

**Item 1 – Cover Page**

**Blackstone Real Estate Advisors Europe L.P.**

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**as of March 31, 2014**

Form ADV, Part 2; the “Disclosure Brochure” or “Brochure” provides information about the qualifications and business practices of Blackstone Real Estate Advisors Europe L.P., a Delaware limited partnership (“BREA Europe”).

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. BREA Europe is registered with the SEC as an investment adviser. BREA Europe’s registration as an investment adviser does not imply any level of skill or training.

Additional information about BREA Europe 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 Brochure since its last filing on March 31, 2013, as amended by an amendment dated October 2013.

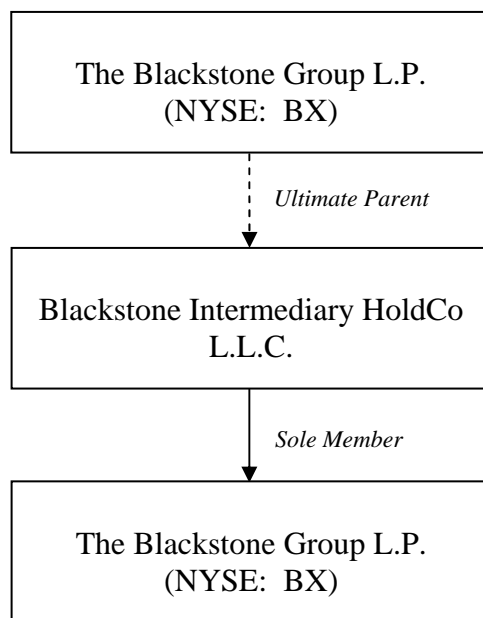
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## Item 4 – Advisory Business

BREA Europe is a Delaware limited partnership. BREA Europe provides investment advisory services to Blackstone Real Estate Partners International II L.P. and any parallel or alternative investment vehicles relating thereto (collectively, “BREP Intl II”), Blackstone Real Estate Partners Europe III L.P. and any parallel or alternative investment vehicles relating thereto (collectively, “BREP Europe III”) and Blackstone Real Estate Partners Europe IV L.P. and any parallel or alternative investment vehicles relating thereto (collectively, “BREP Europe IV”, and together with BREP Europe III and BREP Intl II, the “Funds”). The Funds are investment funds which specialize in control-oriented real estate and real estate related investments on a global basis. An affiliate of BREA Europe serves as the general partner (the “General Partner”) of each of the funds. BREA Europe was formed in May 2005.

The ultimate parent of BREA Europe 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.



BREA Europe’s regulatory assets under management (“RAUM”) were \$13.927 billion as of December 31, 2013. Please note that this is an unaudited estimate.

**Description of Advisory Services:**

BREA Europe serves as investment advisor to the Funds pursuant to various Advisory Agreements. As investment advisor to these Funds, BREA Europe:

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

The individual needs of the investors in the Funds are not the basis of investment decisions by BREA Europe. Investment advice is provided directly to the Funds by BREA Europe and not individually to the Funds' investors.

## Item 5 – Fees and Compensation

Per the Advisory Agreements with each of the Funds, BRE A Europe is entitled to compensation for its services in the form of an annual management fee (the “Management Fee”), payable quarterly in arrears. For each investor of BREP Intl II during BREP Intl II’s investment period, the Management Fee is (i) one and one half percent (1.5%) per annum (0.375% per calendar quarter) of an investor’s Capital Commitments for investors with Capital Commitments up to \$100 million or €100 million and (ii) one and one quarter percent (1.25%) per annum (0.3125% per calendar quarter) of an investor’s Capital Commitments for investors with Capital Commitments in excess of \$100 million or €100 million. Since the end of the investment period on June 25, 2008, for each investor of BREP Intl II the Management Fee is (i) one and one half percent (1.5%) per annum (0.375% per calendar quarter) of an investor’s invested capital for investors with Capital Commitments up to \$100 million or €100 million and (ii) one and one quarter percent (1.25%) per annum (0.3125% per calendar quarter) of an investor’s invested capital for investors with Capital Commitments in excess of \$100 million or €100 million.

For each investor of BREP Europe III during BREP Europe III’s investment period, the Management Fee is (i) one and one half percent (1.5%) per annum (0.375% per calendar quarter) of an investor Capital Commitments for investors with Capital Commitments up to \$200 million or €200 million, (ii) one and one quarter percent (1.25%) per annum (0.3125% per calendar quarter) of an investor’s Capital Commitments for investors with Capital Commitments in excess of \$200 million or €200 million and (iii) one and one quarter percent (1.25%) per annum (0.3125% per calendar quarter) of an investor Capital Commitments for investors with Capital Commitments to BREP Europe III and Blackstone Real Estate Partners VI L.P. in excess of \$950 million. For each investor of BREP Europe III after the end of Europe III’s investment period, the Management Fee is (i) one and one half percent (1.5%) per annum (0.375% per calendar quarter) of an investor’s Capital Contributions for investors with Capital Commitments up to \$200 million or €200 million, (ii) one and one quarter percent (1.25%) per annum (0.3125% per calendar quarter) of an investor’s invested capital for investors with Capital Commitments in excess of \$200 million or €200 million and (iii) one and one quarter percent (1.25%) per annum (0.3125% per calendar quarter) of an investor’s invested capital for investors with Capital Commitments to BREP Europe III and Blackstone Real Estate Partners VI L.P. in excess of \$950 million.

For each investor of BREP Europe IV during BREP Europe IV’s investment period, the Management Fee is (i) one and one half percent (1.5%) per annum (0.375% per calendar quarter) of an investor Capital Commitments for investors with Capital Commitments up to \$250 million or €200 million, (ii) one and one quarter percent (1.25%) per annum (0.3125% per calendar quarter) of an investor’s Capital Commitments for investors with Capital Commitments in excess of \$250 million or €200 million and (iii) one and one tenth percent (1.1%) per annum (0.2750% per calendar quarter) of an investor’s Capital Commitments for investors with Capital Commitments in excess of \$500 million or the Euro equivalent of \$500 million as of the applicable investor’s admission date. For each investor of BREP Europe IV after the end of Europe IV’s investment period, the Management Fee is (i) one and one half percent (1.5%) per annum (0.375% per calendar quarter) of an investor’s Capital Contributions for investors with Capital Commitments up to \$250 million or €200 million, (ii) one and one quarter percent

(1.25%) per annum (0.3125% per calendar quarter) of an investor's invested capital for investors with Capital Commitments in excess of \$250 million or €200 million and (iii) one and one tenth percent (1.1%) per annum (0.2750% per calendar quarter) of an investor's invested capital for investors with Capital Commitments in excess of \$500 million or the Euro equivalent of \$500 million as of the applicable investor's admission date.

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 Limited Partnership Agreement and Advisory Agreement of each Fund includes further details on fees and compensation and related matters.

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

Management Fees and performance-based allocations are either deducted from an investor's assets invested with BREA Europe at the payment date, withheld from distributions or invoiced pursuant to a payment notice (in the case of Management Fees).

In addition to BREA Europe's Management Fee and performance-based allocations (see below), Fund investors will bear indirectly as partnership expenses any fees and expenses charged by BREA Europe or the General Partners to the Funds, and such fees and expenses are deducted directly from the Funds. Those fees will vary, but typically include professional fees such as legal and accounting fees.

Finally, certain investors in the Funds, which are generally related persons, employees and retired partners of Blackstone ("Blackstone Investors"), may not pay management fees and/or performance based allocations in connection with their investment in the Funds. Notwithstanding, such investors will either directly pay for their pro rata share of certain Fund expenses (as described below), or the pro rata amount of such expenses will be allocated to the General Partner, or its affiliates.

BREA Europe's Management Fees, performance-based allocations and the expenses described above are not inclusive of all the fees and expenses 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; 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
- Expenses Related to BREA's Compliance Matters and Reporting Obligations to the Extent They Relate to the Funds' Activities (e.g., Form PF, CFTC filings)
- Administrative Fees
- Consultant Expenses
- Accounting Fees
- Taxes
- Audit Fees

- Brokerage Commissions
- Transaction Fees
- Custodial Fees
- Travel and Entertainment
- Research-Related Expenses, Including News and Quotation Equipment and Services
- Broken-Deal Expenses
- Expenses Associated with the Preparation of Funds' Periodic Reports and Related Financial and other Statements
- Expenses of Investor Meetings
- Expenses Incurred in Connection with Complying with Provisions in Side Letter Agreements, Including "Most-Favored Nations" Provisions

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 expenses in connection with the Funds' transactions are treated as fund expenses.

BREA Europe and its affiliates may also receive property management fees, acquisition fees, company advisory fees and similar fees for arranging acquisitions from persons in which the Funds acquire or hold investments. The management fee paid by the investors of BREP Intl II to BREA Europe will be reduced by (i) 80% of such investor's pro rata share of any additional fees and (ii) 50% of such investor's pro rata share of any acquisition fees and company advisory fees to the extent such company advisory fees are earned from a company for which BREA Europe or an affiliate is the sole advisor to such company.

The management fee paid by the investors of BREP Europe III to BREA Europe will be reduced by (i) 80% of such investor's pro rata share of any additional fees and (ii) 50% such investor's pro rata share of any acquisition fees greater than .50% of the total acquisition price payable in connection with the acquisition of an investment. Any "break-up" or other similar fees received by BREA Europe and its affiliates in connection with any unconsummated or terminated transaction are treated like such additional fees.



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

In addition to the Management Fees described in Item 5 that are received by BREa Europe, the General Partner of each Fund receives a portion of the profits of current disposition proceeds from each Fund with respect to each investor (other than those that are affiliates of BREa Europe), which is equal to 20% of the amounts otherwise distributable to such investor. 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 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 BREa Europe's affiliate is in part compensated based on the performance of the Funds may create an incentive for BREa Europe to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. However, BREa Europe manages each Fund in accordance with the investment strategy disclosed in the Fund's PPM, which also provides a description of the risks associated with the strategy. The PPM of each Fund contains further details regarding the incentive allocation and risk and strategy.

BREa Europe has adopted policies and procedures to ensure that all clients are treated fairly and equally and to prevent any potential conflict of interest.

As described in Item 5, Blackstone Investors are not subject to management fees or carried interest allocations.

## **Item 7 – Types of Clients**

BREA Europe 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 and foundations, including endowment funds thereof;
- State and municipal government agencies;
- Sovereign wealth funds;
- Private investment funds;
- Corporations;
- Business entities other than those listed above; and

Certain high net worth individuals.

All investors are subject to applicable suitability requirements. BREA Europe 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 Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, and meet other suitability requirements. Generally, investors must invest a minimum dollar amount that may be waived, modified or negotiated at BREA Europe's discretion.

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

### **Investment Strategies:**

BREA Europe will offer advice to the Funds generally to invest in equity, equity-related real estate 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), single real estate assets, portfolios of real estate assets, real estate operating companies, and other real estate and real estate related assets 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 generally involve some degree of leverage.

BREA Europe's investment analysis methods may include fundamental, technical and cyclical research. BREA Europe's investment team is responsible for evaluating real estate, securities and other products for investment, making asset allocation and investment selection for the Funds. BREA Europe's investment professionals with the advice and assistance of legal counsel also review all portfolios for adherence to the investment objectives of each portfolio and the Fund's stated investment strategies.

BREA Europe conducts primarily four types of due diligence on prospective investments:

- A preliminary review of each opportunity is conducted to screen the attractiveness of each deal followed by an initial projection based on macro- and micro-economic analyses. Projection assumptions are generally developed from analysis of historical operating performance, discussions with local real estate contacts, and review of published sources.
- BREA Europe reviews relevant books and records (such as comparing rent roll to leases for office buildings), confirms cash flow information provided by the seller, and conducts similar types of analysis, in most instances using outside consultants.
- Physical due diligence primarily involves an analysis of environmental and engineering matters through third-party consultants. Conclusions from environmental/engineering reports are incorporated into the financial projection analysis. Additionally, each potential investment and comparable properties are investigated to assess relative market position, functionality and obsolescence.
- BREA Europe works closely with outside counsel to review, diligence and negotiate all applicable legal and property-specific documents pertaining to an investment (e.g., loan documents, leases, management agreements, purchase contracts, etc.).

The Blackstone Real Estate Group generally meets each week to discuss potential and pending transactions in the group. At that meeting every transaction being pursued by the group is discussed (unless there are no new developments or activities to report). If the group's consideration of a transaction has advanced to the stage where the transaction team proposes to place a definitive bid to acquire or invest in the subject assets, the transaction team will prepare a detailed memorandum on the transaction for the Real Estate Investment Committee (the "Investment Committee"), which in practice meets on Monday each week to review investment

opportunities, market conditions and potential conflicts. The Investment Committee consists of approximately 20+ persons, all of whom are Senior Managing Directors or Founding Members of our real estate business. The Investment 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 subject investment 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.

### **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, including currency fluctuation and political factors
6. Dependence on BREX Europe's key personnel
7. Portfolio concentration
8. Investment environment and market risk
9. Market volatility risks
10. Risk of loss of entire investment
11. Deterioration of property values
12. Policy risks in emerging markets
13. Currency fluctuations
14. Increase in supply / Decrease in demand

Prospective investors are advised to review the applicable Fund offering materials for a more extensive description of the risks of investing in the Funds.

Stock markets, bond markets and real estate 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 BREX Europe manages that

may be out of BREA Europe's control. BREA Europe cannot guarantee any level of performance or that investors in the Funds will not experience a substantial or complete 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**

BREA Europe does not have any legal, financial or other “disciplinary” event to report. As a registered investment adviser, BREA Europe is obligated to disclose any legal disciplinary event that would be material to a client when evaluating the adviser’s advisory business or integrity of its management.

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a lawsuit or arbitration. BREA Europe does not believe that any current litigation to which Blackstone is a party will have a material adverse effect on BREA Europe 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 BREX Europe 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 BREX Europe in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees.

***Blackstone Policies and Procedures.*** Specified policies and procedures implemented by Blackstone and its affiliates to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the advantages across Blackstone and affiliates' various businesses that the Funds expect to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different asset management, advisory and other 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 connection with its investment banking, advisory and other businesses, Blackstone may come into possession of information that limits its and its affiliates' ability to engage in potential transactions. The Funds' activities may be constrained as a result of the inability of Blackstone personnel to use such information. For example, employees of Blackstone may be prohibited by law or contract from sharing information with members of the Funds' investment teams. Additionally, there may be circumstances in which one or more of certain individuals associated with Blackstone will be precluded from providing services related to the Funds' activities because of certain confidential information available to those individuals or to other parts of Blackstone. In certain sell-side and fundraising assignments, the seller may permit a Fund to act as a participant in such transactions, which would raise certain conflicts of interest inherent in such a situation (including as to the negotiation of the purchase price). 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 benefits that the Funds expect to utilize for purposes of identifying and managing attractive investments.

***Investment Banking, Advisory and Other Relationships.*** As part of its regular business, Blackstone provides a broad range of investment banking, advisory, underwriting, placement agent services and other services. In addition, Blackstone and its affiliates may provide services in the future beyond those currently provided. Funds will not receive a benefit from such fees. 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 transactions that are suitable for a Fund. In such a case, an advisory client would typically require Blackstone to act exclusively on its behalf, thereby precluding a Fund 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 a Fund.

Blackstone has long-term relationships with a significant number of corporations and their senior management. BREa Europe will consider those relationships when evaluating an investment opportunity, which may result in BREa choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client). Certain Funds or investors in funds may also co-invest with clients of Blackstone in particular investment opportunities, and the relationship with such clients could influence the decisions made by BREa Europe with respect to such investments.

Blackstone may from time to time participate in underwriting or lending syndicates with respect to portfolio companies of a Fund, or may otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, a Fund's portfolio companies, or otherwise in arranging financing (including loans) for portfolio companies. Such underwritings may be on a firm commitment basis or may be on an uncommitted "best efforts" basis. A Blackstone broker-dealer may act as the managing underwriter or a member of the underwriting syndicate and purchase securities from a Fund or such Portfolio Companies. Blackstone may also, on behalf of a Fund or other parties to a transaction involving a Fund, effect transactions, including transactions in the secondary markets where it may nonetheless have a potential conflict of interest regarding a Fund and the other parties to those transactions to the extent it receives commissions or other compensation from a Fund and such other parties. Subject to applicable law, Blackstone may receive underwriting fees, discounts, placement commissions, lending arrangement and syndication fees or other compensation with respect to the foregoing activities, which are not required to be shared with the Funds or BREa Europe. In addition, the Management Fee paid by the Funds generally will not be reduced by such amounts. Blackstone may nonetheless have a potential conflict of interest regarding Funds and the other parties to those transactions to the extent it receives commissions, discounts or such other compensation from such other parties. BREa Europe will approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for a Fund, or as dealer, broker or advisor, on the other side of a transaction with a Fund only where BREa Europe believes in good faith that such transactions are appropriate for a Fund.

Where Blackstone serves as underwriter with respect to a portfolio company's securities, Funds may be subject to a "lock-up" period following the offering under applicable regulations during which time its ability to sell any securities that it continues to hold is restricted. This may prejudice the Funds' ability to dispose of such securities at an opportune time.

***Allocation of Personnel.*** BREa Europe 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 real estate professionals will devote substantially all of their business time to the business related to the Funds and related entities.

***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, purchase of insurance policies (which may be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or a Blackstone affiliate 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. In addition, a Fund may engage a portfolio company of a Fund to manage an asset held by such Fund on prevailing market terms, and the amounts paid to such a portfolio company shall not reduce the Management Fee payable by the Fund.

***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).

***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. To the extent any Other Blackstone Funds have investment objectives or guidelines that overlap with those of the Funds, in whole or in part, investment opportunities that fall within such common objectives or guidelines shall generally be allocated among the Funds and such other Blackstone Funds and on a basis that the General Partner determines is fair and reasonable in its sole discretion, subject to (i) any applicable investment parameters or limitations of the Funds and such Other Blackstone Funds, (ii) the Funds and such Other Blackstone Funds having available capital with respect thereto, and (iii) legal, tax, regulatory and other considerations. BREX Europe may, in its sole discretion, give the investors in the Funds or third parties the opportunity to co-invest in particular investments alongside the Funds.

***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).

**Side Letters.** BRE A Europe may enter into “side letters” with investors in the Funds, which “side letters” may allow for certain additional rights in the event of tax, regulatory or legal circumstances applicable to such investors. Side letters generally shall not provide for reduction in Management Fees or performance allocations.

**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**

BREA Europe is an affiliate of the following entities:

<b>Broker/Dealer</b>	
Blackstone Advisory Partners L.P.	Provides a variety of investment banking services
Park Hill Group LLC	Places 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 and closed-end funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Debt Advisors L.P.	Provides investment advisory services to private investment funds specializing in debt securities
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds

Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Real Estate Advisors III L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
GSO/Blackstone Debt Funds Management LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners LP	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Bayview Asset Management, LLC	Provides investment advisory services focusing on real estate backed loans and mortgage securities

Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Tactical Opportunities Advisors L.L.C	Provides investment advisory services to multi-discipline, multi-asset class private funds
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets.
GSO Capital Partners International LLP	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
BXMT Advisors L.L.C.	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Large Loan Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT OPI Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets

The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Blackstone Strategic Capital Advisors, L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Property Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt focused private investment funds
<b>Commodity Trading Advisor &amp; Commodity Pool Operator</b>	
Blackstone Alternative Asset Management L.P.	Manages a series of private funds engaged in multi-manager investment programs (i.e., funds of hedge funds)
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Alternative Investment Advisors L.L.C.	Established by Blackstone Hedge Fund Solutions Group to provide investment advisory services to open end mutual funds
<b>Commodity Pool Operator</b>	
Blackstone Alternative Asset Management Associates L.L.C.	Serves as general partner of BAAM Funds which are structured as limited partnerships

Note: The registrant manages a number of private investments vehicles which are listed in the registrant's ADV Part 1, Schedule D, Section 7.B (1).

Various management personnel are registered with our broker-dealer, Blackstone Advisory Partners L.P., which serves as placement agent to the Funds in the U.S. but is not compensated for such services. In addition, a registered broker-dealer affiliate of BREA Europe, Park Hill Group LLC, may serve as placement agent to certain of the Funds. We do not believe these registrations, in and of themselves, create conflicts 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

BREA Europe 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 the best interests of the Funds. All BREA Europe 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 and are required to comply with applicable law.

BREA Europe is governed by the Blackstone Code of Ethics (the “Code of Ethics”). The Code of Ethics governs a number of potential conflicts of interest which exist when providing advisory services to the investors in the Funds it manages. The Code of Ethics is designed to ensure that BREA Europe meets its fiduciary obligation to BREA Europe’s clients (or prospective clients) and to instill a culture of compliance within BREA Europe. An additional benefit of the Code of Ethics is to detect and prevent violations of securities laws.

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

The Code of Ethics includes, among other items, 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 of Ethics.

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. BREA Europe has adopted policies and procedures to address such potential conflicts of interest.

BREA Europe’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 clients. BREA Europe 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 (including by having minimum holding periods) and that all such personal securities transactions receive pre-clearance from the Blackstone Legal and Compliance Department. These guidelines are designed to comply with SEC requirements that registered investment advisors have a Code of Ethics. In

addition, Blackstone has implemented certain policies and procedures (e.g., information walls) to restrict access to material non-public information. Blackstone's Code of Ethics is available for review upon request.

You may request a copy of Blackstone's Code of Ethics by contacting BREA Europe's Chief Compliance Officer, Judy Turchin; 212-583-5748; [judy.turchin@blackstone.com](mailto:judy.turchin@blackstone.com).



## **Item 12 – Brokerage Practices**

BREA Europe does not generally trade in public securities; however, in the event BREA Europe executes a brokerage transaction for the Funds (e.g., trades in public securities or enters into hedging transactions), BREA Europe will generally consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, and the broker's reputation and responsiveness to requests for trade data and other financial information.

## **Item 13 – Review of Accounts**

### **Review of Accounts**

Currently, the only accounts under the supervision of BREA Europe are the Funds' accounts. The Funds' accounts and investment positions are monitored by BREA Europe personnel on a regular and current basis. BREA Europe might periodically review on an expedited basis the assets of a Fund following a unique occurrence in the financial industry or market generally.

### **Reports to Clients**

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. BREA Europe makes use of a website, BXAccess, available at [www.bxaccess.com](http://www.bxaccess.com), for the distribution of reports and other information to investors in the Funds.

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, BREA Europe 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**

BREA Europe has distribution arrangements with select unaffiliated third parties. Typically, third-party solicitors will receive a portion of the management fee and/or performance fee paid to BREA Europe (although other payment arrangements could exist). A prospective investor solicited by a third-party solicitor will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be ultimately borne by a corresponding reduction in the management fee by BREA, and none of the investors in the Funds will be subject to any increased or additional fees or charges. Third-party solicitors in the U.S. will be registered as broker-dealers with the SEC. Third-party solicitors outside the U.S. will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

Park Hill Group LLC, an affiliate of BREA Europe, has entered into placement arrangements with certain of the Funds. Blackstone Advisory Partners L.P., an affiliate of BREA Europe, serves as a placement agent for the Funds in the U.S. but is not compensated for such services.

## Item 15 – Custody

Rule 206(4)-2, as amended (the “Custody Rule”), of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), defines custody as holding client securities or assets or having any authority to obtain possession of them. The Funds generally have a BREA Europe affiliate acting as general partner and, as such, BREA Europe is deemed to have custody of the Funds’ assets. BREA generally complies with the Advisers Act custody rules by providing all investors in a Fund with audited financial statements within 120 days of the Fund’s fiscal year end.

With the exception of certain assets, which are defined as “privately offered securities” per the Custody Rule, each Fund asset is held in custody by a “qualified custodian” (as defined by the Custody Rule), an unaffiliated broker/dealer or bank, in the name of the applicable Fund.

## **Item 16 – Investment Discretion**

BREA Europe 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, objectives, 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 “Proxy Rule”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Because BREA Europe may be deemed to have authority to vote proxies relating to the companies in which its clients invest, BREA Europe has adopted a set of policies and procedures (together, the “Policy”) in compliance with the Proxy Rule. To the extent that BREA Europe 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 BREA Europe 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 BREA Europe or its affiliates, on the other hand. If BREA Europe determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BREA Europe 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. BREA Europe, 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 Proxy Rule by contacting BREA Europe’s Chief Compliance Officer, Judy Turchin; 212-583-5748; [judy.turchin@blackstone.com](mailto:judy.turchin@blackstone.com).

## **Item 18 – Financial Information**

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