important Disclosure Information

## SUMMARY OF RISK FACTORS

Blackstone Real Estate Income Trust, Inc. (BREIT) is a non-traded REIT that seeks to invest in stabilized commercial real estate properties diversified by sector with a focus on providing current income. This investment involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. You should read the prospectus carefully for a description of the risks associated with an investment in Blackstone Real Estate Income Trust. Some of these risks include but are not limited to the following:

- ▶ Since there is no public trading market for shares of our common stock, repurchase of shares by us will likely be the only way to dispose of your shares. Our share repurchase plan provides stockholders with the opportunity to request that we repurchase their shares on a monthly basis, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, repurchases will be subject to available liquidity and other significant restrictions. Further, our board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.
- ▶ We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.
- ▶ The purchase and repurchase price per share for each class of common stock will vary and will generally equal our prior month's net asset value ("NAV") per share, as determined monthly, plus applicable upfront selling commissions and dealer manager fees. We may offer shares at a price that we believe reflects the NAV per share of such stock more appropriately than the prior month's NAV per share in cases where we believe there has been a material change (positive or negative) to our NAV per share since the end of the prior month.
- ▶ We have no employees and are dependent on BX REIT Advisors L.L.C. (the "Advisor") to conduct our operations. The Advisor will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and other Blackstone accounts, the allocation of time of its investment professionals and the substantial fees that we will pay to the Advisor.
- ▶ On acquiring shares, you will experience immediate dilution in the net tangible book value of your investment.
- ▶ There are limits on the ownership and transferability of our shares.
- ▶ If we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease.
- ▶ We do not own the Blackstone name, but we are permitted to use it as part of our corporate name pursuant to a trademark license agreement with an affiliate of The Blackstone Group L.P. (together with its affiliates, "Blackstone"). Use of the name by other parties or the termination of our trademark license agreement may harm our business.

- ▶ While BREIT's investment strategy is to invest in stabilized commercial real estate properties diversified by sector with a focus on providing current income to investors, an investment in BREIT is not an investment in fixed income. Fixed income has material differences from an investment in a non-traded REIT, including those related to vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety, guarantees or insurance, fees and expenses, liquidity and tax treatment.
- ▶ We intend to continue to qualify as a REIT for U.S. federal income tax purposes. However, if we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease.
- ▶ The acquisition of investment properties may be financed in substantial part by borrowing, which increases our exposure to loss. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors.
- ▶ Investing in commercial real estate assets involves certain risks, including but not limited to: tenants' inability to pay rent; increases in interest rates and lack of availability of financing; tenant turnover and vacancies; and changes in supply of or demand for similar properties in a given market.
- ▶ BREIT will directly own private real estate assets. Any references to "private real estate" and "direct ownership" is referring to the BREIT strategy. Individual investors will own shares of common stock in BREIT as opposed to direct ownership of private, non-traded real estate assets.

Numerical data is approximate and as of December 31, 2018. The words "we", "us", and "our" refer to Blackstone Real Estate Income Trust, Inc., together with its consolidated subsidiaries, including BREIT Operating Partnership L.P. (the "Operating Partnership"), a Delaware limited partnership of which we are the general partner, unless the context requires otherwise. Numerical data relating to Blackstone includes activities of Blackstone Real Estate's public and private portfolio companies (unless otherwise noted).

## IMPORTANT DISCLOSURE ABOUT OTHER BLACKSTONE REAL ESTATE FUNDS

This sales material includes information related to prior investments Blackstone Real Estate has made, in which BREIT will not have any interest. Prospective investors should note that the investment programs, objectives, leverage policies and strategies of Blackstone's opportunistic real estate private equity funds (the "Opportunistic Real Estate Private Equity Funds"), the Blackstone real estate debt funds (the "Real Estate Debt Funds"), and core+ real estate private equity funds (the "Core+ Real Estate Private Equity Funds") are substantially different from the investment program and objectives of BREIT, despite each strategy focusing on making real estate-related investments.

Specifically, the Opportunistic Real Estate Private Equity Funds invest in "opportunistic" real estate and real estate-related assets globally (which often are undermanaged assets and with higher potential for equity appreciation), the Real Estate Debt Funds primarily make real estate-related debt investments on an opportunistic basis globally, the Core+ Real Estate Private Equity Funds invest in substantially stabilized real estate across office, multifamily, industrial and retail sectors, with a focus on the major global markets and total return, whereas BREIT is a publicly registered non-exchange traded perpetual life REIT that generally targets primarily stabilized income-oriented commercial real estate across asset classes in the United States and, to a lesser extent real estate-related securities, with a focus on current return. The information provided herein regarding the Opportunistic Real Estate Private Equity Funds, the Real Estate Debt Funds, and the Core+ Real Estate Private Equity Funds is, therefore, provided solely for background purposes.

# Important Disclosure Information (Cont'd)

---

## **FORWARD-LOOKING STATEMENT DISCLOSURE**

This sales material contains forward-looking statements about our business, including, in particular, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of forward-looking terminology such as “may,” “will,” “seek,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue” or other similar words. These statements include our plans and objectives for future operations, including plans and objectives relating to future growth and availability of funds, and are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to these statements involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond our control. Although we believe the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate and our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements. In light of the significant uncertainties inherent in these forward looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans, which we consider to be reasonable, will be achieved.

You should carefully review the “Risk Factors” section of our prospectus for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This sales material must be preceded or accompanied by a copy of the prospectus and should be read in conjunction with the prospectus in order to fully understand all the implications and risks of the offering of securities to which it relates. This sales material is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of these securities or determined if the prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

## **ADDITIONAL IMPORTANT DISCLOSURES**

This material was not created by any third party registered broker-dealers or investment advisers who are distributing shares of BREIT (each a “Dealer” and collectively, the “Dealers”). The Dealers have made no independent verification of the information provided and do not guarantee the accuracy or completeness of such information.

This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered.

The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment or service, or to attract any funds or deposits. Investments mentioned may not be suitable for all clients. Any product discussed herein may be purchased only after a client has carefully reviewed the prospectus and executed the subscription documents. The Dealers have not considered the actual or desired investment objectives, goals, strategies, guidelines, or factual circumstances of any investor in any fund(s). Before making any investment, each investor should carefully consider the risks associated with the investment, as discussed in the applicable prospectus, and make a determination based upon their own particular circumstances, that the investment is consistent with their investment objectives and risk tolerance.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing.

All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by a Dealer and/or other businesses/affiliates of a Dealer. This is not a “research report” as defined by NASD Conduct Rule 2711 and was not prepared by the Research Departments of a Dealer or its affiliates.

Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market.

Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Dealer does not provide tax or legal advice.

Interests in alternative investment products are offered pursuant to the terms of the applicable prospectus, are distributed by the applicable Dealer and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of such Dealer or any of its affiliates, (3) are not guaranteed by such Dealer and its affiliates, and (4) involve investment risks, including possible loss of principal. Each Dealer is a registered broker-dealer, not a bank.

## Important Disclosure Information (Cont'd)

---

### INDEX DEFINITIONS

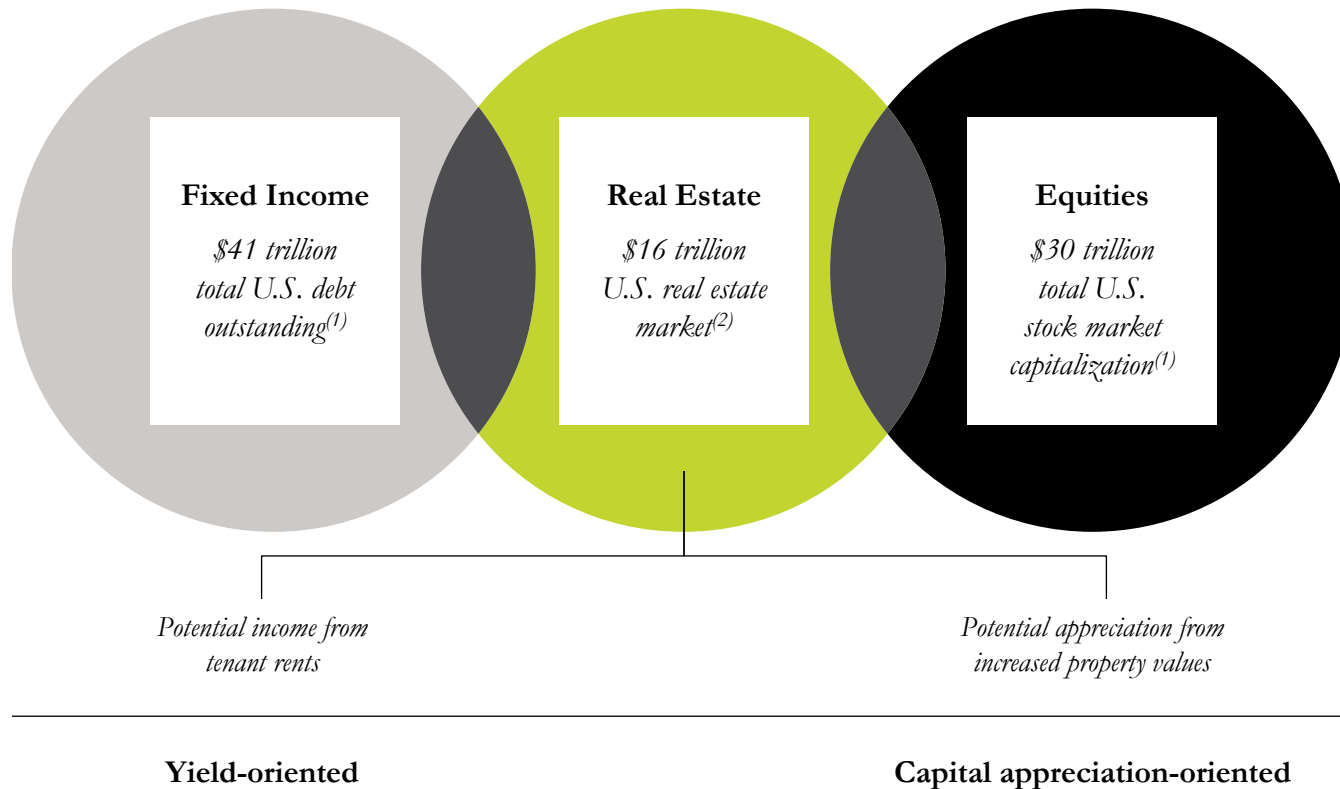
- ▶ The Barclays U.S. Aggregate Bond Index is an index of U.S. dollar-denominated, investment-grade U.S. corporate government and mortgage-backed securities.
- ▶ The NCREIF Open-End Diversified Core (ODCE) is a capitalization-weighted, gross of fees, time-weighted return index with an inception date of January 1, 1978. Published reports may also contain equal-weighted and net of fees information. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties.
- ▶ The S&P 500 Total Return Index is a market capitalization-weighted index that includes 500 stocks representing all major industries. Returns are denominated in U.S. dollars and include dividends. The index is a proxy of the performance of the broad U.S. economy through changes in aggregate market value.
- ▶ CPI All Urban is a measure that examines the changes in the price of a basket of goods and services purchased by urban consumers. The urban consumer population is deemed by many as a better representative measure of the general public because most of the country's population lives in highly populated areas, which represent close to 90% of the total population.
- ▶ BofAML 3 Month T-Bill Index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.
- ▶ The MSCI U.S. REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. The index is based on MSCI USA Investable Market Index (IMI) its parent index which captures large, mid and small caps securities. With 153 constituents, it represents about 99% of the U.S. REIT universe.

## Real Estate

---

Real estate is the third largest asset class behind fixed income and equities

---



Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Market capitalizations as of December 31, 2017, unless otherwise noted. There is no assurance that real estate investments will achieve capital appreciation or provide regular, stable distributions. Past performance does not guarantee future results.

(1) The World Bank, Securities Industry and Financial Markets Association (SIFMA), December 31, 2017.

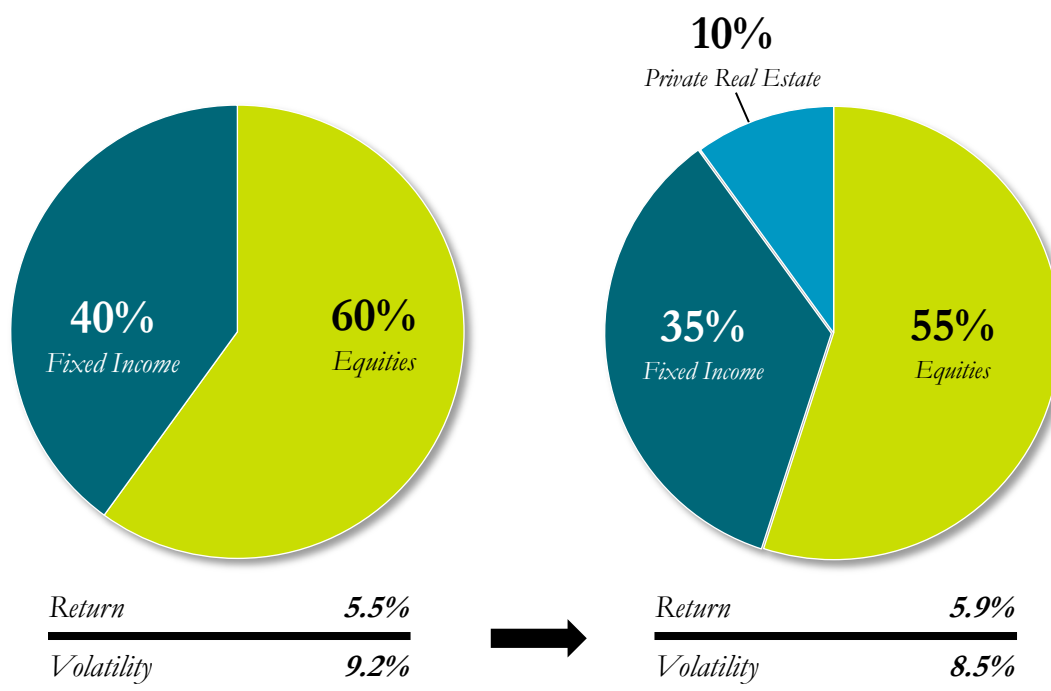
(2) Green Street Advisors, December 31, 2017.

## Portfolio Construction

# Diversifying with private real estate may create a more efficient portfolio

### Returns and Risk<sup>(1)</sup>

1999-2018, Annualized



- Reallocating assets to real estate takes advantage of its hybrid qualities
- Real estate has historically driven portfolio returns higher while reducing overall volatility

Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Past performance does not guarantee future results.

(1) Morningstar Direct, NCREIF, 20-year period ending December 31, 2018. Portfolios with and without private real estate are hypothetical and this is not a recommendation of how to allocate a portfolio. Returns and Volatility presented are on an annualized basis. Past performance does not guarantee future results. **The indices presented represent investments that have material differences from an investment in a non-traded REIT, including those related to vehicle structure, investment objectives and restrictions, risks, fluctuation of principal, safety guarantees or insurance, fees and expenses, liquidity and tax treatment.** Private real estate is represented by the NCREIF Open-End Diversified Core (ODCE) Index and reflects the returns of diversified, private core, open-end funds that invest in private real estate. NCREIF ODCE quotes returns including leverage and fund expenses, but excluding management and advisory fees. The term core typically reflects lower risk investment strategies, utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. Returns net of management and advisory fees would be materially lower. An investment in BREIT is different from the NCREIF ODCE, which is not an investable index. Equities are represented by the total return of the S&P 500 Index, including dividends (S&P 500 Index) and are subject to market risk. Fixed Income is represented by the Barclays U.S. Aggregate Bond Index and are subject to credit risk. The S&P 500 Index and the Barclays U.S. Aggregate Bond Index are meant to illustrate general market performance; it is not possible to invest directly in an index. BREIT shares are significantly less liquid than fixed income and equities. See page 3 for further descriptions regarding each index.

## Private Real Estate vs. Public REITs

Private real estate offers favorable total returns with lower volatility than public REITs

### Quarterly U.S. Real Estate Returns<sup>(1)</sup>

Private vs. Public Markets



Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Past performance does not guarantee future results.

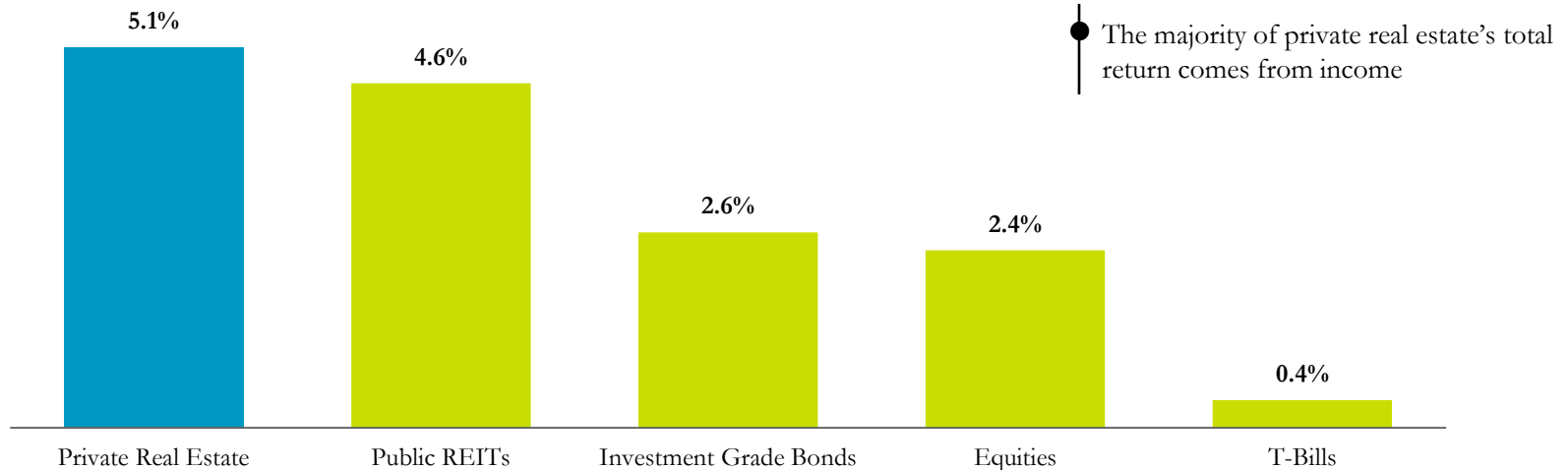
(1) As of December 31, 2018. Morningstar Direct, NCREIF. Past performance does not guarantee future results. An investment in BREIT is not a direct investment in real estate, and has material differences from a direct investment in real estate, including those related to fees and expenses, liquidity and tax treatment. BREIT's share price is subject to less volatility because its per share NAV is based on the value of real estate assets it owns and is not subject to market pricing forces as is the price of public REITs. Although BREIT's share price is subject to less volatility, the value of real estate may fluctuate and may be worth less than was initially paid for it. BREIT shares are significantly less liquid than public REITs, and are not immune to fluctuations. Private real estate is represented by the NCREIF ODCE and reflects the total returns of diversified, private core, open-end funds including leverage and fund expenses, but excluding management and advisory fees. The term core typically reflects lower risk investment strategies, utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. Funds are weighted equally, regardless of size. While funds used in this benchmark have characteristics that differ from BREIT (including differing management fees and leverage), BREIT's management feels that the NCREIF ODCE is an appropriate and accepted index for the purpose of evaluating the total returns of direct real estate funds. Investors cannot invest in this index. Comparisons shown are for illustrative purposes only and do not represent specific investments. BREIT has the ability to utilize higher leverage than is allowed for the funds in the NCREIF ODCE, which could increase BREIT's volatility relative to the index. Additionally, an investment in BREIT is subject to certain fees that are not contemplated in the NCREIF ODCE. Public REITs are represented by the MSCI U.S. REIT Index. The MSCI U.S. REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. Indices are meant to illustrate general market performance; it is not possible to invest directly in an index. Indices are meant to illustrate general market performance; it is not possible to invest directly in an index. See page 3 for further descriptions regarding each index.

(2) Annualized standard deviation of the NCREIF ODCE Index relative to the MSCI U.S. REIT Index for the 24-year period ending December 31, 2018.

## A Distinctive Source of Income

Income derived from private real estate has exceeded that from other asset classes

### Historical Yield Comparison<sup>(1)</sup> 2009-2018 Average Annual Yield



Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Past performance does not guarantee future results.

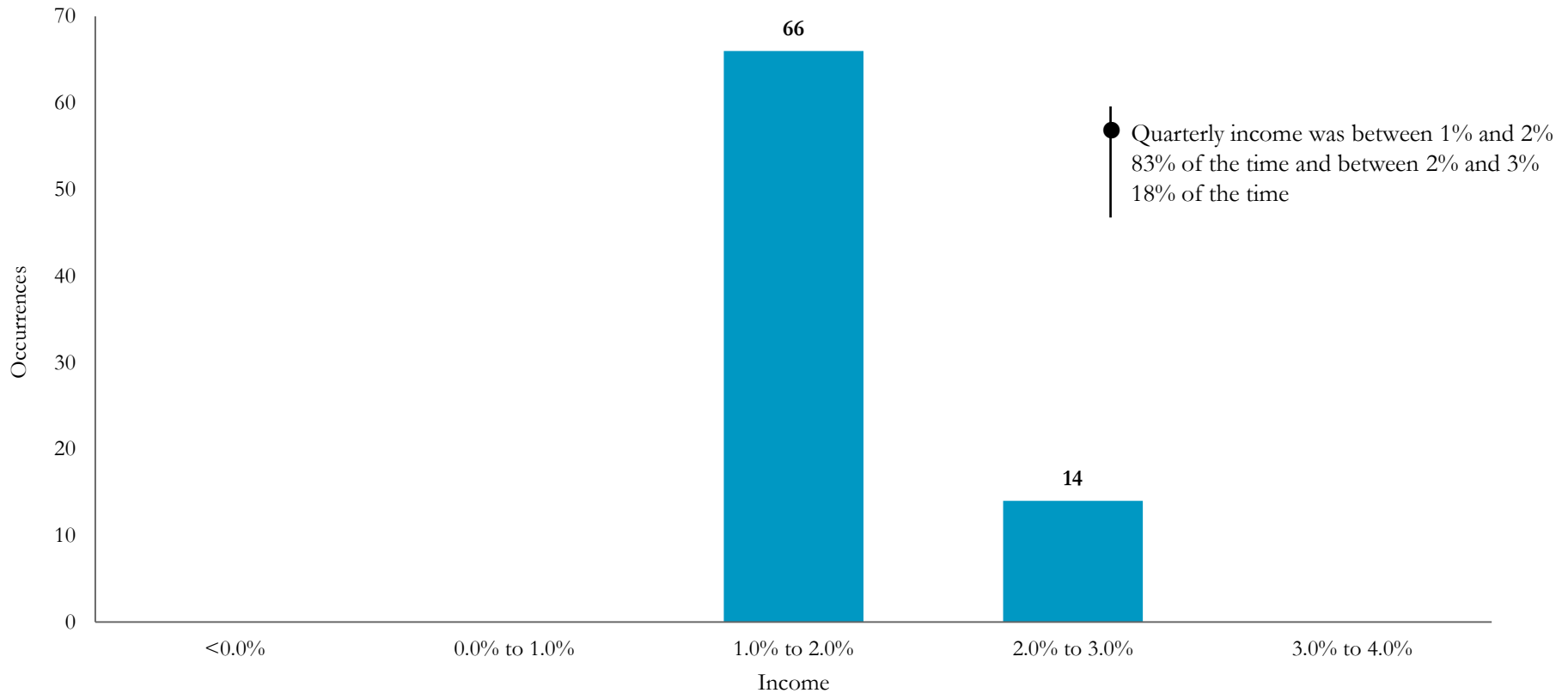
(1) As of December 31, 2018, Morningstar Direct, NCREIF. Past performance does not guarantee future results. An investment in BREIT is not a direct investment in real estate, and has material differences from a direct investment in real estate, including those related to fees and expenses, liquidity and tax treatment. BREIT's share price is subject to less volatility because its per share NAV is based on the value of real estate assets it owns and is not subject to market pricing forces as is the price of public REITs, investment-grade bonds, equities or T-bills. Although BREIT's share price is subject to less volatility, BREIT shares are significantly less liquid than these asset classes, and are not immune to fluctuations. Private real estate is not traded on an exchange and will have less liquidity and price transparency. The value private real estate may fluctuate and may be worth less than was initially paid for it. Private real estate is represented by the NCREIF Open-End Diversified Core (ODCE) index, which is an equal weighted, time weighted index of open-end core real estate funds reported net of fees. The term core typically reflects lower risk investment strategies, utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. Funds are weighted equally, regardless of size. NCREIF ODCE represents the broad-based private real estate market, with its income returns based on net operating income after debt service; distributions from BREIT are not guaranteed and may be sourced from non-income items including, without limitation, the sale of assets, borrowings, return of capital or offering processed, and we have no limits on the amounts we may pay from such sources. While funds used in this benchmark have characteristics that differ from BREIT (including differing management fees and leverage), BREIT's management feels that the NCREIF ODCE is an appropriate and accepted index for the purpose of evaluating the historic yields of direct real estate funds. Investors cannot invest in this index. Comparisons shown are for illustrative purposes only and do not represent specific investments. BREIT has the ability to utilize higher leverage than is allowed for the funds in the NCREIF ODCE, which could increase BREIT's volatility relative to the index. Additionally, an investment in BREIT is subject to certain fees that are not contemplated in the NCREIF ODCE, which is not an investable index. Public REITs are represented by the MSCI U.S. REIT Index. The MSCI U.S. REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. Stocks are represented by the dividend yield of the S&P 500 Index. The S&P 500 Index is a widely used barometer of U.S. stock market performance; the key risk of the S&P 500 Index is the volatility that comes with exposure to the stock market. Investment-grade bonds are represented by bond yield to maturity of the Barclays U.S. Aggregate Bond Index. Investment grade bonds provide broad exposure to U.S. investment grade bonds including government bonds. Increases in interest rates may cause the price of bonds to decrease. Corporate bonds are subject to credit risk. T-bills are represented by the BofAML 3 Month T-Bill Index and are subject to interest rate risk. Treasury Bills are guaranteed as to the timely payment of principal and interest. Indices are meant to illustrate general market performance; it is not possible to invest directly in an index. An investment in investment grade bonds and T-bills is generally considered to be a less risky investment than private real estate. See page 3 for further descriptions regarding each index.



## Historical Distribution of Income

Income from private real estate has been historically consistent

Quarterly Income Distribution Over Time<sup>(1)</sup>  
1999-2018



Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Totals may not sum due to rounding. Past performance is no guarantee of future results. Performance data shown represents the performance of an index and not that of BREIT. There is no assurance we will pay distributions in any particular amount, if at all. Any distributions we make will be at the discretion of our board of directors. We may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds (including from sales of our common stock or Operating Partnership units to the Special Limited Partner, an affiliate of Blackstone), and we have no limits on the amounts we may pay from such sources.

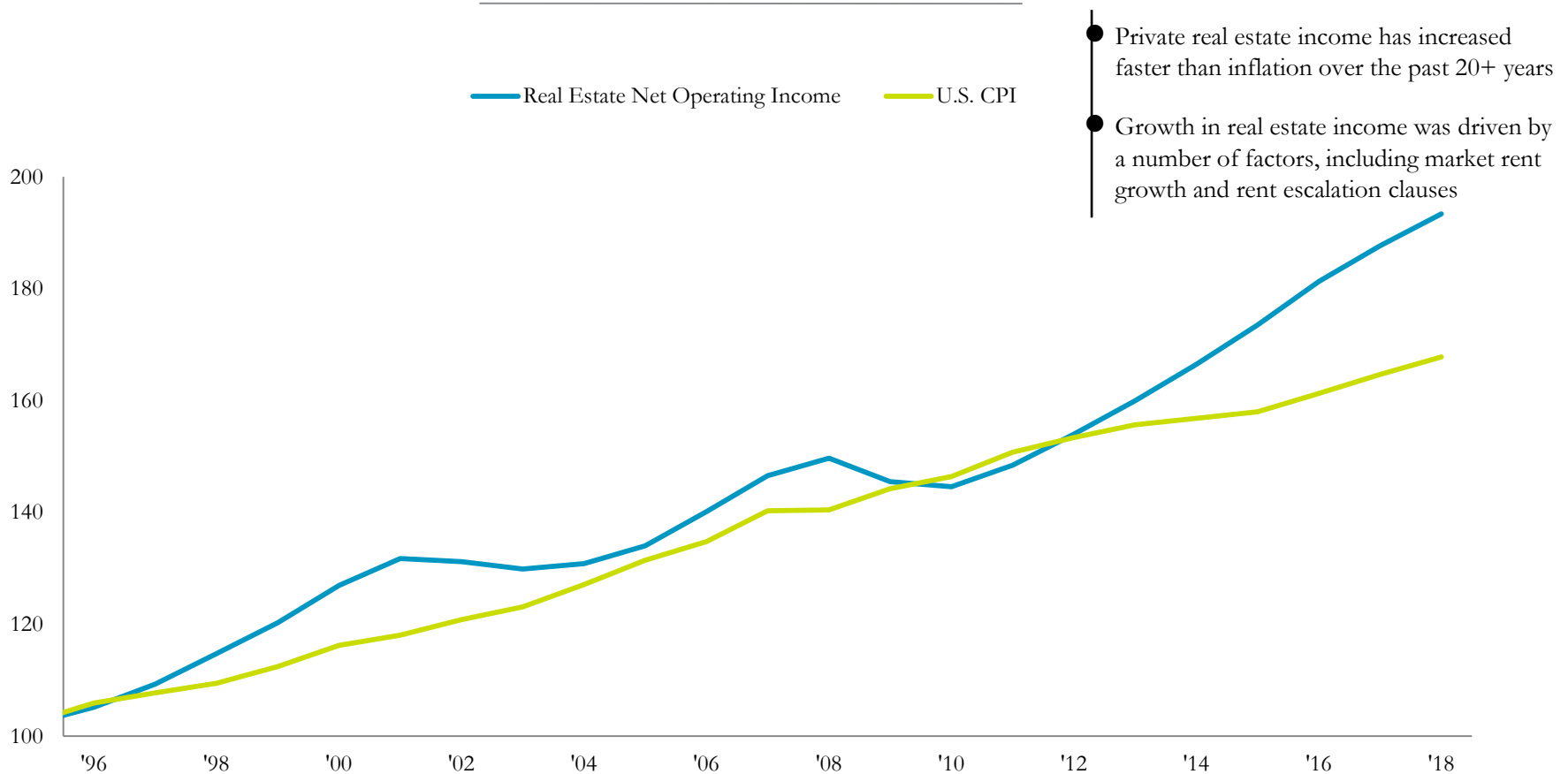
(1) NCREIF, 20-year period ending December 31, 2018. NCREIF ODCE quotes returns including leverage and fund expenses, but excluding management and advisory fees. Returns net of management and advisory fees would be materially lower. It is not possible to invest in an index.

## Income and Inflation

### Private real estate income is a potential hedge to inflation

#### Real Estate Income and Inflation<sup>(1)</sup>

Indexed, 1995=100



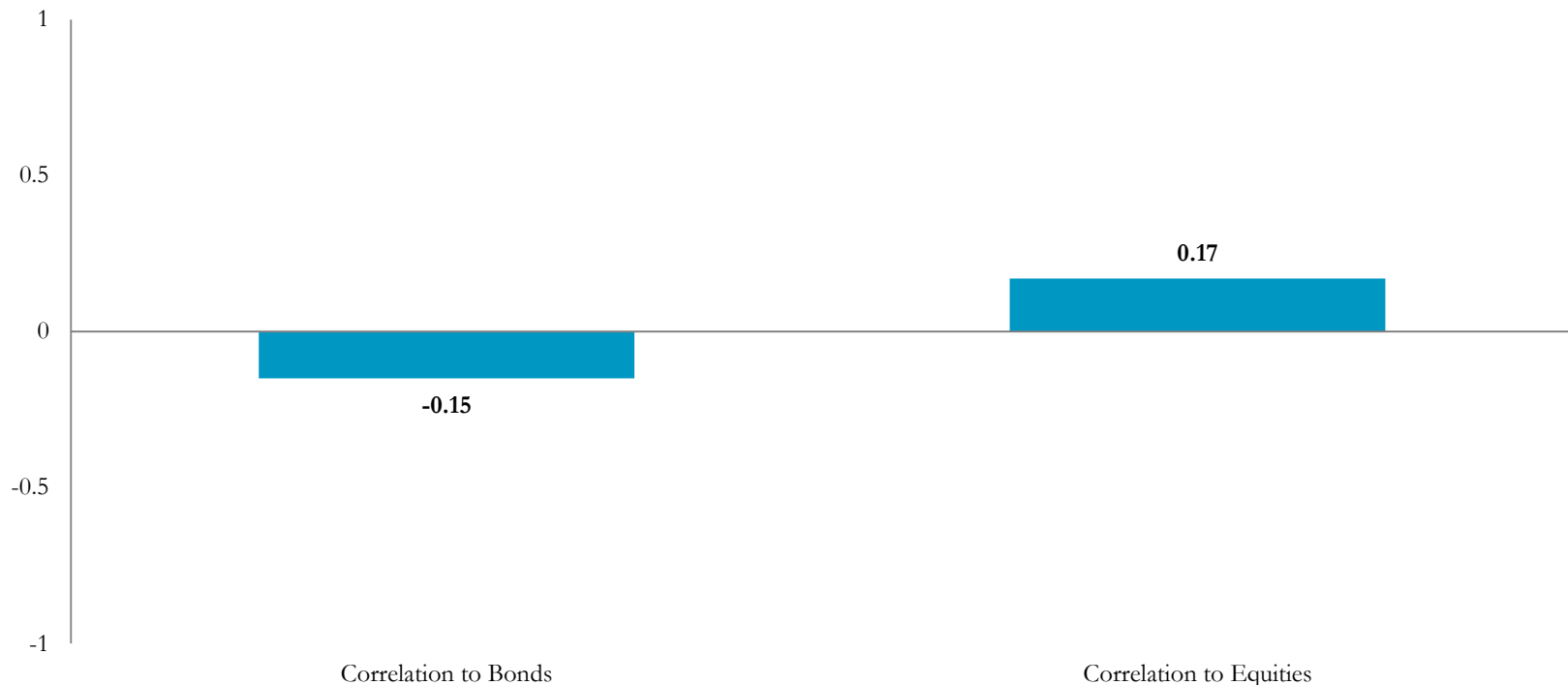
Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Past performance does not guarantee future results.

(1) As of December 31, 2018. Green Street Advisors, Bureau of Labor Statistics. Net operating income (NOI) growth represents the average NOI growth by year across the apartment, industrial, mall, office and strip retail sectors. The Consumer Price Index (CPI) measures changes in the prices paid by urban consumers for a representative basket of goods and services. NOI may not be correlated to or continue to keep pace with inflation.

## An Inherent Diversifier

Private real estate historically has exhibited low correlation to equities and fixed income

### Private Real Estate Correlations<sup>(1)</sup> 20-Year Period (1999-2018)



Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Past performance does not guarantee future results.

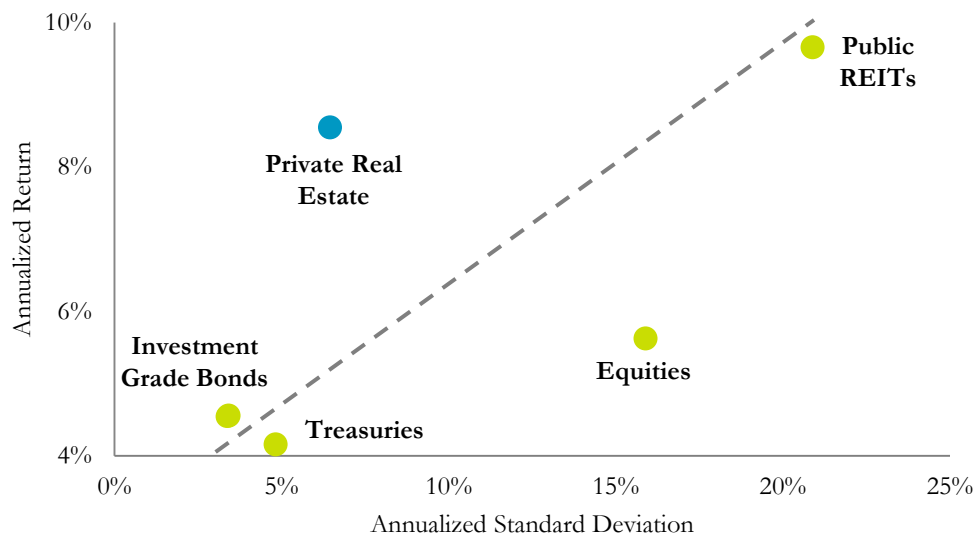
(1) Morningstar Direct, NCREIF, 20-year period ending December 31, 2018. Private Real Estate represented by the NCREIF ODCE Index. Stocks are represented by the total return of the S&P 500 Index. The S&P 500 Index is a widely used barometer of U.S. stock market performance; the key risk of the S&P 500 Index is the volatility that comes with exposure to the stock market. Investment-grade bonds are represented by the total return of the Barclays U.S. aggregate Bond Index. Investment grade bonds provide broad exposure to U.S. investment grade bonds including government bonds. Increases in interest rates may cause the price of bonds to decrease. Corporate bonds are subject to credit risk. Correlation measures how one investment performs in relation to another, with a coefficient of +1 being a perfect, positive correlation and a coefficient of -1 being a perfect, negative correlation. When two asset classes have a correlation of +1, they will both move up or down by the same amount in the same direction. Conversely, a correlation of -1 indicates that when one asset class moves up or down, the other moves in the opposite direction by the same amount. In general, asset classes with a correlation of less than 0.70 or greater than -0.70 are considered to have relatively low correlation. See page 3 for further descriptions regarding each index.

## Returns and Risk by Asset Class

### Private real estate delivers a compelling combination of return and risk

#### Returns and Risk by Asset Class<sup>(1)</sup>

20 Years Annualized (1999-2018)



- Private real estate historically has generated attractive returns and has exhibited less volatility than public REITs<sup>(2)</sup>
- Private real estate is not traded on an exchange and will have less liquidity than public REITs

Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. Please refer to pages 1 and 2. There can be no assurance that the trends described herein will continue or not reverse. Past performance does not guarantee future results.

(1) As of December 31, 2018, Morningstar Direct, NCREIF. Past performance does not guarantee future results. An investment in BREIT is not a direct investment in real estate, and has material differences from a direct investment in real estate, including those related to fees and expenses, liquidity and tax treatment. BREIT's share price is subject to less volatility because its per share NAV is based on the value of real estate assets it owns and is not subject to market pricing forces as is the price of investment-grade bonds, equities or T-bills. Although BREIT's share price is subject to less volatility, BREIT shares are significantly less liquid than these asset classes, and are not immune to fluctuations. Although NAV based real estate may exhibit less price volatility, private real estate is not traded on an exchange and will have less liquidity and price transparency. The value of private real estate may fluctuate and may be worth less than was initially paid for it. An investment in private real estate is subject to the ability to value, or sell, underlying properties as opposed to an investment in public real estate, where market forces determine the value of investments. Private real estate is represented by the NCREIF ODCE Index, which is an equal weighted, time weighted index of open-end core real estate funds reported net of fees. The term core typically reflects lower risk investment strategies, utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. Funds are weighted equally, regardless of size. While funds used in this benchmark have characteristics that differ from BREIT (including differing management fees and leverage), BREIT's management feels that the NCREIF ODCE is an appropriate and accepted index for the purpose of evaluating the historic yields of direct real estate funds. Investors cannot invest in this index. Comparisons shown are for illustrative purposes only and do not represent specific investments. BREIT has the ability to utilize higher leverage than is allowed for the funds in the NCREIF ODCE, which could increase BREIT's volatility relative to the index. Additionally, an investment in BREIT is subject to certain fees that are not contemplated in the NCREIF ODCE, which is not an investable index. Public REITs are represented by the MSCI U.S. REIT Index. The MSCI U.S. REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. Stocks are represented by the total return of the S&P 500 Index. The S&P 500 Index is a widely used barometer of U.S. stock market performance; the key risk of the S&P 500 Index is the volatility that comes with exposure to the stock market. Investment-grade bonds are represented by the total return of the Barclays U.S. Aggregate Bond Index. Investment grade bonds provide broad exposure to U.S. investment grade bonds including government bonds. Increases in interest rates may cause the price of bonds to decrease. Corporate bonds are subject to credit risk. T-bills are represented by the BofAML 3 Month T-Bill Index and are subject to interest rate risk. Treasury Bills are guaranteed as to the timely payment of principal and interest. Indices are meant to illustrate general market performance; it is not possible to invest directly in an index. An investment in investment grade bonds and T-Bills is generally considered a less risky investment than private real estate. See page 3 for further descriptions regarding each index.

(2) Annualized standard deviation of the NCREIF ODCE relative to the MSCI REIT Index for the 20-year period ending December 31, 2018.

For more information,  
please visit [www.BREIT.com](http://www.BREIT.com).

**Blackstone**

Blackstone Advisory Partners L.P., Dealer Manager / Member FINRA