

**Item 1 – Cover Page**

**Blackstone Communications Advisors I L.L.C.**

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as of December 31, 2011

Form ADV, Part 2; the “Disclosure Brochure” or “Brochure” provides information about the qualifications and business practices of Blackstone Communications Advisors I L.L.C. (“BCOM”).

If you have any questions about the contents of this brochure, please contact us at (212-583-5000). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. BCOM is registered with the SEC as an investment adviser. BCOM’s registration as an investment adviser does not imply any level of skill or training.

Additional information about BCOM is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in our firm name “Blackstone”). The search results will provide you with both Parts 1 and 2A of our Form ADV.

## **Item 2 – Material Changes**

There has not been any material change to this document since its last filing.

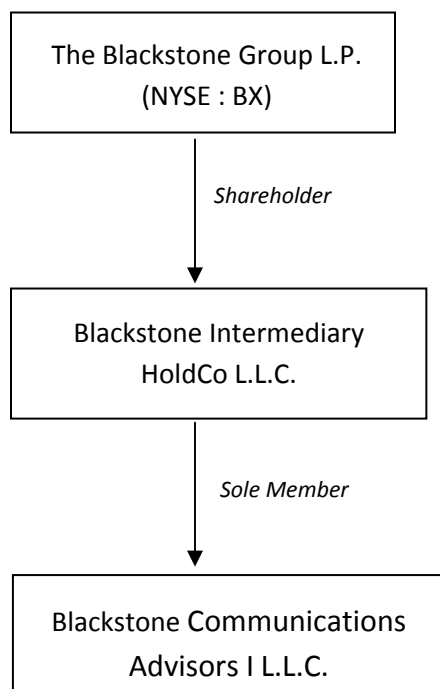
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## Item 4 – Advisory Business

Blackstone Communications Advisors I L.L.C. (“BCOM”) is a Delaware limited liability company. BCOM provides investment advisory services to Blackstone Communications Partners I L.P and any parallel or alternative investment vehicles (the “Funds”), which are investment funds specializing in leveraged buyouts and other principal investments in communications related investments. An affiliate of BCOM serves as the general partner (the “General Partner”) of the of the Fund. BCOM was formed in July 2000.

The ultimate parent of BCOM. is The Blackstone Group L.P. which is a publicly held company listed on the New York Stock Exchange which trades under the ticker symbol “BX”. Please see the structure chart below. The Blackstone Group L.P. (together with its affiliates, “Blackstone”) is one of the leading alternative investment managers in the world with investment programs concentrating in the private equity, real estate, corporate advisory and debt/credit areas, as well as the hedge fund solutions business. Please see **Item 10 – Other Financial Industry Activities & Affiliations** for more information.



BCOM's assets under management ("AUM") were \$779.779 million as of December 31, 2011.

**Description of Advisory Services:**

BCOM serves as investment advisor to the Funds as set forth in various Advisory Agreements. As investment advisor to these Funds, BCOM L.L.C:

1. Identifies and recommends investment opportunities for the Funds
2. Participates in the monitoring and evaluation of the Funds' investments
3. Makes recommendations to the General Partner of each of the Funds regarding the purchase and/or sale of investments

The individual needs of the investors in the Funds are not the basis of investment decisions by BCOM. Investment advice is provided directly to the Funds by BCOM and not individually to the Funds' investors. The investment period for the Funds ended on June 29, 2006. The Fund's only new commitments of capital are additions to existing investments.

## **Item 5 – Fees and Compensation**

Per the Advisory Agreements with each of the Funds, BCOM is entitled to compensation for its services in the form of a management fee (the “Management Fee”), payable quarterly in advance. The management fee is paid to BCOM directly by the limited partners on a quarterly basis in advance, prorated based on the capital under management, as the Fund’s investment period ended on June 29, 2006. In general, BCOM’s fee with respect to the Fund varies based upon the aggregate capital under management in the Fund. In no event, however, will the management fee exceed .75% of capital under management.

In certain cases, the Management Fee will be reduced for investments made by a shareholder or limited partner in a Fund above a specified dollar amount. Prorated refunds would be provided for partial quarters, if any. As set forth in Item 6 below, the General Partners of the Funds are each eligible to receive performance allocations. The Private Placement Memorandum (“PPM”, as supplemented from time to time) and the Partnership Agreement and Advisory Agreements of each Fund includes further details on fees and compensation and related matters.

### **Additional Fees and Expenses:**

In addition to BCOM’s Management Fee and performance-based allocations (see below), Fund investors will bear indirectly any fees and expenses charged by BCOM or the General Partner to the Funds, and deducted directly from the Funds. Those fees will vary, but typically include professional fees such as legal and accounting fees. Management Fees and performance-based allocations are either deducted from an investor’s assets invested with BCOM at the payment date, withheld from distributions or invoiced at an appropriate time pursuant to a capital call notice.

Finally, certain investors in the Funds, which are generally related persons, employees and retired partners of BCOM or the Funds, may not pay management fee and/or performance - based allocations based on their investment in the Funds. Notwithstanding, such investors will either directly pay for their pro rata share of certain Fund expenses, or the pro rata amount of such expenses will be allocated to the General Partner.

BCOM's advisory fees are not inclusive of all the fees which the investors may bear. The following is a list of fees and/or expenses that the Funds may pay directly to third parties. This list is not intended to be exhaustive; prospective and existing investors in the Funds are advised to review the applicable Fund offering materials and organizational agreements for a more extensive description of the fees and expenses associated with an investment in the Funds.

- Legal Fees
- Regulatory Filing Fees
- Administrative Fees
- Technology Expenses
- Accounting Fees
- Taxes
- Audit Fees
- Brokerage Commissions
- Transaction Fees
- Custodial Fees

Investors in a Fund are allocated their pro rata share of such additional fees and expenses for the time period they are invested in the Fund. Most staff out-of-pocket travel and entertainment expenses in connection with the Funds' transactions are treated as third party expenses for these purposes.

BCOM and its affiliates may also receive financial advisory fees, monitoring fees, organization and financing fees and similar fees for arranging acquisitions and other major financial restructurings, divestment fees and directors' and other fees and annual retainers from persons in which the Funds acquire or hold investments. The management fee paid by the limited partners to BCOM is reduced by (i) 100% of net break-up, topping, commitment, monitoring, directors and organization fees received by BCOM or its related persons up to the amount of the "partnership broken deal expenses" borne by the Funds and allocated to the limited partners and (ii) 80% net break-up, topping and commitment fees and (iii) 50% of net monitoring, directors and organization fees received by BCOM or its related persons, in each case in excess of the partnership broken deal expense borne by the Funds and allocated to the limited partners.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

In addition, the General Partner of each Fund receives a portion of the profits of current disposition proceeds from each Fund with respect to each limited partner (other than those that are affiliates of BCOM), which is equal to twenty percent of the amounts otherwise distributable to such limited partner. Such allocation of profits is only allocated to the General Partners when specific conditions are met, including the return of all capital contributed to the Funds by investors for realized investments and any writedowns on unrealized investments, as well as fees and expenses allocable to such investments and the receipt of a preferred return on such amounts.

The Funds distribute current income from an investment to their partners generally in the manner described above relating to the distribution, except that distributions are made on an investment by investment basis and do not take account of a return of capital and any writedowns, but will take into account actual unrecouped losses from prior dispositions.

The fact that BCOM's affiliate is in part compensated based on the performance of the Funds may create an incentive for BCOM to make investments on behalf of investors that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. However, BCOM manages each Fund in accordance with the investment strategy disclosed in the Fund's offering materials to help ensure that investors are aware of the investment strategy and the risks associated with the strategy. The PPM of each Fund contains further details regarding the incentive allocation and risk and strategy.



## Item 7 – Types of Clients

BCOM manages the Funds. The Funds' investors consist primarily of:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- Public and private profit sharing plans
- Trusts and estates
- Charitable organizations
- State and municipal government agencies
- Sovereign wealth funds
- Hedge funds
- Corporations
- Business entities other than those listed above

All investors are subject to applicable suitability requirements. BCOM and the General Partner require that each investor in the Funds be an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended and a “qualified purchaser” as defined in the U.S. Investment Company Act of 1940, as amended.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategies:**

BCOM will offer advice to the Funds generally to invest in equity and equity-related securities (including (i) preferred stock, debt and other securities relating to common equity investments and (ii) preferred stock, debt and other securities that are expected to produce equity-like returns) in conjunction with privately negotiated transactions. These investments are generally made in connection with acquisitions, dispositions, restructurings, workouts, management acquisitions and other similar situations and utilize some degree of leverage.

BCOM's investment analysis methods may include fundamental, technical and cyclical research. BCOM's investment team is responsible for evaluating securities (and other products) for investment, making asset allocation and security selection on a daily basis for the Funds. BCOM's investment professionals also review all portfolios for adherence to the investment objectives of each portfolio and the Fund's stated investment strategies.

BCOM personnel generally meet each Monday to discuss potential and pending transactions. At that meeting every transaction being pursued is discussed (unless there are no new developments or activities to report). If BCOM's consideration of a transaction has advanced beyond the preliminary evaluation stage, a brief memorandum to the Review Committee is prepared and the transaction is discussed at the regular weekly meeting of the Review Committee. If at such meeting the Review Committee authorizes the transaction team to continue to pursue the transaction, the transaction team will conduct further work. If the transaction reaches the stage where the transaction team proposes to make a definitive bid to acquire or invest in the target company or business (usually this is the "second round" of bidding, following an initial round in which preliminary, non-binding indications of interest are submitted by interested bidders), it will prepare a detailed memorandum on the transaction for the Investment Committee and convene a meeting of the Investment Committee at which that Committee will discuss the transaction in depth with the transaction team and decide whether to authorize such a definitive bid and what the bid should be. In addition to an in-depth discussion of the target company or business and the investment thesis, deal tactics and potential exit strategies will usually be discussed by the Investment Committee and the transaction team. The Investment Committee will often conduct multiple meetings on a

particular deal. The Investment Committee has a regional sub-committee for European investments. The investment period for BCP III ended on June 29, 2006.

**Risk of Loss:**

An investment in the Funds entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks such investments represent. Set forth below is a non-exhaustive list of such risks:

1. No established market for potential investments exists
2. Illiquidity of investments by the Funds
3. Changes in legal, fiscal, and regulatory regimes
4. Nature of equity or equity-related investments
5. Non-U.S. Investments
6. Dependence on BCOM's key personnel
7. Portfolio concentration
8. Investment environment and market risk
9. Market volatility risks
10. Risk of loss of entire investment
11. Communications industry risk

Stock markets and bond markets fluctuate substantially over time. As recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets which BCOM manages that may be out of BCOM's control. BCOM cannot guarantee any level of performance or that investors in the Funds will not experience a loss of their account assets. There is no assurance that the Funds will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy. The marketability and value of any such investment will depend upon many factors beyond the control of the Funds. The expenses of the Funds may exceed their income, and an investor in a Fund could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a Fund if the investor can withstand a total loss of its investment. The past investment performance of the Funds cannot be taken to guarantee future results of the Funds or any investment in the Funds.

## **Item 9 – Disciplinary Information**

BCOM does not have any legal, financial or other “disciplinary” item to report. As a registered investment advisor, BCOM is obligated to disclose any disciplinary event that would be material to the investor when evaluating an investor/advisor relationship.

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a lawsuit or arbitration. BCOM does not believe that any current litigation to which Blackstone is a party will have a material adverse effect on BCOM and/or the Funds.

## Item 10 – Other Financial Industry Activities and Affiliations

### Other Financial Industry Activities

Various potential and actual conflicts of interest may arise from the overall investment activities of BCOM and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exclusive list of all such conflicts. Any references to Blackstone and BCOM in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees. **Investors are advised to review the applicable Fund offering materials for a more extensive description of the risks of investing in the Funds.**

***Blackstone Policies and Procedures.*** Specified policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across Blackstone's various businesses that the Funds expect to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and subject to more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures (e.g., information walls) that may reduce the positive synergies that the Funds expect to utilize for purposes of finding attractive investments. For example, Blackstone may come into possession of material non-public information with respect to companies in which the Funds may be considering making an investment or companies that are Blackstone advisory clients. As a consequence, that information, which could be of benefit to the Funds, might become restricted to those respective businesses and otherwise be unavailable to the Funds.

***Allocation of Personnel.*** BCOM and its affiliates will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. However, Blackstone personnel will work on other projects, and, therefore, conflicts may arise in the allocation of personnel. In this regard, however, a core group of Blackstone private equity professionals will devote substantially all of their business time to the business related to the Funds and related entities.

***Other Fees.*** Blackstone may receive fees from portfolio companies as compensation for investment banking, advisory, and other services. Additionally, Blackstone may receive fees relating to the Funds' investments or from unconsummated transactions (i.e., transactions, directors', consulting, management, closing, topping, break-up and other similar fees). For

greater certainty, Blackstone engages and retains strategic advisors, consultants, and other similar professionals who are not employees or affiliates of Blackstone and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies.

***Portfolio Company Relationships.*** The Funds' portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by Blackstone or other Blackstone affiliates that, although Blackstone determines to be consistent with the requirements of such funds' governing agreements, may not have otherwise been entered into but for the affiliation with Blackstone, and which may involve fees and/or servicing payments to Blackstone-affiliated entities which are not subject to the management fee offset provisions described herein. For example, Blackstone may cause portfolio companies to enter into agreements regarding group procurement (such as the Group Purchasing Organization), employer health program arrangements, benefits management, and other similar operational initiatives that may result in commissions or similar payments related to a portion of the savings achieved by the portfolio company.

***Conflicting Fiduciary Duties to Debt Funds.*** Blackstone may structure an investment as a result of which one or more structured vehicles or other collective investment vehicles primarily investing in senior secured loans, distressed debt, subordinated debt, high-yield securities and other similar debt instruments (collectively, "Debt Funds") are offered the opportunity to participate in the debt tranche of an investment allocated to the Funds. As investment advisor to both the Funds and the Debt Funds, Blackstone would owe a fiduciary duty to the Debt Funds as well as to the Fund. If the Debt Funds were to purchase high yield securities or other debt instruments of a portfolio company of the Funds, Blackstone may, in certain instances, face a conflict of interest in respect of decisions made with regard to Debt Funds and the Fund (e.g., with respect to the terms of such high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

***Investment Banking, Advisory and Other Relationships.*** As part of its regular business, Blackstone provides a broad range of investment banking, advisory, and other services. In addition, Blackstone and its affiliates may provide services in the future beyond those currently provided.

In the regular course of its investment banking and advisory businesses, Blackstone represents potential purchasers, sellers, and other involved parties, including corporations, financial buyers, management, shareholders, and institutions, with respect to transactions that could give rise to investments that are suitable for the Funds. In such a case, Blackstone's client would typically require Blackstone to act exclusively on its behalf, thereby precluding the Funds from participating in such transactions. Blackstone will be under no obligation to decline any such engagements in order to make an investment opportunity available to the Funds. In connection with its investment banking, advisory, and other businesses, Blackstone may come into

possession of information that limits its ability to engage in potential transactions. The Funds may be constrained as a result of the inability of Blackstone personnel to use such information.

***Other Blackstone Funds; Allocation of Investment Opportunities.*** Through its other investment funds and collective investment vehicles (including vehicles in existence as of the date hereof and those that may be formed in the future, collectively, “Other Blackstone Funds”), Blackstone currently invests and plans to continue to invest third-party capital in a wide variety of investment opportunities in the United States, Europe, and elsewhere.

***Service Providers.*** The Funds’ service providers (including lenders, brokers, attorneys, and investment banking firms) may be investors in the Funds and/or sources of investment opportunities and counterparties therein. This may influence the General Partner in deciding whether to select such a service provider or have other relationships with Blackstone. Notwithstanding the foregoing, investment transactions for the Funds that require the use of a service provider, will generally be allocated to service providers on the basis of best execution (and possibly to a lesser extent in consideration of such service provider’s provision of certain investment-related services and/or payments of the costs of investment-related research that the General Partner believes to be of benefit to the Funds).

***Representing Creditors and Debtors.*** Blackstone may represent creditors or debtors in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings. From time to time Blackstone may serve as advisor to creditor or equity committees. This involvement, for which Blackstone may be compensated, may limit or preclude the flexibility that the Fund may otherwise have to participate in restructurings.

## **Other Financial Industry Affiliations**

BCOM is an affiliate of the following entities :

<b>Broker/Dealer</b>		
Blackstone Advisory Partners L.P.	BAP	Provides a variety of investment banking services
Park Hill Group LLC	PHG	Places alternative investment products in private offerings to mostly institutional investors
Park Hill Real Estate Group LLC	PHREG	Places real estate alternative investment products in private offerings to mostly institutional investors
<b>Investment Advisor</b>		
Blackstone Alternative Asset Management L.P.	BAAM	Manages a series of private funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Management Partners III L.L.C.	BMP III	Provides investment advisory services to various private equity funds
Blackstone Debt Advisors L.P.	BDA	Provides investment advisory services to private investment funds specializing in debt securities
Blackstone Distressed Securities Advisors L.P.	BDSA	Provides investment advisory services to private investment funds specializing in distressed securities (these funds are in liquidation mode)
Blackstone Management Partners IV L.L.C.	BMP IV	Provides investment advisory services to various private equity funds
Blackstone Clean Technology Advisors L.L.C.	BCTA	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Management Partners L.L.C.	BMP L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors II L.P.	BMEZ II	Provides investment advisory services to private investment funds specializing in mezzanine financing



<b>Investment Advisor</b>		
Blackstone Mezzanine Advisors L.P.	BMEZ	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Real Estate Advisors III L.P.	BREA III	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	BREA IV	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	BREA V	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P. (formerly Blackstone Real Estate Advisors VI L.P.)	BREA	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	BREA Inter-national	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	BRESSA	Provides investment advisory services to various private real estate investment funds
Blackstone Tactical Opportunities Advisors L.L.C.	BTOA	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone Real Estate Advisors Europe L.P.	BREA Europe	Provides investment advisory services to various real estate investment funds
Blackstone Strategic Alliance Advisors L.L.C.	BSAA	Manages a series of private funds engaged in a multi-manager investment program

<b>Investment Advisor</b>		
GSO/Blackstone Debt Funds Management LLC	GSO Debt	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
GSO Capital Advisors LLC	GSO Capital Advisors	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners LP	GSO Capital	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone Alternative Solutions L.L.C.	BAS	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Bayview Asset Management, LLC	Bayview	Provides investment advisory services focusing on real estate backed loans and mortgage securities
<b>Commodity Trading Advisor &amp; Commodity Pool Operator</b>		
Blackstone Alternative Asset Management L.P.	BAAM	Manages a series of private funds engaged in multi-manager investment programs (i.e., funds of hedge funds)
<b>Commodity Pool Operator</b>		
Blackstone Alternative Asset Management Associates L.L.C.	BAAMA	Serves as general partner of BAAM Funds which are structured as limited partnerships

BCOM is also an affiliate of The Blackstone Group International Partners LLP (“BGIP”). BGIP is registered in the United Kingdom. They provide certain advisory services to BCOM and certain of its affiliates in the United Kingdom.

Affiliates of BCOM may receive a portion of the administrative fees that are earned when portfolio companies of the Funds participate in various purchasing programs organized by BCOM

BCOM may enter into “side letters” with investors in the Funds, which allow for certain additional rights in the event of tax, regulatory or legal circumstances applicable to such investors.

Various management and marketing personnel are registered with our broker-dealer, BAP. We do not believe this registration, in and of itself, creates a conflict for our investors.

**A more detailed description of applicable conflicts of interest is set forth in the Private Placement Memorandum of each Fund.**

## Item 11 – Code of Ethics

BCOM recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of investors come first; and (iii) it has a fiduciary duty to its investors to act in or not opposed to the best interests of the Funds. All BCOM L.L.C personnel are required to act in accordance with the implied contractual covenants of good faith and fair dealing in respect of their dealings with investors. All BCOM personnel must also comply with all federal securities laws.

BCOM's Code of Ethics (the "Code") governs a number of potential conflicts of interest which exist when providing advisory services to the investors in the Funds it manages. This Code is designed to ensure that BCOM meets its fiduciary obligation to BCOM's investors and to instill a culture of compliance within BCOM. An additional benefit of the Code is to detect and prevent violations of securities laws.

The Code is distributed to each employee at the time of hire and annually thereafter, and it is available on Blackstone's intranet website. BCOM also supplements the Code with ongoing monitoring of employee activity.

The Code includes the following:

- Requirements related to confidentiality;
- Limitations on, and reporting of, gifts and entertainment;
- Pre-clearance of political contributions;
- Pre-clearance and reporting of employee personal securities transactions;
- Pre-clearance of outside business activities; and
- Protection of persons who engage in "whistle blowing" activities from retaliation.

On an annual basis, Blackstone requires all employees to certify that they are in compliance with the Code.

Blackstone offers many different products and services across its many businesses and there are several potential conflicts of interest which may arise. Please see **Item 10 – Other Financial Industry Activities & Affiliations** for a list of investment related potential conflicts.

BCOM's related persons may from time to time have bought or sold, or may subsequently buy or sell, for their personal accounts, securities which may also be purchased or sold for the

account of our investors. BCOM and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that such trading be conducted for investment rather than speculative purposes and that all such personal securities transactions receive pre-clearance from the Blackstone Legal and Compliance Department. These policies are designed to comply with SEC requirements that registered investment advisors have a Code of Ethics. BCOM's Code of Ethics is available for review upon request.

You may request a copy of the Code by contacting BCOM's Chief Compliance Officer, Josh Rovine; 212-583-5344; [rovine@blackstone.com](mailto:rovine@blackstone.com).

## **Item 12 – Brokerage Practices**

BCOM L.L.C has the authority to originate and recommend to the General Partners and Funds investment opportunities consistent with the purposes of the Funds, monitor and evaluate Investments and provide such other services related thereto as the Funds reasonably request.

Brokers are selected primarily on the basis of cost, execution capability and trading expertise consistent with the effective execution of the transaction. The determination of commission rates and other transaction costs at which securities transactions for the Funds are to be executed will be negotiated by BCOM. BCOM will negotiate a combination of the most favorable commission and the best price obtainable on each transaction.

Aggregation of orders between the Fund and other Blackstone funds should not be a material issue because the Fund has finished its investment period. It is therefore no longer making new investments.

## **Item 13 – Review of Accounts**

### REVIEW OF ACCOUNTS

Currently, the only accounts under the supervision of BCOM are the Funds' accounts. The Funds' accounts and investment positions are monitored by BCOM personnel on a regular and current basis. BCOM's Investment Committee meets as necessary to review general portfolio composition, investment opportunities, market conditions, potential conflicts, and recent trading activities. The Investment Committee consists of approximately up to 34 persons, all of whom are Senior Managing Directors or Founding Members of our private equity business. BCOM might periodically review on an expedited basis the assets of the Fund following a unique occurrence in the financial industry or market generally.

### REPORTS TO INVESTORS

Investors in the Funds generally will receive quarterly reports which will include capital balance and Fund performance statistics. Investors also will receive annual audited financial statements for the Fund in which they are invested.

Certain investors in the Funds may request information relating to the Funds and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, BCOM generally will provide such investors with the information requested. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Funds that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

## **Item 14 – Client Referrals and Other Compensation**

While it is the case that the Fund is no longer being actively marketed, there were placement arrangements in place with affiliated and non-affiliated third-party solicitors pursuant to which on-going payments may still be due and owing.



## Item 15 – Custody

In connection with the management of investments for certain investors, BMP III may have, or may be deemed to have, custody of certain funds or securities of its Clients. Rule 206(4)-2 (the “Custody Rule”) under the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client’s accounts or ownership of or access to client funds or securities (such as through fee deductions).

With the exception of certain assets, which are defined as “privately offered securities” per the Custody Rule, all Fund assets are held in custody by unaffiliated broker/dealers or banks acting in the capacity as “qualified custodians”.

Notwithstanding the foregoing, BCOM does not have custody of client funds or securities, however, the General Partner of the Funds do. BCOM has developed procedures that ensure the safeguarding and protection of the assets. Such procedures include among other things, the separation of functions and dual signatory approvals for the distribution of Fund capital.

The Funds are subject to an annual audit performed by a nationally recognized public accounting firm and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and generally distributed within 90 days of the Funds’ fiscal year ends.

## **Item 16 – Investment Discretion**

BCOM maintains the authority to manage the Funds on a discretionary basis, subject to the overall supervision of the applicable General Partner, in accordance with the investment guidelines, limitations, other provisions and terms set forth in the Funds' Limited Partnership Agreements.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

### Proxy Policy

Rule 206(4)-6 under the Advisers Act (the “Rule”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because BCOM may be deemed to have authority to vote proxies relating to the companies in which its clients invest, BCOM has adopted a set of policies and procedures (together, the “Policy”) in compliance with the Rule. To the extent that BCOM exercises or is deemed to be exercising voting authority over its clients’ securities, the Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, “proxies”) is exercised in a manner that serves the best interest of the clients, as determined by BCOM in its sole discretion.

From time to time, conflicts may arise between the interests of the investor, on the one hand, and the interests of BCOM or its affiliates, on the other hand. If BCOM determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BCOM will address matters involving such conflicts of interest on a case-by-case basis in a fair and equitable manner, subject to legal, regulatory, contractual or other applicable considerations. BCOM, in its sole discretion, may elect not to vote a proxy if unduly burdensome.

Investors may request a copy of the Policy and the voting records relating to proxies as provided by the Rule by contacting BCOM’s Chief Compliance Officer, Josh Rovine; 212-583-5344; [rovine@blackstone.com](mailto:rovine@blackstone.com).

## **Item 18 – Financial Information**

BCOM has never filed for bankruptcy and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitment to its investors.