

BLACKSTONE PRIVATE CREDIT FUND ("BCRED" OR THE "FUND")

Portfolio Commentary

BCRED remains well-positioned as a defensive allocation for investors in 2022 amidst the market backdrop of rising rates and inflation

Portfolio Update

(All data as of March 31, 2022, unless otherwise noted)

Amid volatility in the public markets in the first quarter, the Fund continues to deliver strong returns of 1.39% YTD and 10.59% annualized ITD as of March 31, 2022 for Class S¹ (without upfront placement fees). The Fund continues to deliver an attractive monthly dividend of \$0.16 per Class S share, resulting in a March annualized dividend yield of 7.24% and the Fund's net investment income per share has consistently out-earned the monthly dividend per share since inception.

Blackstone Credit BDC Advisors LLC, the Fund's investment adviser (the "Adviser") believes the Fund's portfolio is well-positioned in the current environment, which is characterized by higher inflation and rising interest rates. The Fund continues to focus on a large and diverse portfolio of high quality, scaled companies that are operating in attractive and high cash flow sectors (i.e. software, technology, healthcare and professional services). The Adviser believes these characteristics, along with a 96% senior secured portfolio, a low 43% average loan-to-value, and an average issuer EBITDA of \$150 million², make the Fund a more resilient and defensive investment in an inflationary environment. Additionally, the Fund's approximately 100% floating rate loan portfolio will serve to protect and potentially benefit investors in a rising rate environment, as income generated on the Fund's underlying portfolio companies will rise along with increase to the 3-month reference rates (i.e. LIBOR / SOFR). As the only non-traded BDC with three investment grade ratings, the Fund has issued \$6.6 billion of fixed rate bonds since inception, the majority of which was raised in a historically low-rate environment. The Adviser believes these fixed-rate bonds provide the Fund with additional collateral flexibility and further amplify the benefits of rising rates for our investors. The Fund continues to benefit from a lower operating cost due to the scale of the Adviser's platform.

Market Trends

Macroeconomic events including higher inflation, war in Ukraine, and rising interest rates led to a volatile first quarter of 2022. YTD returns were minimal to negative across asset classes, including leveraged loans (-0.01%), high yield bonds (-4.2%), investment grade bonds (-7.7%), 10-year US treasuries (-6.6%) and equities (-5.0%)⁴. Amidst this macro market backdrop, the Fund continued to deliver an attractive positive return for investors during the quarter, which was attributable to the Fund's strong income generation and asset quality. Floating rate assets generally benefit from the rising rate environment that we are in today. Conversely, a rising rate environment can be especially challenging for fixed income investments that are fixed rate as they often have long duration risk and are relatively low yielding. This challenging environment may continue for traditional fixed income given multiple rate increases are currently expected from the US Fed by the end of the year.

From a default perspective, the US high yield bond and leverage loan default rates increased 18bps and 22bps to 0.5% and 0.9%, respectively. Meanwhile, the Fund's \$38 billion portfolio at fair market value across 536 issuers remains healthy, with zero defaults and zero loans on non-accrual. The Adviser's focus on growth sector, credit selection, stress testing, documentation and structural protection (including covenants), potentially help to mitigate downside risk and protect investors' capital.

The trend of private markets financing larger scale transactions has continued into 2022. The Adviser sees an increased number of larger transactions both in the Fund's deal pipeline as well as announced in the market.

BLACKSTONE PRIVATE CREDIT FUND ("BCRED")

Performance

10.59%

ITD return (Class S)⁽¹⁾

7.24%

annualized distribution yield (Class S)⁽³⁾

Portfolio Highlights

\$37.8B

total assets

96%

senior secured

~100%

floating rate on debt investments

BBB-/Baa3/BBB

investment grade ratings from S&P, Moody's and DBRS



Recent Transaction Highlights⁵

Blackstone Credit is leading the market in large private financings. Its ability to commit in scale provides certainty in financing to sponsor partners.

SailPoint - In April 2022, Blackstone Credit co-led a large first lien senior secured financing package, which includes a first lien term loan and a revolver, to support the take-private transaction of SailPoint Technologies Holdings, Inc ("SailPoint") by Thoma Bravo for \$6.9 billion. SailPoint is a leading provider of enterprise identity governance and administration within the broader cybersecurity landscape.

Datto - In April 2022, Blackstone Credit co-led a \$3.7 billion first lien senior secured financing package to support Kaseya's acquisition of Datto for \$6.2 billion. The transaction will be funded by an equity consortium led by Insight Partners. Datto is a leading provider of cloud-based software solutions built for delivery through the Managed Service Provider channel to small-to-medium sized businesses.

NPD (Add-on) - In April 2022, Blackstone Credit led an incremental unitranche term loan commitment to support NPD Group's acquisition of Information Resources, Inc. ("IRI"). Blackstone Credit had previously led a term loan financing in December 2021 to support Hellman & Friedman's acquisition of NPD Group. Pro forma for the April 2022 incremental loan, this represents the largest private unitranche term loan to date, and Blackstone Credit is the largest lender. The combined IRI and NPD business creates a scale market leader in consumer purchase data, with full retailer coverage and more comprehensive insights into consumer purchasing behavior across CPG and general merchandise categories.

Anaplan - In March 2022, Blackstone Credit co-led a large first lien senior secured financing package, which includes a first lien term loan and a revolver, to support Thoma Bravo's acquisition of Anaplan for \$10.7 billion. Blackstone Credit will be the largest holder of the facility. Anaplan is a cloud-native provider of "connected planning" which allows large enterprises to forecast, scenario plan, and build strategic planning across Financial Planning and Analysis, Supply Chain, Sales Performance Management and other corporate functions.

BCRED Historical Performance

NAV/share⁶

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2022	\$25.93	\$25.80	\$25.82	--	--	--	--	--	--	--	--	--
2021	\$25.25	\$25.36	\$25.49	\$25.59	\$25.80	\$25.81	\$25.80	\$25.84	\$25.90	\$25.93	\$25.91	\$25.93

Total Returns¹

Share Class	1-Month	3-Month	YTD	1-Year	ITD
Class I	0.75%	1.60%	1.60%	10.40%	11.53%
Class S	0.68%	1.39%	1.39%	9.47%	10.59%
Class D	0.73%	1.54%	1.54%	--	9.08%

Distributions⁷

Share Class		Jan 2022	Feb 2022	Mar 2022	YTD 2022	2021
Class I	Monthly	\$0.17	\$0.17	\$0.17	\$0.52	\$1.92
	Special	--	--	--	--	\$0.19
Class S	Monthly	\$0.16	\$0.16	\$0.16	\$0.47	\$1.71
	Special	--	--	--	--	\$0.19
Class D ⁸	Monthly	\$0.17	\$0.17	\$0.17	\$0.51	\$1.32
	Special	--	--	--	--	\$0.19

- (1) Inception-to-date annualized return is 11.53% for Class I and 10.59% for Class S. Inception-to-date unannualized return is 9.08% for Class D. Inception date of Class I and Class S is January 7, 2021 and for Class D is May 1, 2021. Total return is calculated as the change in NAV per share during the period, plus distributions per share (assuming dividends and distributions are reinvested in accordance with the Fund's dividend reinvestment plan) divided by the beginning NAV per share, each as disclosed in the Fund's reports on Form 8-K and website, as applicable, for each period. Past performance is not necessarily indicative of future results, and there can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses.
- (2) Both LTV and EBITDA were derived from the most recently available portfolio company financial statements as of December 31, 2021. These amounts have not been independently verified by BCRED, and may reflect a normalized or adjusted amount. Includes all private debt investments as of December 31, 2021 for which fair value is determined by the Board of Trustees in conjunction with a third-party valuation firm and excludes quoted assets. Amounts are weighted on fair market value of each respective investment. Average loan-to-value represents the net ratio of loan-to-value for each portfolio company, weighted based on the fair value of total applicable private debt investments. Loan-to-value is calculated as the current total net debt through each respective loan tranche divided by the estimated enterprise value of the portfolio company. EBITDA is a non-GAAP financial measure. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization.
- (3) BCRED declared regular monthly dividends of approximately \$0.17 for Class I, \$0.16 for Class S and \$0.17 for Class D resulting in an annualized dividend yield of 8.1% for Class I and 7.2% for Class S and unannualized dividend yield of 7.8% for Class D based on beginning NAV.
- (4) Source: J.P. Morgan, High Yield Bond and Leveraged Loan Market Monitor, April 1 2022.
- (5) The information provided, including dollar amounts, represents the aggregated investment of all participating Blackstone Credit vehicles, including the Fund, as well as certain third party investments. The final dollar amount of the Fund's portion of the investment will be determined and disclosed in the Fund's future periodic reports.
- (6) No Class D Common Shares were outstanding as of April 30, 2021. Class D Common Shares were issued on May 1, 2021 at \$25.59 per share.
- (7) Distributions are not guaranteed. Past performance is not necessarily indicative of future results. Distributions may be funded through sources other than cash flow. See BCRED's prospectus. Please visit BCRED's website for notices regarding distributions subject to Section 19(a). Amounts may not sum due to rounding.

Monthly portfolio updates are available on www.BCRED.com.

Certain information contained in this communication constitutes "forward-looking statements" within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of forward-looking terminology, such as "outlook," "indicator," "believes," "expects," "potential," "continues," "may," "can," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates", "confident," "conviction," "identified" or the negative versions of these words or other comparable words thereof. These may include financial projections and estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, statements regarding future performance, statements regarding economic and market trends and statements regarding identified but not yet closed investments. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. BCRED believes these factors also include but are not limited to those described under the section entitled "Risk Factors" in its prospectus, and any such updated factors included in its periodic filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this document (or BCRED's prospectus and other filings). Except as otherwise required by federal securities laws, BCRED undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. The words "we", "us", and "our" refer to BCRED, unless the context requires otherwise. Opinions expressed reflect the current opinions of Blackstone as of the date appearing in the Materials only and are based on Blackstone's opinions of the current market environment, which is subject to change. These views are not guarantees of future performance. These views are subject to change at any and BCRED disclaims any responsibility to update such views. References to specific investments should not be construed as a recommendation or investment advice. Certain information contained in the Materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.