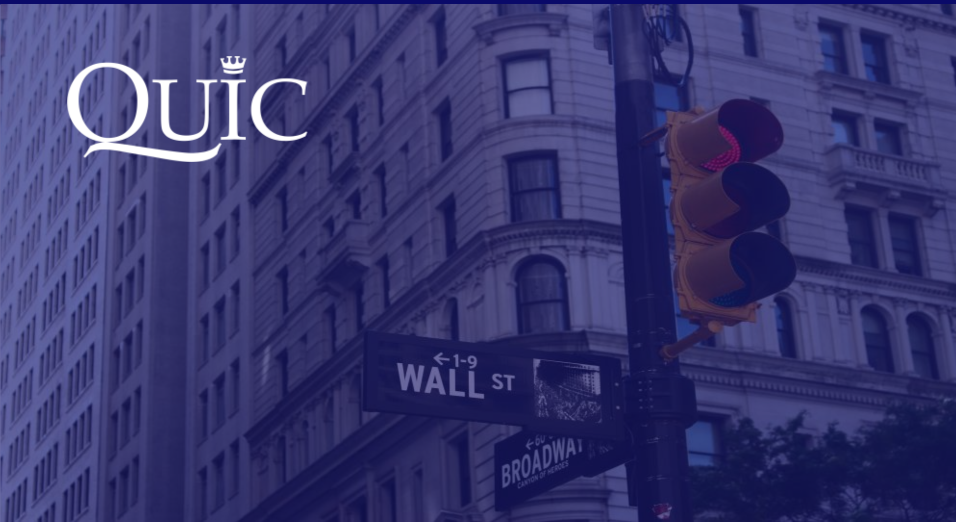

RESEARCH REPORT

January 27, 2020

Stock Rating	SELL
Price Target	CAD $55.84
Current Price	CAD $62.21

Bear Case	Price Target	Bull Case
$46.79	$55.84	$67.11

Ticker	BX
Market Cap (MM)	$41,018
P/E 2020E	19.3x
ROE 2019	26.8%

52 Week Performance

The Blackstone Group

Solid as a Rock?

The private equity industry has faced a lot of concerns recently regarding its ability to continue to raise funds. Blackstone has stood out as a winner in the industry over the past year – primarily due to its ability to continuously raise funds and increase dry powder and total assets under management ("AUM"). At the end of 2018, Blackstone had over $470 billion in AUM. Blackstone has significantly outperformed the S&P 100 in the past few months. The FIG team wanted to explore Blackstone to determine whether the name is still attractive.

To guide the analyses, the FIG team has two major theses:

Thesis I: Superior Capital Position

Thesis II: Sustainable Earning Power

Finally, the valuation was considered in two ways. First, a sum of parts valuation was employed, which was primarily driven by management fee earnings, performance fee earnings, asset value, and the dividend yield. Then, a standard comparables company analysis was used to evaluate its standing relative to peers. This resulted in a blended target share price of $55.90, which is below the current share price. The FIG team likes Blackstone's business model as it holds superior capital raising abilities without comprising returns. As well, the management team is focused on growing management fee earnings, which are more recurring in nature. However, under the current valuation, the FIG team believes that Blackstone is overvalued.

FIG

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Private Equity Industry Overview

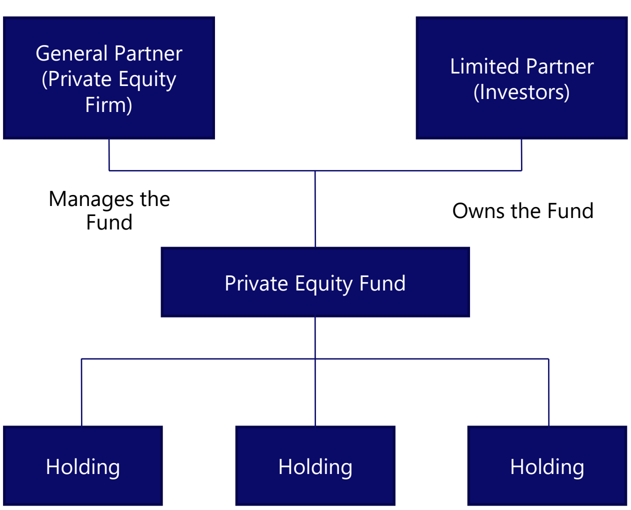
What Is Private Equity?

A private equity ("PE") firm is a type of alternative asset manager that invests in equity stakes in private companies. In general, these are larger stakes of 50% to 100% of a company's outstanding equity. It is typical to see an investment period of four to eight years in private equity investments. In addition, PE firms will employ large amounts of leverage to improve its returns.

In each PE investment, there are two main parties: the general partner (GP) and the limited partner (LP). The PE firm is referred to as the GP, while the investors invested in the fund are the LPs. LPs will provide the majority of capital for the equity portion of investments. However, GPs will often invest alongside its LPs, allowing for aligned interests and upside in investments. Examples of GPs include those such as Blackstone, The Carlyle Group, KKR, and Bain Capital. On the other hand, LPs are typically government systems such as the California Public Employees' Retirement System, and wealthy individuals.

EXHIBIT IV

Typical PE Structure



How Do Private Equity Firms Earn Money?

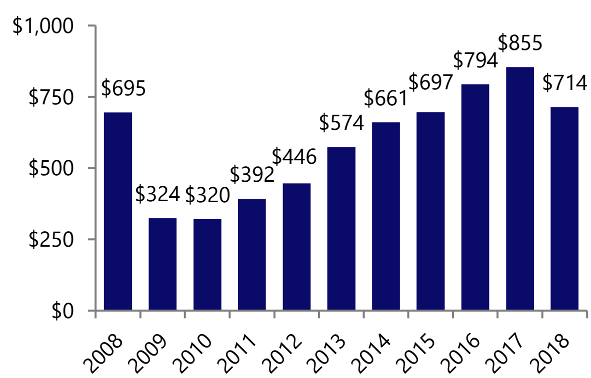
Like other types of asset managers, PE firms earn revenues based on fees. There is typically a general management fee of 2%, and an additional fee based on outperformance called distributions. These distributions are best thought of as a series of buckets flowing into one another. When each bucket fills up, the excess funds flow into the next bucket. Earlier buckets favor the LPs, and later buckets favor the GPs. Typically, the distribution structure of a PE fund will return initially invested capital plus a percentage of profits (~10%) to LPs. Beyond this initial hurdle, GPs claim ~20% of excess profits, while the other ~80% falls to the LPs. Because these outperformance fees are most of a PE firm's revenue, firms must deliver superior returns to continue running.

Challenges in the Industry

As has been the topic of conversation for many years, historically high returns have attracted substantial capital in the industry. While this makes fundraising easy, it also attracts high levels of competition.

EXHIBIT V

Global PE Capital Raised ($B)



Source(s): Bain & Company Global PE Report 2019

Private Equity Industry Overview

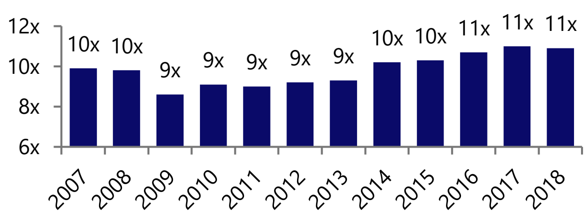
As in any market, when demand is greater than supply, prices increase. Average private equity buyout multiples are now in fact higher than the multiples of public companies.

As funding increases and high prices decrease the relative amount of attractive assets, undeployed capital called dry powder continues to pile up. 2018 set a record for global dry powder of $2.0T. These levels of excess capital are putting pressure on fund managers to make investments, even if it means sacrificing returns.

This combination of inflated prices, illiquidity, high degrees of leverage, and pressure to make investments is a risk that the FIG team must be cautious of as investors in the asset manager space.

EXHIBIT VI

Average EBITDA Purchase Multiple for U.S. LBOs



Source(s): Bain & Company Global PE Report 2019

Strategies That Are Being Utilized

In this more challenging environment, PE firms are employing less traditional strategies to improve returns. The often seen, "buy-and-build" strategy will be further examined in this report.

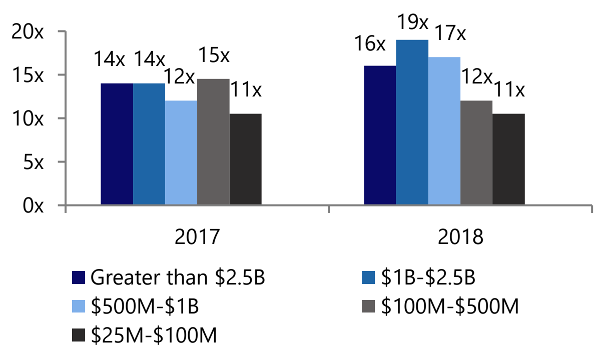
The buy-and-build strategy involves purchasing a strong platform company (one that facilitates bolt-on acquisitions), and then merging at least four additional acquisitions. This strategy is quite popular as it allows GPs to take advantage of multiple arbitrage. In general, big companies have higher multiples than smaller ones. Thus, the lower multiple of these bolt-on acquisitions allow the firm to decrease its average cost of acquisition while taking advantages of synergies.

In theory, the buy-and-build strategy is a powerful solution to the elevated multiples in the market. However, this strategy is much harder to execute, as several characteristics are necessary. First, the sector must be a stable environment that fosters steady acquisitions, meaning cash flows are consistent and the risk of disruption is low. Most importantly, it must be a sector in which multiple arbitrage exists and consolidation creates value, as consolidation does not always translate to higher revenue.

In addition, either the GP or the management team needs to have the experience to identify accretive acquisitions. Management must fully understand what its strengths are and why it holds those strengths, so that it does not stray outside of its circle of competence. This is not an easy task. One example is Aurora Foods, which bought a series of food brands to drive up scale. However, management failed to realize that premium foods on shelves and budget foods in freezers are not synergistic, and the company filed for bankruptcy in 2003. Thus, while the Buy-and-Buy strategy can be a value-creating lever, it can destroy returns when not used prudently.

EXHIBIT VII

Average PE EBITDA Purchase Multiple by Deal Size



Source(s): Bain & Company Global PE Report 2019

Company Overview

The Blackstone Group ("BX") is a multinational private equity, alternative asset management, and financial services firm. It was founded in 1985 as a mergers and acquisitions boutique by Peter Peterson and Stephen Schwarzman. It is one of the largest investors in levered buyouts. BX operates through four main business segments: Real Estate, Private Equity, Hedge Fund Solutions, and Credit.

Business Segments

Real Estate

Founded in 1991, BX's Real Estate group is one of the largest real estate investment managers in the world. With geographically diversified investments in North America, Europe, Asia, and Latin America, BX has $136.2B AUM within the Real Estate segment. Types of real estate investments include hotels, office buildings, shopping centres, residential areas, and industrial assets. BX looks to acquire real estate that is high quality, well-located, and undermanaged. BX creates value by addressing any business strategy or property issues and then selling the property once the business plan has been accomplished.

In addition to the Real Estate group, BX also has a real estate debt platform. The Blackstone Real Estate Debt Strategies (BREDS), launched in 2008, targets debt investment opportunities collateralized by commercial real estate. BREDS invests mostly in the U.S. and European markets by providing multiple types of lending options for investors, such as mezzanine loans, senior loans, and liquid loans.

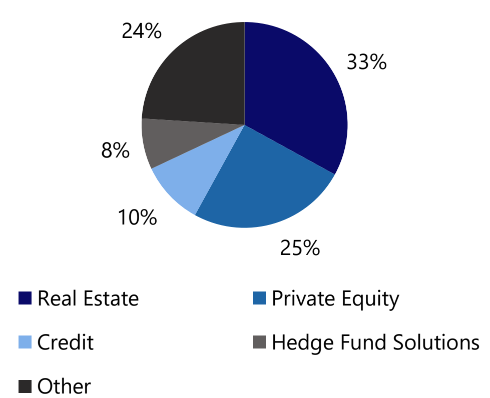
In 2013, BX also launched the Core+ Real Estate business, which is a global portfolio of high quality and stabilized investments in prime markets across the U.S., Europe, and Asia. Core+ targets industrial, multi-family, office, and retail assets. Returns are generated through asset value appreciation and rental income. In 2017, Blackstone Real Estate Investment Trust (BREIT) was launched to focus on investing in stabilized income-oriented commercial real estate in U.S.

Private Equity

Established in 1987, the Private Equity segment is a global business with $130.7B AUM. BX has managed seven general private equity funds, three sector-focused funds, and one geography-focused fund. The private equity segment includes Blackstone Tactical Opportunities that looks at opportunistic investments across platforms and geographies. It also includes Strategic Partners Fund Solutions that looks at the secondary funds of fund businesses. Lastly, it includes Blackstone Total Alternatives Solutions, which is for high net worth investors offering exposure to illiquid assets. Blackstone Capital Markets is for the capital markets services business. The investment strategies are in response to, or in anticipation of, changes in local markets, capital flows, the global economy, and geopolitical trends. BX strives to create goodwill or franchise value through strategies conducted post-acquisition. Creating goodwill and franchise value allows for the products or services to be sold at higher values.

EXHIBIT I

Revenue Breakdown by Business Segment (FY2018)



Source(s): Company Filings

Company Overview (Cont'd)

Hedge Fund Solutions

The Hedge Fund Solutions segment manages $77.8B AUM. Blackstone Alternative Asset Management ("BAAM") is the largest group of BX's Hedge Fund Solutions segment and is within the world's largest hedge fund with discretionary capital allocation. In addition, the Hedge Fund Solutions segment includes seeding new hedge fund businesses, buying minority ownership in more established hedge funds, and investing in special situation opportunities.

Credit

The Credit segment has $127.5B AUM and mainly consists of GSO Capital Partners, a large credit alternative asset manager. Investment portfolios include loans and securities of non-investment grade companies. These can take many capital structures, including senior debt, subordinated debt, preferred stock, and common equity. GSO's three overarching strategies are performing credit, distressed, and long-only.

Fee Structure

BX receives an annual management fee based on a percentage of invested capital or net asset value. Fees are typically paid quarterly by investors in the amount outlined in the contract over the lifetime of the fund. Negative performance does not impact the fee rate but may reduce the total management fees paid.

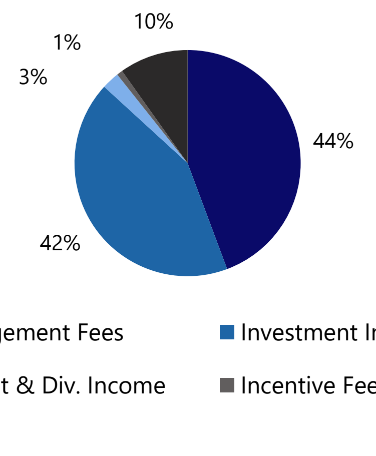
Additionally, if a fund achieves a minimum return level, a high water mark, or a hurdle provision during a set period, depending on the terms of the fund's agreement, it may be eligible for incentive fees. For example, if the special limited partner of BREIT accomplishes 12.5% of its total return, it is subject to a 5% hurdle amount and high water mark with a catch-up. A high water mark is in place to ensure managers get compensated with a bonus when the mark is reached and the catch-up clause is to ensure the compensation is a percentage of the whole fund, not just the return. There are also advisory and transaction fees where some investment advisors receive customary fees on an acquisition or transaction.

Co-Investments

BX and its personnel invest directly in the funds it sponsors and manages. With most funds, senior managing directors are required to fund a portion of the general partner capital commitments to the fund. In other cases, parts of the fund are offered to senior managing directors or other employees. Additionally, BX personnel and BX itself can co-invest, referred to as a side-by-side investment. These are investments in portfolio companies or other assets on the same terms as those acquired by the fund. The high number of co-investment opportunities at various levels of BX indicates a high willingness of the company to align itself with investor interests.

EXHIBIT II

Fee Revenue Breakdown (FY2018)



Source(s): Company Filings

Recent Company Developments

In April 2019, BX announced that it would switch from a partnership structure to a corporation structure, effective July 1, 2019. In the previous partnership structure, not all investors were able to invest in BX's stock, due to certain restrictions on institutional investors. Under the corporation structure, BX pays corporate taxes on its revenue in exchange for investors like index trackers and mutual funds to buy the stock. Investors such as mutual funds are becoming more important because it manages more money. Since the U.S. corporate tax rate lowered in 2018, the additional tax burden does not seem to have had a substantial impact. Post-announcement, BX shares rose 10% due to the growth of BX's investor pool, which is expected to drive greater company growth.

On September 15, 2019, BX also announced its acquisition of Dream Global for $6.2B. This all-cash transaction allows BX to expand its office and logistics assets in large markets. This is an important acquisition because it enables BX to have a more diversified portfolio and grow its European portfolio significantly. Other major acquisitions are cited in Exhibit III.

EXHIBIT III

Blackstone's Strategic Acquisitions

Expected Q1 2020	To acquire Las Vegas Real Estate Assets for $4.6B in joint venture.
Nov 18, 2019	Acquired Bellagio Real Estate in Sale-Leaseback transaction for $4.3B in joint venture.
Announced Oct 2, 2019	To acquire Great Wolf Resorts for $2.9B in joint venture.
Sept 26, 2019	Acquired U.S. Logistics Assets for $5.9B.

Source(s): Company Press Releases

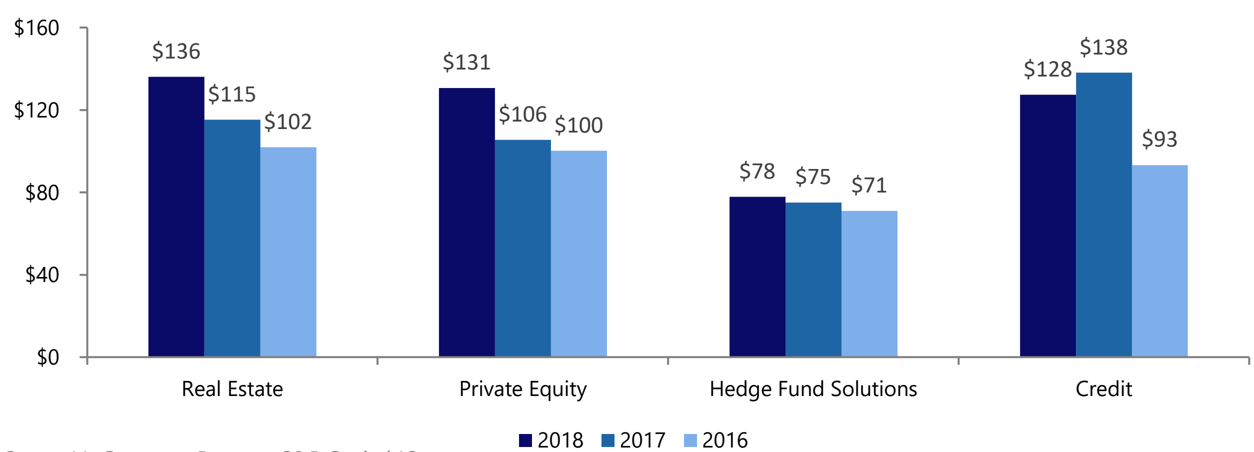
Investment Thesis I: Superior Capital Position

BX receives its capital from a variety of sources. BX is funded by pension funds, sovereign wealth funds, central banks, and institutional investors. Aside from outside investments, BX generates liquidity from annual cashflows, accumulated earnings in its businesses, and the issuance of senior notes. As of December 31, 2018, BX had $2.2B in cash and equivalents, $2.5B invested in corporate treasuries and $1.9B invested in BX Funds. BX had borrowed $3.5B from bond issuances with an additional $1.6B of undrawn capacity in its revolver. BX uses this capital to grow its current businesses, expand into new, complementary businesses, pay operating expenses, and fund capital expenditures of its businesses. Recently, BX has set records for capital raising. In 2019, BX has raised over $20.5B for its BREP IX Real Estate Fund. This fund set records, as it is the largest real estate fund ever. BX also set a record for its Blackstone Capital Partners VIII fund, raising $26.0B, the largest private equity fund ever. BX cites its scale as a competitive advantage to be able to raise capital and pursue transactions. As of Q3, 2019, BX reported AUM of $554B with the goal of reaching $1T in AUM by 2025. The FIG team views the $72.6B of perpetual capital as a strength for BX, considering it has locked-in investors capital for an indefinite amount of time, allowing the company to pursue long-term growth strategies without the risk of investors pulling out.

BX has seen impressive returns compared to major indices across all of its investment arms. Real Estate has returned 16% since inception, Private Equity has returned 15%, Credit has returned 15% and Hedge Fund Solutions has returned 6%. It is positive to note that BX has invested the greatest amount of its capital where it has generated the most returns historically. BX has identified that should industrial real estate prices increase in the North American market, where the company primarily invests, it could soften returns in the long-run. BX is somewhat shielded from the high valuations in the private markets because the company is able to invest on a scale that other firms are unable to match. As well, BX has acquired many publicly traded REITs, given the higher capitalization rates compared to private REITs.

EXHIBIT VIII

Blackstone AUM by Sector ($B)



Source(s): Company Reports, S&P Capital IQ

Investment Thesis I: Superior Capital Position (Cont'd)

BX has also been very active in returning capital to shareholders via share buybacks and dividends. Currently, BX has a $1B authorization to pursue share buybacks for the company. In 2019, the company repurchased approximately $500M of shares.

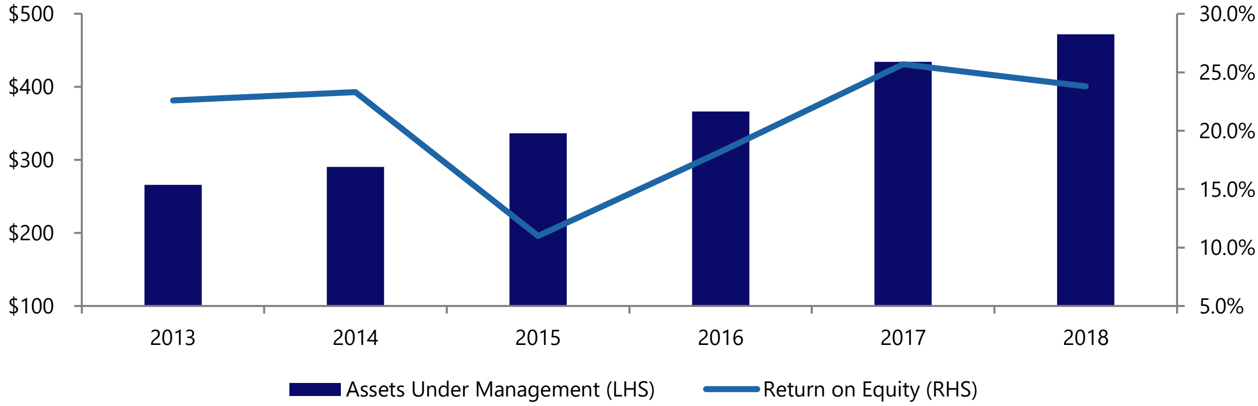
The FIG team wanted to investigate the relationship between capital and returns to determine whether the abundance of capital is hurting returns. To test this hypothesis, AUM was plotted against ROE to see if returns were decreasing as AUM increased. The FIG team concluded that AUM growth was not an inhibitor of ROE as it had stayed relatively constant going back to 2013. The dip in 2015 was caused by global uncertainty with Greece defaulting on its debt. At the same time, BX was in the process of spinning off its Financial Advisory arm, which also had adverse affects on returns. As will be discussed later in the report, management has said that it plans on increasing the percentage of fee-related earnings, which will have a positive impact on ROE.

BX's ability to raise capital is unparalleled in the asset management industry. It is important that BX has the ability to continue to make value-creating investments against a global backdrop that has been facing headwinds. Current investment trends that BX sees as valuable include global logistics. BX acquired $18.7B of assets from GLP. The assets include 179M square feet of urban, infill logistics properties. Ken Caplan, Co-Head of BX Real-Estate said in a press-release, "logistics is our highest-conviction global investment theme today, and we look forward to building on our existing portfolio to meet the growing e-commerce demand." Another theme that BX views as positive relates to the live entertainment industry. As entertainment has gone increasingly digital, BX sees this as an opportunity to invest in businesses that are relatively cheap and will still be popular in the future. An example of a recent acquisitions is the sale-leaseback of the Bellagio hotel in Las Vegas.

Overall, BX's size relative to its peers is what sets it apart and allows the firm to engage in larger acquisitions, where there are fewer firms who can compete. Coupled with average capital investments of 12 years and growing perpetual capital, BX seems well positioned to pursue attractive acquisitions for the long-term.

EXHIBIT IX

ROE Stays Consistent as AUM ($B) Grows



Source(s): Company Reports, S&P Capital IQ

Investment Thesis II: Sustainable Earning Power

BX is often viewed as a "best-in-class" asset manager due to its scale and diversified products. Furthermore, BX's business has shifted significantly in the past few years, switching from a partnership structure to a corporation as well as shifting its revenue mix. Going forward, there are two key questions related to Blackstone's profitability: how sustainable are Blackstone's earnings and is the company effectively improving its operating efficiency?

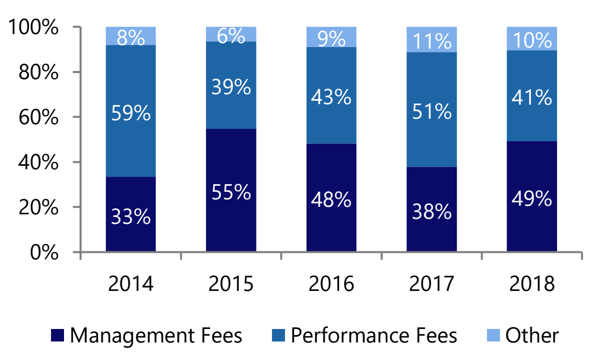
How Sustainable are Blackstone's Earnings?

The sustainability of BX's earnings is important for two main reasons. First, it is an indication of BX's ability to consistently return value to shareholders. Second, it can be considered an indicator for BX's continued fundraising success and ability to return value to LPs.

Each of BX's revenue streams represents a different approach to achieving returns for investors and shareholders. This means that the company's overall revenue mix is also an indication of management's strategy for the company. Since its IPO in 2007, the company has been communicating that its strategy to creating higher quality earnings is through building a recurring revenue model and increasing its fee-based revenue. The related revenues to fee-earning AUM represent more stable and predictable cash flows. Management's plan is to grow fee-related earnings to nearly 70% of total income in the next five years from 50% in 2018. Furthermore, BX's average contractual commitment has increased from eight years in 2013 to twelve years in 2018. This means that the company is becoming more recession proof as the length of its capital commitments from investors are more likely to sustain recessionary periods. This strategy of increasing earnings quality can be seen on BX's income statement as the proportion of fee-related earnings increases relative to other incentive-related earnings. This also increasingly ties BX's earnings to its AUM and ability to raise capital, both of which are demonstrated strengths of the company. FIG believes that the recession-proof nature of BX's earnings and the company's strategy of tying its earnings to factors within its control are both indications of sustainable earning power. Management's focus on fee-related earnings will stabilize the revenue model and create shareholder value.

EXHIBIT X

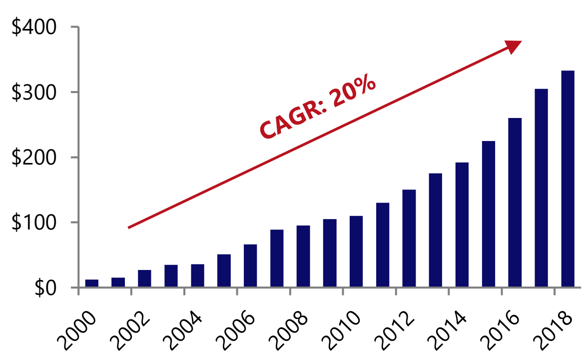
Revenue Breakdown by Fee Type



Source(s): Company Filings

EXHIBIT XI

Total Fee-Earning AUM ($B)



Source(s): Company Filings

Investment Thesis II: Sustainable Earning Power (Cont'd)

Is Blackstone Improving its Operating Efficiency?

Operating efficiency is an important measure of BX's earning sustainability for several reasons. First, it increases the company's ability to offer competitive fees. Second, greater operating efficiency implies more capital available for investment activities, which implies a greater return for shareholders and investors. Both of these effects of operational efficiency also affect BX's ability to raise capital.

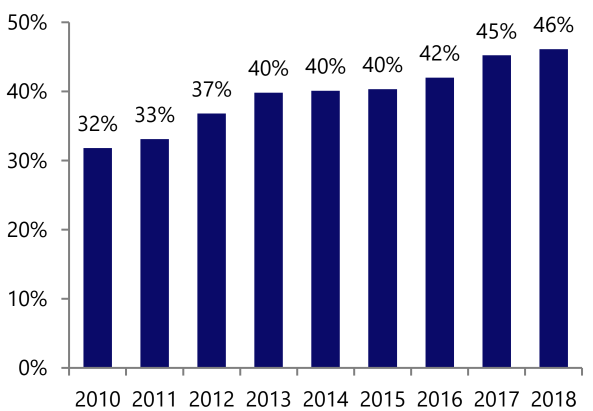
Since 2013, BX's base management fee rate has stayed relatively flat at ~0.92%. This provides investors with pricing stability and makes consecutive capital raises easier as BX raised seven new funds between 2014 and 2019. Because of pricing pressure from BX's competitors, its fee rate is not likely to change as competitors maintain similar rates. Furthermore, BX's fee-related earnings margin has increase from 33% in 2008 to 46% in 2018. Overall, BX has demonstrated its ability to improve operating efficiency.

Risk Management

Aside from scale, BX's returns also come from its ability to manage external, economic-driven risk. Historically, the company's value was based on multiple expansion, however increasingly, management is guiding the company towards earnings expansion due to inflated valuations. As a result, BX has been engaging in various types of diversification across asset classes, geographies, and revenue types. Many of the new funds raised in the past few years have a targeted strategy of diversifying BX's AUM to increase exposure to growth industries while also increasing its base management revenue. FIG believes that this strategy for growing earnings will create a sustainable competitive advantage for BX as its earnings become less volatile and more dependent on the firm's investment capabilities. The nature of asset managers like BX is that strong past performance leads to successful fundraising. A higher level of fee-earning AUM means opportunity to improve earnings quality. As a result, BX is able to build a sustainable competitive moat.

EXHIBIT XII

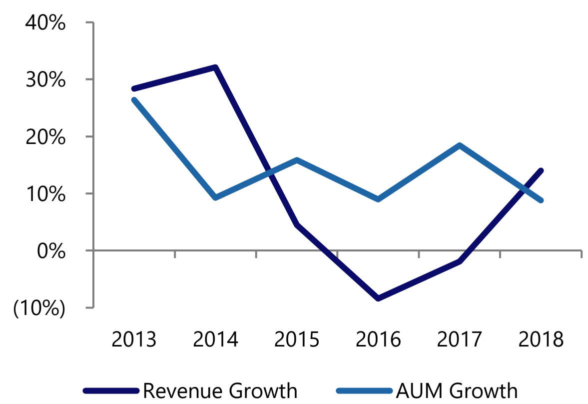
Fee-Related Earnings Margins



Source(s): Company Filings

EXHIBIT XIII

YoY Revenue Growth and AUM Growth



Source(s): Company Filings

Valuation and Conclusion

BX's earnings break down into several segments that must be considered differently. Therefore, the FIG team decided to approach valuation using a sum of parts model and a comparables company analysis. The main parts in the model include management fee earnings, performance fee earnings and balance sheet value – each deserves a different terminal multiple based on its characteristics. Management fee earnings represents the ~0.92% fee that BX charges on its fee-earning AUM. This segment is tied to AUM growth, but it is fairly predictable and stable, thus it received a 20x multiple. Performance fee earnings are tied to BX's ability to generate superior returns, as the company receives 20% of any returns over 8%. As the company scales, it could become harder to generate superior returns, thus this segment only received a 10x multiple. BX's asset valuation represents $7.39 per share and the FIG team decided to value it at a safe 1x multiple. Combining this valuation work with the 2019 dividend yield of 3.4%, gives an implied upside of 6.9%.

EXHIBIT XIV

Sum of Parts Valuation Output ($M)

Share Price Calculation			
Item	**2023E Figure**	**Implied Multiple**	**Value**
Management Fee Earnings	$1,912	20.0x	$38,233
Incentive Earnings	$60	10.0x	$595
Performance Fee Earnings	$1,779	10.0x	$17,790
Total Other Revenues	$516	9.0x	$4,646
Total Other Expenses	($714)	9.0x	($6,427)
PV of Projections			$13,448
Sum of Items			**$68,286**
Shares Outstanding			**1,199**
Implied Share Price			**$56.95**

EXHIBIT XV

Balance Sheet Valuation

Assets:	
Investments	$20,377
Liabilities:	
Debt	$11,514
Total	$8,863
Shares Outstanding	1,199
Value Per Share	**$7.39**

EXHIBIT XVI

Sum of Parts Summary

Sum of Parts Valuation	
Value of Earnings	$56.95
Balance Sheet Value	$7.39
Implied Share Price	$64.34
Current Share Price	$62.21
Dividend Yield	3.4%
Implied Upside	**6.9%**

Valuation and Conclusion

A sensitivity analysis on the two main drivers of the sum of parts model was conducted. Management fee earnings and performance fee earnings made up 56% and 26% of the implied share price, respectively. Given this, it is reasonable to explore different scenarios.

The first sensitivity analysis includes management fee earnings and the implied multiple on that figure – everything else was held constant. There was a reasonably low variation in implied upside, ranging from (7.7%) to 23.6%.

The second sensitivity analysis includes performance fee earnings and the implied multiple on that figure – everything else was held constant. There was a very low variation in implied upside, ranging from (0.1%) to 14.8%.

Overall, the sensitivity analysis gives the FIG team confidence in the model based on the limited variation in returns. However, the return from the model is still relatively low and displays limited upside left in BX.

EXHIBIT XVII

Sensitivity Analysis Against the Implied Multiple on Management Fee Earnings and Performance Fee Earnings

		Sensitivities				
		After-Tax Management Fee Earnings 2023E				
		$1,712	$1,812	$1,912	$2,012	$2,112
Implied Multiple	16.0x	$55.30	$56.63	$57.96	$59.30	$60.63
	18.0x	$58.15	$59.65	$61.15	$62.65	$64.16
	20.0x	$61.01	$62.68	$64.34	$66.01	$67.68
	22.0x	$63.86	$65.70	$67.53	$69.37	$71.20
	24.0x	$66.72	$68.72	$70.72	$72.72	$74.73

		Implied Upside				
		After-Tax Management Fee Earnings 2023E				
		$1,712	$1,812	$1,912	$2,012	$2,112
Implied Multiple	16.0x	(7.7%)	(5.5%)	(3.4%)	(1.2%)	0.9%
	18.0x	(3.1%)	(0.7%)	1.7%	4.1%	6.6%
	20.0x	1.5%	4.2%	6.9%	9.5%	12.2%
	22.0x	6.1%	9.0%	12.0%	14.9%	17.9%
	24.0x	10.7%	13.9%	17.1%	20.3%	23.6%

		Sensitivities				
		After-Tax Performance Fee Earnings 2023E				
		$1,579	$1,679	$1,779	$1,879	$1,979
Implied Multiple	8.0x	$60.04	$60.70	$61.37	$62.04	$62.70
	9.0x	$61.35	$62.10	$62.85	$63.60	$64.35
	10.0x	$62.67	$63.50	$64.34	$65.17	$66.01
	11.0x	$63.99	$64.90	$65.82	$66.74	$67.66
	12.0x	$65.30	$66.30	$67.30	$68.31	$69.31

		Implied Upside				
		After-Tax Performance Fee Earnings 2023E				
		$1,579	$1,679	$1,779	$1,879	$1,979
Implied Multiple	8.0x	(0.1%)	1.0%	2.1%	3.2%	4.2%
	9.0x	2.0%	3.3%	4.5%	5.7%	6.9%
	10.0x	4.2%	5.5%	6.9%	8.2%	9.5%
	11.0x	6.3%	7.8%	9.2%	10.7%	12.2%
	12.0x	8.4%	10.0%	11.6%	13.2%	14.8%

Valuation and Conclusion

EXHIBIT XVIII

Comparables Company Analysis

Company Name	Market Cap ($MM)	P / B Current	P / B 5-yr	P / E 2019E	P / E 2020E	ROE 2018	ROE 2019	Div. Yield (%)
Apollo Global Management, Inc.	$11,348	9.4x	11.2x	22.0x	16.5x	0.7%	56.0%	3.6%
The Carlyle Group Inc.	$11,706	4.5x	5.1x	20.3x	14.0x	11.4%	40.8%	4.0%
KKR & Co. Inc.	$16,894	1.7x	1.9x	18.6x	14.7x	10.6%	16.6%	1.6%
Brookfield Asset Management Inc.	$82,573	2.8x	3.0x	40.8x	20.5x	8.5%	5.0%	1.0%
Mean		**4.6x**	**5.3x**	**25.4x**	**16.4x**	**7.8%**	**29.6%**	**2.6%**
Median		**3.6x**	**4.1x**	**21.1x**	**15.6x**	**9.6%**	**28.7%**	**2.6%**
The Blackstone Group Inc.	$554,619	6.3x	6.4x	27.7x	18.6x	23.8%	26.8%	3.2%

EXHIBIT XIX

Historical P/E Multiples for Comparable Companies

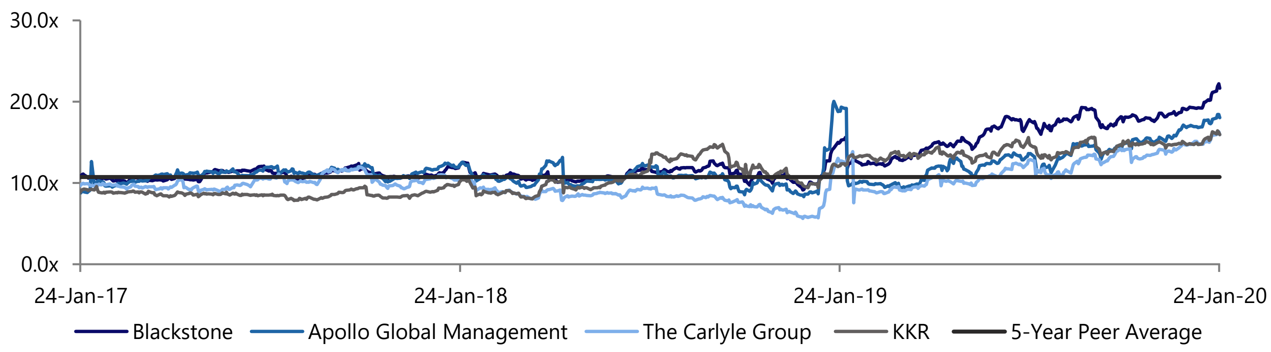


EXHIBIT XX

Comparables Analysis Summary

Company Comparables Analysis	
P/E 2020E	15.6x
Implied Share Price	**$47.35**
Current Share Price	$62.21
Implied Return	**(23.9%)**

EXHIBIT XXI

Blended Price Summary

Blended Price Target	**Weight**	**Price**
Sum of Parts Valuation	*50%*	$64.34
Comparables Analysis	*50%*	$47.35
Implied Share Price		**$55.84**
Current Share Price		$62.21
Implied Return		**(10.2%)**

References

1. Bain Private Equity Report
2. BMO Equity Research
3. Capital IQ
4. Company Reports
5. Google Images
6. Mergent Online