

Blackstone

NYSE: BX

624204



12L-122978

CLAUDE SIMON IRA TD AMERITRADE
CLEARING CUSTODIAN
534 W 42ND ST APT 8
NEW YORK, NY 10036-6204

**For Questions Regarding Your Tax Package
Contact Partner DataLink**

Partner DataLink
The Blackstone Group L.P.
P.O. Box 8447
Hermitage, TN 37076-8447
Phone: (855) 375-4156
Fax: (215) 982-6302
Email: BlackstoneK1Help@deloitte.com
Website: www.PartnerDataLink.com/Blackstone

Dear Unit Holder:

The Blackstone Group L.P. (BX) is pleased to enclose your 2018 tax information. This information is provided to assist you in reporting your allocable share of partnership items in your income tax returns. We are also enclosing for your general guidance the IRS 2018 Partner's Instructions for Schedule K-1. We recommend that you consider discussing this information with your personal tax advisor.

As a publicly traded partnership, BX is generally not subject to income tax. However, our Unit Holders may be subject to federal, state and city income tax reporting in jurisdictions where they are resident and where BX has operations. In addition, Unit Holders who are not resident in the U.S. may be subject to U.S. tax reporting and U.S. withholding tax.

The enclosed information includes an Ownership Schedule and if applicable, a Sales Schedule. This information can be used to help you calculate any gain or loss on transfers or other dispositions of units made during 2018. We encourage you to review the information contained in these Schedules to ensure that there are no errors or inconsistencies. If any inconsistencies are noted, please contact Partner DataLink via email at BlackstoneK1Help@deloitte.com or by phone at (855) 375-4156. If we receive your revisions prior to **June 28, 2019**, we will update our records and issue a new Schedule K-1, which will be filed with the IRS.

Sincerely,

The Blackstone Group L.P.

Department of the Treasury
Internal Revenue Service

For calendar year 2018, or tax year

beginning

ending

► See back of form and separate instructions.

Final K-1

☐ Amended K-1

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	3	15	Credits	
2	Net rental real estate income (loss)	-			
3	Other net rental income (loss)		16	Foreign transactions	
4	Guaranteed payments		A	VARIOUS	
5	Interest income	31	B		146
6a	Ordinary dividends	42	C		21
6b	Qualified dividends	39	D		7
6c	Dividend equivalents		E		-
7	Royalties	1	F		21
8	Net short-term capital gain (loss)	-	*		STMT
9a	Net long-term capital gain (loss)	19	17	Alternative minimum tax (AMT) items	-
9b	Collectibles (28%) gain (loss)		A		-
9c	Unrecaptured section 1250 gain	1	B		-
10	Net section 1231 gain (loss)	15	*		STMT
11	Other income (loss)	STMT	18	Tax-exempt income and nondeductible expenses	-
			C		-
			19	Distributions	194
			A		
12	Section 179 deduction		20	Other information	
13	Other deductions	1	A		76
E		4	B		-
H		STMT	N		7
*			*		STMT
14	Self-employment earnings (loss)				

*See attached statement for additional information.

For IRS Use Only

PARTNER NAME: CLAUDE SIMON IRA TD AMERITRADE

PARTNER FEDERAL ID & ENTITY TYPE: XXX-XX-1158 / IRA/SEP

CUSTODIAN FEDERAL ID (IF APPLICABLE): XXXXX3629

Line(s)	Description	Amount
11A1	Other Income (Loss)	1
11A2	Section 988 Gain (Loss)	1
11C	Section 1256 Contracts & Straddles	-
11F	Section 951A Income	7
11H	Subpart F Income other than Sections 951A & 965	7
11I1	Other Income (Loss)	1
11I2	Section 987 Gain (Loss)	(1)
11I3	Short Term Capital Gain (Loss)	-
11I4	Long Term Capital Gain (Loss)	2
11I5	Long Term Capital Gain Held 1-3 Years	6
11I6	Deferred Income included under Section 108(i)(1) or 108(i)(5)(D)(i) or (ii)	-
11I7	Long Term Capital Gain (Loss) on Sale of Partnership Interest	1
13I	Deductions - Royalty Income	-
13J	Intangible Drilling and Development Costs	1
13W1	Interest Expense on Debt Financed Distributions	1
13W2	Other Deductions	1
13W3	Deferred Section 108(i)(2)(A)(i) OID Deduction – allowable under Section 108(i)(2)(A)(ii)	-
13W4	Deductions – Portfolio (formerly deductible by individuals under Section 67 subject to the 2% floor)	1
16G	General Foreign Income at Partnership Level	-
16I	Interest Expense at Partner Level	5
16J	Other Deductions at Partner Level	1
16M	Passive Foreign Deductions at Partnership Level	4
16N	General Foreign Deductions at Partnership Level	-
16P	Total Foreign Taxes Paid	-
16Q	Total Foreign Taxes Accrued	-
16U	Total Section 951A(c)(1)(A) Tested Income	7
17D	Oil, Gas and Geothermal Gross Income	1
17E	Oil, Gas and Geothermal Deductions	1
17F	Excess Intangible Drilling Costs	1
20T1	Oil & Gas - Total Sustained Assumed Allowable Depletion	-
20T2	Oil & Gas - Cost Depletion (Working Interest)	-
20T3	Oil & Gas - Percentage Depletion in Excess of Cost Depletion to the Extent of Basis (Working Interest)	-
20T4	Oil & Gas - Percentage Depletion in Excess of Cost Depletion to the Extent of Basis (Royalty)	-
20T5	Oil & Gas - Percentage Depletion in Excess of Basis (Working Interest)	-
20T6	Oil & Gas - Net Equivalent BBLs of Production (in MBBL)	-
20V1	UBTI - Ordinary Income (Loss)	2
20V2	UBTI - Net Rental Income (Loss)	-
20V3	UBTI - Dividend Income	-
20V4	UBTI - Short Term Capital Gain (Loss)	-
20V5	UBTI - Long Term Capital Gain (Loss)	-
20V6	UBTI - Unrecaptured Section 1250 Gain	-
20V7	UBTI - Section 1231 Gain (Loss)	11
20V8	UBTI - Section 1256 Contracts & Straddles	-
20V9	UBTI - Short Term Capital Gain (Loss) (Line 11I)	-
20V10	UBTI - Long Term Capital Gain (Loss) (Line 11I)	2
20V11	UBTI - Long Term Capital Gain Held 1-3 Years	-
20V12	UBTI - Deferred Section 108(i)(1) Income included - current year	-
20V13	UBTI - Other Income (Loss)	(1)
20V14	UBTI - Investment Interest Expense	2
20V15	UBTI - Section 59(E)(2) Expenditures	1
20V16	UBTI - Foreign Taxes Paid or Accrued	-
20X1	Deferred Section 108(i) Income not included - prior year	-
20X2	Deferred Section 108(i) Income not included - current or prior year	-
20X3	Deferred Section 108(i)(1) Income included - current year	-
20X4	Deferred Section 108(i)(2)(A)(i) OID Deduction - allowable under Section 108(i)(2)(A)(ii)	-
20X5	Deferred Section 108(i)(2)(A)(i) OID Deduction not deducted - current or prior year	-
20AC	Section 199A REIT Dividends	1
20AD1	Section 199A PTP Income – Ordinary Business Income (Loss) – Oil & Gas	(1)
20AD2	Section 199A PTP Income – Net Rental Real Estate Income (Loss)	-

You should consult your tax advisor to determine the proper treatment of the above items.

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Tax-Exempt Unit Holders

If you are a tax-exempt entity, your share of Unrelated Business Taxable Income is reported on the 2018 Schedule K-1 Supplemental Schedule – Page 1, Line 20V1 through 20V16. If you are a Qualified Organization pursuant to IRC Section 514(c)(9), additional information can be obtained by contacting Partner DataLink.

The highest ratio of acquisition indebtedness to inside basis over the prior 12-month period is 7.36%.

Global Intangible Low-Taxed Income – IRC Section 951A

Public Law No. 115-97 (commonly referred to as The Tax Cuts and Jobs Act) enacted Section 951A which provides for the inclusion of global intangible low-taxed income ("GILTI") in the gross income of U.S. shareholders of controlled foreign corporations ("CFCs"). Generally, a U.S. Shareholder is a U.S. person (within the meaning of Section 957(c)) that owns at least 10% of the voting power or the value of a foreign corporation, taking into account stock owned directly, indirectly through foreign entities, and constructively under Section 958. This statement provides information that you may need to apply the provisions of Section 951A.

Your distributive share of the Partnership's inclusion under Section 951A is reflected on the 2018 Supplemental Schedule – Page 1, Line 11F, Section 951A income.

Consult your tax advisor to determine whether GILTI and the GILTI Proposed Regulations apply to you.

IRC Section 864(c)(8)

IRC Section 864(c)(8) states that if a nonresident alien individual or foreign corporation owns, directly or indirectly, an interest in a partnership which is engaged in any trade or business within the U.S., gain or loss on the sale or exchange of all (or any portion of) such interest shall be treated as effectively connected with the conduct of such trade or business to the extent such gain or loss does not exceed the amount determined under Subparagraph B. This amount determined generally requires calculating the gain or loss which would have been effectively connected with the trade or business within the U.S. if the partnership had sold all its assets at their fair market value as of the date of the sale or exchange of an interest in such partnership.

For your reference, if The Blackstone Group L.P. was deemed to have sold all of its assets held directly or indirectly, as of January 1, 2018 and December 31, 2018, the assets effectively connected with a U.S. trade or business would have a tax basis and a fair market value as follows:

	January 1, 2018	December 31, 2018
Tax Basis Per Unit	\$0.74	\$0.69
Fair Market Value Per Unit	\$1.54	\$1.68

The amount of gain or loss ultimately considered effectively connected with a U.S. trade or business at the partner level related to the sale or exchange of a partnership interest should be determined by the unit holder pursuant to the principles of IRC Section 861(c)(8) and is generally dependent on the total amount of gain or loss recognized on such sale or exchange, which is not included in the Schedule K-1. Consult your tax advisor for further details with respect to the requirements of IRC 864(c)(8).

Line 20X – IRC Section 108(i) Deferred Income Information:

Refer to your 2018 Supplemental Schedule – Page 1:

Line 20X1 - Your share of deferred Section 108(i) cancellation of debt (COD) income that has not been included in income as of the end of the prior taxable year.

Line 20X2 - Your share of deferred Section 108(i) cancellation of debt (COD) income that has not been included in income in the current or prior taxable years.

Line 20X3 - Your share of deferred Section 108(i)(1) cancellation of debt (COD) income that you must include in income in the current taxable year. This amount is included in Line 11I6.

Line 20X4 - The partnership's original issue discount (OID) deduction deferred under Section 108(i)(2)(A)(i) that is allowable as a deduction under Section 108(i)(2)(A)(ii). This amount is included in Line 13W3.

You should consult your tax advisor to determine the proper treatment of the above items.

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Limitation on the Deduction for Business Interest Expense:

IRC Section 163(j) limits the deductibility of interest in certain circumstances. Although the limitation is applied at the partnership level, certain attributes used to determine the applicability of the limitation must be passed to the partners of the partnership.

Because the partnership had no interest expense limitation, there is no excess business interest expense to report. Additionally, the partnership has no excess business interest income. Your allocable share of Excess Taxable Income (ETI), which is relevant for calculating your Section 163(j) limitation, is the amount shown in Box 20AE.

In addition to the amounts above, the product of the following line items multiplied by the applicable percentages may be included in your calculation of your interest expense limitation:

Line 5

Investment income not included in IRC Section 163(j) Adjusted Taxable Income 363.48%

Investment interest income not included in IRC Section 163(j) Adjusted Taxable Income (included in total investment income above) 99.42%

Line 13H

Investment expenses not included in IRC Section 163(j) adjusted taxable income 80.69%

Investment interest expense not subject to IRC Section 163(j) at the partnership level (included in total investment expenses above) 31.02%

THE BLACKSTONE GROUP L.P.**2018 OWNERSHIP SCHEDULE**

PARTNER NAME: CLAUDE SIMON IRA TD AMERITRADE

PARTNER FEDERAL ID & ENTITY TYPE: XXX-XX-1158 / IRA/SEP

CUSTODIAN FEDERAL ID (IF APPLICABLE): XXXXX3629

This schedule details your transactional history regarding units of The Blackstone Group L.P., as reported to the Partnership by your broker or our transfer agent. This schedule is limited to all units that are reported as owned by the partner federal identification number and entity type shown above.

NOTE: A separate schedule and related Tax Package may be issued for any other entity types associated with the partner federal identification number shown above.

The transactional information contained below has been utilized to prepare this Tax Package. If this transactional information is incorrect, then the information reported in this Tax Package (as well as the information reported to the IRS) may be incorrect. **Please contact Partner DataLink at (855) 375-4156 or BlackstoneK1Help@deloitte.com by June 28, 2019 to report any errors or inaccuracies.**

NOTE: If you submit corrections to us after that date, you may be required to file Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request, with the IRS.

THE SCHEDULE IS NOT PROOF OF OWNERSHIP

TRANSACTION		BROKER OR CERTIFICATE NUMBER	UNITS
DESCRIPTION	DATE		
AC BUY	05/05/2015	BROKER - 188	80
END OF YEAR UNITS			80

Do not attach this schedule to your Federal or State Income Tax Returns.
You should consult your tax advisor to determine the proper treatment of the above items.

The Blackstone Group L.P. 2018 Income Tax Reporting Package Frequently Asked Questions

INTRODUCTION

Any advice included in this written communication is not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed by any governmental taxing authority or agency.

IMPORTANT: The amount of your taxable income will not correspond to the amount of cash distributed to you during the year.

If you have questions about the information reported, please contact Partner DataLink at (855) 375-4156 Monday through Friday, 8 AM to 5 PM Central Time.

The Blackstone Group L.P. ("BX") is a publicly traded partnership. We are generally not subject to federal or state income tax. Instead, each partner or unit holder is required to report an allocable share of our items of income, gain, loss, deduction or tax credit in the unit holder's income tax return. We have provided a Schedule K-1 to assist you in reporting your allocable share of partnership items in your federal income tax return. If you have any questions regarding how this information should be reported in your return, please contact your tax advisor.

IMPORTANT NOTICE

The enclosed information is provided for your general guidance. This information is not intended to be tax advice. The tax information discussed in the Tax Package and reflected on the schedules provided to you is based on existing federal and state laws and regulations. Before undertaking any tax filing, we suggest you consult your tax advisor.

FREQUENTLY ASKED QUESTIONS AND ANSWERS

Q. Why do I receive a Schedule K-1 rather than a Form 1099?

A. Form 1099 is generally used to report interest and dividend income. Partnerships are required to file a Schedule K-1, which separately reports many different items of income, gain, loss, deduction and credit.

Q. Are the cash distributions I received from BX taxable?

A. You are required to report in your tax return only those items of income, gain, loss, deduction or tax credit as reflected on your Schedule K-1. In general, cash distributions received from us are not taxable. However, if you receive a cash distribution that exceeds your tax basis, you must recognize the excess as additional income. You should consult your tax advisor for proper reporting of such income.

Q. Why is the amount of cash I received different than the amount of income I must report on my income tax return?

A. A portion of cash you receive is a return of capital. The amount you are required to include in your income tax return is your share of our income and related items, allocated based on the number of units you owned during 2018 and reported on your Schedule K-1.

Q. If I sell my BX units, how is my tax basis determined for computing gain or loss?

A. Generally, your tax basis is the amount you paid for the units (including commissions), adjusted as follows:

- Increased by the cumulative amount of income and gain reported to you on Schedule K-1,
- Reduced by the cumulative amount of loss, deduction and credit reported to you on the Schedule K-1 and
- Reduced, but not below zero, by the cumulative amount of cash distributions you received from us.
- If you sold units in 2018 please see the Sales Schedule included with your tax package for assistance with these calculations.