

Blackstone Strategic Capital Advisors L.L.C.

Form ADV Part 2

March 31, 2014

Blackstone

Blackstone Strategic Capital Advisors L.L.C.

Item 1 – Cover Page

Blackstone Strategic Capital Advisors L.L.C.

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Form ADV, Part 2, the “Disclosure Brochure” or “Brochure,” required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), provides information about the qualifications and business practices of Blackstone Strategic Capital Advisors L.L.C. (“BSCA”).

If you have any questions about the contents of this brochure, please contact Peter Rand, Head of Global Client Operations for BSCA, at (212) 583-5071; or rand@blackstone.com. 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.

Additional information about BSCA also is available at the SEC’s website www.adviserinfo.sec.gov (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in BSCA’s name). Results will provide you with both Parts 1 and 2 of BSCA’s Form ADV.

BSCA is registered with the SEC as an investment adviser. BSCA’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate BSCA and should be considered in your decision whether to hire BSCA or to continue to maintain a mutually beneficial relationship.

Blackstone Strategic Capital Advisors L.L.C.

Item 2 – Material Changes

- ▶ BSCA's last posting of this document was on December 9, 2013 on the SEC's public disclosure website (IAPD) . This Brochure was updated in December 2013 to reflect that BSCA Advisors L.L.C. ("BSCA II", a wholly-owned subsidiary of BSCA, has been added as a "relying adviser."
- ▶ BSCA, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
- ▶ If you would like another copy of this Brochure, please download it from the SEC website as indicated above or contact BSCA's Head of Global Client Operations, Peter Rand, at (212) 583-5071 or rand@blackstone.com.

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Item 3 – Defined Terms

As used throughout this Brochure, the following terms have the following meanings:

BAAM: Blackstone Alternative Asset Management L.P., a registered investment adviser and an affiliate of BSCA.

BAAM Funds: The private investment funds and Registered Funds sponsored and/or managed by BAAM that predominantly engage in multi-manager investment programs.

BAIA: Blackstone Alternative Investment Advisors L.L.C., a registered investment adviser and an affiliate of BSCA.

BAS: Blackstone Alternative Solutions L.L.C., a registered investment adviser and an affiliate of BSCA.

Blackstone: The Blackstone Group L.P. (NYSE: BX), which is the ultimate parent of BSCA.

BSAA: Blackstone Strategic Alliance Advisors L.L.C., a registered investment adviser and an affiliate of BSCA.

BSCA: Blackstone Strategic Capital Advisors L.L.C., the Registrant.

BSCA II: BSCA Advisors L.L.C., a wholly owned subsidiary of BSCA.

BSCA Funds: The private investment funds sponsored and managed by BSCA that predominantly invest in Manager Interests.

BSCA II Funds: Certain co-investment vehicles relating to the BSCA Funds, which are managed by BSCA II.

BSCA Investment Committee: A BSCA committee comprised of certain BSCA Senior Managing Directors and Managing Directors.

BSCA Managers: The established hedge fund managers and/or general partners in which the BSCA Funds acquire ownership interests.

BSCA Manager Interests: Minority ownership interests in established hedge fund managers and/or general partners acquired by the BSCA Funds.

Constituent Documents: The Confidential Offering Memorandum, Limited Partnership Agreement, Memorandum and Articles of Association, Subscription Agreement, Investment Management Agreement and other applicable constituent documents for a BSCA Fund and/or a BSCA II Fund.

Code: Blackstone's and BSCA's Code of Ethics mandated by the Investment Advisers Act of 1940, as amended.

Hedge Fund Solutions Group: The division of Blackstone which includes BAAM, BSAA, BAS, BAIA, and BSCA, each a registered investment adviser.

Investor: An investor in a BSCA Fund.

Registered Fund: A management investment company registered under the 1940 Act and managed by BAAM or BAIA.

Strategic Alliance Funds: A series of private investment funds managed by BSCA's affiliate, Blackstone Strategic Alliance Advisors L.L.C., which are engaged in providing "seed capital" to hedge fund managers.

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Item 3 – Defined Terms

Strategic Opportunity Funds: A series of private investment funds and accounts managed by BSCA's affiliate, Blackstone Alternative Solutions L.L.C., which participate in a broad range of direct and commingled investment opportunities, involving equity and debt securities and other financial instruments and transactions.

Blackstone Strategic Capital Advisors L.L.C.

Item 4 – Advisory Business

Overview of the Firm

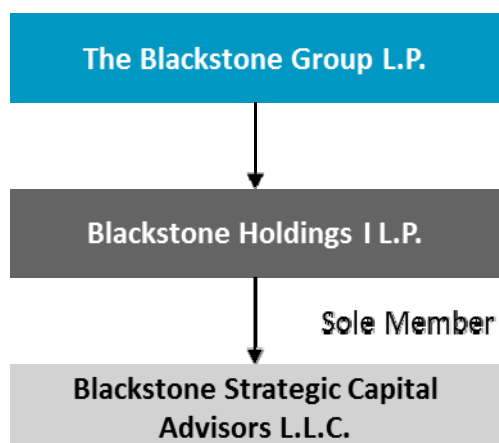
BSCA, a Delaware limited liability company, will seek to achieve income and capital appreciation through the acquisition of minority equity, equity-related and/or revenue interests in general partners, management companies, investment advisors and their affiliates that derive a significant portion of their revenues from the sponsorship and management of hedge funds and/or other alternative asset management products. A wholly-owned subsidiary of BSCA, BSCA II, manages certain co-investment vehicles relating to the BSCH Funds (together, such co-investment vehicles are referred to herein as the “BSCA II Funds”). The BSCA II Funds will participate side-by-side with the BSCA Funds in co-investment opportunities. BSCA II is not effectuating a separate registration; rather it is a “relying adviser” of BSCA. **ALL REFERENCES HEREIN TO BSCA ARE DEEMED TO INCLUDE BSCA II AND ALL REFERENCES TO BSCA FUNDS ARE DEEMED TO INCLUDE BSCA II FUNDS UNLESS EXPRESSLY STATED TO THE CONTRARY.**

BSCA is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading hedge fund solutions provider. BSCA derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of the alternative asset management business.

BSCA was formed on September 14, 2012, and BSCA II was formed on November 25, 2013, both as part of The Blackstone Group L.P. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BSCA and BAAM. Blackstone is one of the leading alternative investment managers in the world with investment programs and services concentrating in the private equity, real estate, corporate advisory and debt/credit areas, as well as the hedge fund solutions business. Other advisors within the hedge fund solutions group include BAAM, Blackstone Alternative Solutions L.L.C. (“BAS”), Blackstone Alternative Investment Advisors L.L.C. (“BAIA”), and Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”) (see defined terms). BSCA shares employees and facilities with BAAM, BAS, BAIA, and BSAA, each a registered investment adviser. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.

Blackstone Strategic Capital Advisors L.L.C.

Item 4 – Advisory Business



BSCA's assets under management ("AUM") were \$1 billion as of December 31, 2013. This excludes committed capital that has not been drawn to make an investment. Please note that this is an unaudited estimate.

Blackstone Strategic Capital Advisors L.L.C.

Item 4 – Advisory Business

Overview of Advisory Services

As investment advisor to the BSCA Funds, BSCA:

- ▶ Identifies and implements investment opportunities for the BSCA Funds;
- ▶ Participates in the monitoring of the BSCA Funds' investments;
- ▶ Makes decisions on behalf of the BSCA Funds to make and/or sell investments;
- ▶ May engage in foreign currency hedging transactions and/or the hedging of certain market exposures for certain BSCA Funds;
- ▶ May facilitate credit arrangements with a third party on behalf of certain BSCA Funds to allow a BSCA Fund to borrow for bridge financing purposes and to leverage its investments (within the leverage limits stated in the BSCA Fund's governing documents); and

The strategy of the BSCA Funds is to seek to acquire up to 25% of the equity in target BSCA Managers. The existing owners of the BSCA Managers are expected to retain both autonomy over the day-to-day operations of their business and a majority ownership stake in such BSCA Managers. The BSCA Funds expect BSCA Manager Interests to be diversified across investment strategies, geography, and asset classes, although there is no certainty as to any such diversification.

The BSCA Funds will generally target fund managers with AUM of \$5 billion or greater, though opportunistically will invest in smaller alternative asset managers with institutional platforms and attractive growth prospects. BSCA believes that larger, more diversified and established managers offer greater predictability and stability of cash flows, as well as presenting more compelling opportunities for Blackstone to add value as a strategic partner (through co-investment, access to new pools of capital, facilitation of succession plans). BSCA plans to target leading managers with strong brands, institutional infrastructure, and diversified revenue drivers and client bases.

BSCA is a new initiative within Blackstone's hedge fund solutions group. Blackstone believes that a number of industry factors are converging to create compelling investment opportunities in this space and expects the overall alternative asset management industry to be characterized by continued growth and consolidation over the next five to ten years. The ultimate goal of the BSCA Funds is to assemble a portfolio of ten to fifteen stakes in high-quality alternative asset management businesses and ultimately to seek to monetize this portfolio through a public offering, recapitalization or other method of achieving liquidity and value expansion.

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Item 4 – Advisory Business

BSCA II's activities will be limited to serving as co-investment advisor to certain co-investment vehicles, which will invest side-by-side with the BSCA Funds. BSCA II's authority with respect to the BSCA II Funds typically will be more limited than BSCA's authority with respect to the BSCA Funds.

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Item 5 – Fees and Compensation

Asset-Based Advisory Fees

In general, BSCA charges an asset-based advisory fee of up to 1.50% of assets under management. Fees are charged on drawn and committed capital. Generally, employees and retired partners of Blackstone are not subject to such asset-based advisory fees.

BSCA II does not charge an asset-based advisory fee on assets under management. Please see **Item II – Potential Conflicts of Interest**.

Performance-Based Fees

Please see **Item 6 – Performance-Based Fees** for more detail.

Fee Negotiations

Fees generally are non-negotiable.

Payment of Asset-Based Advisory Fees

In general, asset-based advisory fees are calculated on a quarterly basis in advance on the first business day of each calendar quarter.

Investors in the BSCA Funds are allocated their pro rata share of asset-based fees for the time period they are invested in the BSCA Funds. Fees are deducted from an Investor's assets invested with the BSCA Funds on the first day of each calendar quarter.

Additional Fees and Expenses:

BSCA's advisory fees are not inclusive of all the fees and expenses BSCA Funds (and, indirectly, the Investors) may pay. The following is a list of fees and/or expenses that BSCA Funds may pay directly to third parties. This list is not intended to be exhaustive; the relevant Constituent Documents provide further detail relating to fees and expenses.

- ▶ BSCA Funds formation costs
- ▶ Credit facility fees, including interest charges
- ▶ Directors/Trustees fees
- ▶ Legal fees
- ▶ Regulatory filing fees, including preparation fees
- ▶ Taxes
- ▶ Administrative fees
- ▶ Technology expenses, including news and quotation
- ▶ Audit and accounting fees
- ▶ Brokerage commissions
- ▶ Transaction fees

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Item 5 – Fees and Compensation

- ▶ Custodial fees
- ▶ Wire transfer and electronic fund processing fees
- ▶ Travel expenses
- ▶ Consulting fees
- ▶ Litigation expenses
- ▶ Appraisal fees

Investors in a BSCA Fund are allocated their pro rata share of such additional fees and expenses for the time period they are invested in the BSCA Funds.

BSCA employees do not receive (directly or indirectly) any compensation from the purchase or sale of securities or investments that are purchased or sold for BSCA Funds. BSCA is a “fee only” investment adviser and, therefore, BSCA does not have any potential conflicts of interest relating to any additional, undisclosed compensation from the BSCA Funds or BSCA Managers. Please see **Item II – Potential Conflicts of Interest**.

Affiliates of BSCA, such as Blackstone’s Corporate Advisory Group, may provide services to a BSCA Manager. Any fees paid to such affiliates will be negotiated on an arms-length basis and will inure solely to the benefit of such affiliate (see **Item 10 – Other Financial Industry Activities and Affiliations**).

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Item 6 – Performance-Based Fees

In addition to the asset-based advisory fees disclosed in **Item 5 – Fees and Compensation** above, BSCA Funds also pay a performance allocation of up to 20% of the increase in net asset value of the investment in BSCA Managers, subject to certain hurdle and catch-up provisions. Investors in a BSCA Fund are allocated their pro rata share of performance-based fees for the time period they are invested in the BSCA Fund. These fee arrangements are more thoroughly described in the relevant Client Constituent Documents.

Generally, employees and retired partners of Blackstone are not subject to performance-based fees.

Note: BSCA's asset-based advisory and performance-based fees are not inclusive of all fees. Please see **Item 5 – Additional Fees and Expenses** section.

Please note the existence of a performance-based fee may incentivize BSCA to manage Investors' assets in a more aggressive manner than if there was no performance-based fee.

BSCA II does not charge performance-based fees on assets under management. Please see **Item II – Potential Conflicts of Interest**.

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Item 7 – Types of Clients

Investors in BSCA Funds are expected to be based in the U.S. and outside of the U.S. and consist 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
- ▶ High net worth individuals
- ▶ Corporations
- ▶ Business entities other than those listed above

All Investors are subject to applicable suitability requirements.

Investors in BSCA II Funds are expected to be limited to one specific co-investor.

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

Analysis

BSCA identifies, researches, interviews, evaluates, selects and monitors the BSCA Managers in which the BSCA Funds invest. BSCA will negotiate ownership terms and percentages relating to investments in BSCA Managers.

Investment Strategies

BSCA expects BSCA Manager Interests to be diversified across investment strategies, asset classes and geographies, though there is no certainty as to any such diversification.

Risk of Loss

General Economic and Market Conditions: The success of BSCA's investment activities (directly and indirectly through the BSCA Managers) will be affected by general economic and market conditions, such as:

- ▶ Interest rates
- ▶ Availability of credit
- ▶ Credit defaults
- ▶ Inflation rates
- ▶ Economic uncertainty
- ▶ Changes in laws (including laws relating to taxation of the BSCA Managers' investments)
- ▶ Trade barriers
- ▶ Currency exchange controls
- ▶ National and international political circumstances (including wars, terrorist acts or security operations)

These factors may affect the level and volatility of financial instruments' prices and the liquidity of the investments. Volatility or illiquidity could impair the investment profitability or result in losses.

The BSCA Managers may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss. BSCA Managers may invest outside of the U.S. and the economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as:

- ▶ Growth of gross domestic product
- ▶ Rate of inflation
- ▶ Currency depreciation
- ▶ Asset reinvestment

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

- ▶ Resource self-sufficiency, and
- ▶ Balance of payments position

Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Investment and Trading Risk: All investments made by the BSCA Funds and BSCA Managers risk the loss of capital (i.e., invested amount). No guarantee or representation is made that BSCA's investment program will be successful, and investment results may vary substantially over time. Investors are subject to the risk of substantial losses.

Additional risks associated with investments in BSCA Funds and BSCA Managers may include (among others):

Risks Primarily Associated with BSCA and the Operation of the BSCA Funds

- ▶ General Economic and Market Conditions
- ▶ Investments and Trading Risks
- ▶ Business and Regulatory Risks of Private Funds
- ▶ Borrowing by the BSCA Funds; Investments may be Leveraged
- ▶ Cancellation of Commitment Period; Term
- ▶ Recycling of Current Income and Disposition Proceeds
- ▶ Electronic Delivery of Certain Documents
- ▶ Concentration of BSCA Funds' Portfolio
- ▶ Decision Making Authority
- ▶ Dependence on BSCA and the BSCA Managers
- ▶ Difficulty of Locating Suitable Investments
- ▶ Dilution from Subsequent Closings
- ▶ Distributions
- ▶ Deemed Distribution in Connection with Public Listing
- ▶ Expedited Transactions
- ▶ Failure to Fund Commitments; Consequences of Default
- ▶ Forward-looking Statements
- ▶ General Tax Considerations
- ▶ Enhanced Scrutiny and the Regulation of the Private Funds Industry

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

- ▶ Indemnification and Exculpation
- ▶ Limited Liquidity and Information Rights
- ▶ Lack of Operating History
- ▶ Legal and Regulatory Risks
- ▶ Limitations on Availability of Exit Opportunities
- ▶ Misconduct of Employees and of Third Party Service Providers
- ▶ Limitations on Limited Liability of Limited Partners
- ▶ Perpetual Term
- ▶ Possession of Non-Public Information by Blackstone Businesses
- ▶ Regulated or Exempt Organizations
- ▶ Distributions in Kind
- ▶ Risks Relating to any Restructuring or Liquidity Event
- ▶ Risks of Litigation or Proceedings
- ▶ Uncertainty of Return
- ▶ Valuations and Changing Accounting Standards

Risks Primarily Arising from Investments with the BSCA Managers

- ▶ Minority and Non-Control Investments in BSCA Managers; Dependence on BSCA Managers
- ▶ Key Persons
- ▶ Misconduct of Employees and of Third Party Service Providers
- ▶ Proprietary Investment Strategies
- ▶ Attractiveness to BSCA Managers of an Investment by the BSCA Funds
- ▶ Limited Transparency
- ▶ Potential Exposure to Claims
- ▶ Risk Management Activities
- ▶ Costs and Burdens Associated with BSCA Manager Investments
- ▶ Returns on BSCA Manager Investments
- ▶ Anti-Dilution Rights
- ▶ Transfer of Ownership Provision
- ▶ Clawback Payments to BSCA Managers
- ▶ BSCA Manager Accounting and Reporting
- ▶ Compensation Arrangements with BSCA Managers
- ▶ Conflicts of Interest at the BSCA Manager Level
- ▶ Termination or Redemption of Certain BSCA Manager Investments
- ▶ Additional Capital
- ▶ Financial Reporting Risks of Global Investing

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

- ▶ Business Risks Associated with Hedge Funds Risks of Investing in Pooled Investment Vehicles
- ▶ Valuation of Direct LP Investments
- ▶ Terms of Investment
- ▶ Multiple Levels of Expense

Risks Primarily Arising from Trading and Investment Activities of the BSCA Managers' Investment Vehicles

- ▶ Investment and Trading Risks in General
- ▶ Highly Volatile Markets
- ▶ Custodial Risk
- ▶ Risk of Counterparty Default
- ▶ Suspensions of Trading
- ▶ Certain Exotic Strategies Pursued by BSCA Managers
- ▶ Commodities
- ▶ Currency Trading
- ▶ Forward Trading
- ▶ Options Trading
- ▶ Swaps and Other Derivatives
- ▶ Synthetic Investment Strategies
- ▶ Market Disruption
- ▶ Leverage
- ▶ Short Selling
- ▶ Turnover
- ▶ Low Rated Debt, Distressed Equity and Debt, and Related Securities
- ▶ Non-U.S. Investments, including in Non-Developed Countries and Emerging Markets
- ▶ Control Positions and Non-Controlling Interests
- ▶ Opportunistic and Macro Investing
- ▶ Hedging Transactions

Please refer to the relevant Constituent Documents for a more detailed discussion of risk factors.

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Item 9 – Disciplinary Information

BSCA does not have any legal, financial or other “disciplinary” item to report to you. BSCA is obligated to disclose any disciplinary event that would be material to you when evaluating a client/advisor relationship.

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a lawsuit or arbitration. BSCA does not believe that any current litigation to which Blackstone is a party will have a material adverse effect on BSCA and/or the BSCA Funds. As of the date of this ADV Part 2A coversheet, BSCA and its employees are not currently the subject of litigation.

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Item 10 – Other Financial Industry Activities and Affiliations

BSCA is an affiliate of the following entities:

Broker/Dealer Entities	
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
Investment Advisor Entities	
Bayview Asset Management, LLC	Provides investment advisory services focusing on real estate backed loans and mortgage securities
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 II 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 Alternative Asset Management L.P.	Manages a series of private and closed end funds engaged in multi-manager investment programs (i.e., fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual 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 Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
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 III L.L.C.	Provides investment advisory services to various private equity funds
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 Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.L.C.	Provides investment advisory services to one or more Blackstone investment funds (Relying Adviser on BREA)
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Advisors III 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 IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	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 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

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
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
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
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 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.
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

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
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
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 II LLC	Provides investment advisory services to a number of debt focused private investment 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 International LLP	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
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
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to the registrant

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Item 10 – Other Financial Industry Activities and Affiliations

Commodity Trading Advisor & Commodity Pool Operator Entities

Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (i.e., funds of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Established by Blackstone Hedge Fund Solutions Group to provide investment advisory services to open end mutual 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

Commodity Pool Operator Entity

Blackstone Alternative Asset Management Associates L.L.C.	Serves as general partner of BAAM Funds which are structured as limited partnerships
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Item 10 – Other Financial Industry Activities and Affiliations

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Item 10 – Other Financial Industry Activities and Affiliations

Potential Conflicts of Interest specific to Blackstone Advisory Partners L.P.

Blackstone Advisory Partners L.P. (“BAP”) provides various financial and business advisory services. In the regular course of its advisory businesses, BAP may represent possible buyers, sellers and other parties regarding businesses that may be suitable for investment by BSCA Funds. In these cases, BAP’s client typically would require Blackstone to act only on BAP’s client’s behalf, thus potentially preventing the BSCA Funds from directly acquiring or investing in such business. BAP will not decline these opportunities in order to make the investment available to the BSCA Funds. Such limitations typically would not apply to investments by BSCA Managers.

BAP may be engaged to render advisory services to BSCA Managers and to creditor committees and groups that include BSCA Managers. None of the fees earned by BAP in such circumstances are to the benefit of BSCA or BSCA Funds.

BAP and Park Hill Group LLC are registered broker dealers. They do not make markets in any securities and generally do not hold proprietary positions in securities or other investments. BAP engages in underwriting activities, which generally involve underwriting of debt and equity securities by Blackstone private equity portfolio companies. Park Hill Group LLC does not engage in any underwriting activities, but it does serve as placement agents for private equity, real estate and hedge fund businesses.

See **Item 11 – Code of Ethics** for a further discussion of potential conflicts of interest.

Blackstone Strategic Capital Advisors L.L.C.

Item 11 – Code of Ethics

As required by the Advisers Act, Blackstone and BSCA have adopted a Code of Ethics (the “Code”) that governs a number of potential conflicts of interest which exist when providing advisory services. This Code is designed to enable BSCA to meet its fiduciary obligation to Investors (or prospective Investors) and to instill a culture of compliance within BSCA. An additional benefit of the Code is to assist Blackstone and BSCA in preventing 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. BSCA also supplements the Code with ongoing monitoring of employee activity.

The Code includes (among other things):

- ▶ 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
- ▶ 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.

Potential Conflicts of Interest

Blackstone offers many different products and services and there are several potential conflicts of interest which may arise, including, but not limited to, those identified below. BSCA has adopted, and continues to adopt, policies and procedures to address such potential conflicts of interest.

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Item 11 – Code of Ethics

Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Certain U.S. domiciled and non-U.S. investment funds or separately managed accounts pursuing alternative investment strategies (collectively, the “Other Blackstone Clients”), including BAAM’s fund-of-funds platform, BAS’s co-investment and strategic opportunities platform and BAIA’s mutual funds platform, may be invested in, or in the future seek to invest in, investment vehicles and accounts managed by the BSCA Managers. In each case, an investment by such Other Blackstone Client with the BSCA Manager will benefit the BSCA Funds and a redemption by such Other Blackstone Client generally will be detrimental to the BSCA Funds.</p> <p>There is significant overlap among the BSCA Investment Committee and BAAM/BAS/BAIA Investment Committees.</p> <p>Some of BSCA’s affiliates, including funds managed by BAAM, BAS and BSAA, may make investments in new or emerging hedge fund managers and may enter into revenue sharing agreements with such managers. Revenues generated from such arrangements accrue only to such BSCA affiliate. BSCA and its affiliates could compete for investment opportunities.</p> <p>Conflicts of interest may also arise in connection with the timing, structuring and terms of an investment and its disposition. For example, conflicts could arise where BSCA makes an investment in a BSCA</p>	<p>BSCA and the Other Blackstone Client’s general partner and investment advisor will endeavor to manage these potential conflicts in a fair and equitable manner, subject to legal, regulatory, contractual or other applicable considerations.</p> <p>When BAAM/BAS/BAIA Funds invest in/redeem out of an investment vehicle or account managed by a BSCA Manager, BAAM/BAS/BAIA/BSCA Compliance and designated senior members of the BSCA Investment Committee must sign a separate approval aside from the general BAAM/BAS/BAIA Investment Committees and Executive Committee approvals.</p> <p>Investors are notified of the potential for such arrangements.</p> <p>Investors are notified of the potential for such arrangements.</p>

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>Manager while an Other Blackstone Client invests directly in such Manager's investment vehicles. In such instances, the BSCA Funds, from time to time, may be in a position where its interests are directly adverse to such Other Blackstone Client, such as with respect to the negotiation of the economic terms and information rights relating to such Other Blackstone Client's investment in the BSCA Manager's investment vehicle or, more generally, the ongoing operation of such investment vehicle.</p>	
<p>The investment objectives of the BSCA Funds and Other Blackstone Clients may or may not overlap. The investment programs employed by Blackstone for the Other Blackstone Clients could conflict with the transactions and strategies employed by BSCA in managing the BSCA Funds. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the BSCA Funds and the Other Blackstone Clients.</p>	<p>If it is determined by Blackstone that it would be appropriate for the BSCA Funds and one or more Other Blackstone Clients to participate in an investment opportunity, BSCA and Blackstone will seek to allocate opportunities for all of the participating accounts in accordance with internal policies and procedures in a fair and equitable manner, taking into account related disclosure provided to the relevant Other Blackstone Clients and their underlying investors or as may otherwise have been agreed in the limited partnership agreements or other documents governing the BSCA Funds and such Other Blackstone Clients.</p>
<p>The BSCA Funds may permit certain Investors, Other Blackstone Clients and/or third parties to make selected co-investments in BSCA Managers ("Co-Investments"). It is expected that Investors will participate in Co-Investments on a fee-free basis and may</p>	<p>The BSCA Investment Committee will determine whether an investment opportunity is appropriate for Co-Investments.</p>

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
enjoy other terms more favorable than those in the BSCH Funds. Such differences in terms between the BSCH Funds and the Co-Investments may create a conflict for BSCH in terms of allocating a greater portion of an opportunity to the BSCH Funds (as opposed to Co-Investments).	

Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
BSCA, Blackstone and their employees may invest for their own accounts in various investment opportunities, including hedge funds and other investment vehicles managed by BSCA Managers.	<p>All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with Blackstone Compliance.</p> <p>All BSCA employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with BAAM/BSCA Compliance and Blackstone Compliance.</p> <p>Upon hire and quarterly thereafter, all BSCA employees must report all hedge fund holdings.</p> <p>All investment decisions are approved by the BSCA Investment Committee (see Item 13 – Review of Accounts for further details).</p>
From time to time, BSCA and/or Blackstone employees may speak at conferences and programs for potential hedge fund and other alternative asset investors, which are sponsored by BSCA/Blackstone’s third-party service providers. Through such “capital introduction” events, prospective investors may have the opportunity to meet with BSCA	<p>All BSCA employees must pre-clear speaking at conferences and other programs with BAAM/BSCA Compliance.</p> <p>Materials provided by BSCA as part of such conferences and other programs must be approved by BAAM/BSCA Compliance.</p> <p>Neither BSCA nor the BSCA Funds</p>

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>and/or BSCA Managers. Such events and other services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, custodian and administrators, may influence BSCA/Blackstone in deciding whether to use such service provider.</p> <p>BSCA may have a placement agreement with a broker-dealer that sponsors hedge fund conferences or similar events.</p>	<p>compensate the service providers for organizing such events.</p>
<p>Financial institutions, executives of public companies and other “value added investors” may be investors in the BSCA Funds. These persons and their employees are a potential source of information and ideas that could benefit the BSCA Funds.</p>	<p>BSCA has detailed policies and procedures relating to the use of private information, information sharing and information walls in general.</p>
<p>BSCA enters into side letters or similar written agreements (“Side Letters”) with Investors without the approval of any other Investors. Such Side Letters, in consideration for the Investor agreeing to invest certain amounts in a BSCH Fund and other appropriate consideration, grant rights not otherwise afforded to other Investors, including, without limitation, rights relating to greater portfolio transparency, fee waivers or reductions, minimum investment amounts, reports and other information. The BSCH Fund will notify Investors of any such preferential terms to the extent such Investors have been granted the right to elect such terms.</p>	<p>In exercising its discretion to cause a BSCH Fund to enter into a Side Letter, BSCA and the general partner of such fund will act in accordance with their fiduciary duties, which require them to provide that their actions (including, without limitation, entering into Side Letters) do not result in the unfair treatment of Investors.</p>
<p>BSCA incurs common expenses on behalf of the BSCA Funds.</p>	<p>BSCA allocates such expenses on a basis that it considers equitable and in accordance with its expense allocation</p>

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
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policies and the Constituent Documents.

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Item 11 – Code of Ethics

Fee Related Potential Conflicts

Potential Conflict	Mitigating Policy
Certain employees of BSCA and Blackstone may invest in the BSCA Funds. Typically, no advisory fees are charged to such investors.	All investment decisions are approved by the BSCA Investment Committee (see Item 13 – Review of Accounts for further details).

Blackstone Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Blackstone performs investment advisory and other activities and as a result of such activities BSCA and/or BSCA Funds may face restrictions in their investment activities. For example, if Blackstone's Private Equity Group were to obtain material non-public information relating to an issuer, BSCA potentially could be restricted from investing in such issuer's securities. Typically, such restrictions would not apply to the BSCA Managers.</p> <p>Further, BSCA and BSCA Funds could be forced to waive voting rights, sell or hold existing investments, or be precluded from making new investments as a result of investment banking or other relationships that Blackstone may have or transactions or investments that Blackstone and its affiliates may make.</p>	<p>Blackstone has a robust information wall policy in place which is designed to protect against the improper possession and/or use of material non-public information. Generally, no BSCA employee may contact an employee of another Blackstone group outside of the hedge funds solutions group, and vice versa, about a substantive business matter, without informing BAAM/BSCA Compliance, and, if appropriate, having BAAM/BSCA Compliance chaperone such contact.</p> <p>Prior to receiving confidential information, each Blackstone group typically seeks to limit the impact that such receipt may have on other Blackstone groups by, among other things, limiting the applicability of any confidentiality agreement to the particular Blackstone group(s) that receive the confidential information.</p>
From time to time, BSCA Managers invest may retain Blackstone to provide investment and advisory services.	Such retentions will be on an arm's length basis, independent of any BSCA Fund investment and BSCA.

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
From time to time, Blackstone may refer potential investors to BSCA and these investors may become investors in one of the BSCA Funds.	All investors are reviewed for suitability of investments and must satisfy the BSCA Funds' investment minimums and any investor qualifications.
Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies ("Blackstone Proprietary Funds"). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with the BSCA Managers and the BSCA Funds.	All investment decisions are approved by the BSCA Investment Committee (see Item 13 – Review of Accounts for further details). Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.
Certain broker-dealer affiliates of BSCA (e.g., Park Hill Group LLC) may enter into placement agreements with or otherwise be retained as placement agent by BSCA Managers. Under these placement agent arrangements, to the extent permitted by applicable law including ERISA, a BSCA Manager may compensate BSCA's affiliate for referring investors to the BSCA Manager and such fees will not be shared with the BSCA Funds.	Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.

You may request a copy of BSCA's Code of Ethics by contacting us at the address, telephone number or email on the cover page of this Brochure.

Blackstone Strategic Capital Advisors L.L.C.

Item 12 – Brokerage Practices

General Considerations

It is not anticipated that BSCA will effectuate brokerage transactions on behalf of the BSCA Funds although it has the authority to do so. To the extent BSCA does effectuate any brokerage transactions, there are no limitations as to which broker-dealers are used or as to the commission rates or similar charges paid. Transactions will be allocated to brokers on the basis of best execution. The following factors, among others, will be considered in determining best execution:

- ▶ Commissions and similar charges
- ▶ Quality of execution services and trading expertise
- ▶ Research services
- ▶ Clearance, settlement and custodial services
- ▶ Financial stability
- ▶ Reputation
- ▶ Integrity
- ▶ Facilities
- ▶ Financial services offered
- ▶ Willingness and ability to commit capital
- ▶ Reliability in keeping records

Research and Other Soft Dollar Benefits

Research products or services may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and other products or services used by BSCA in the performance of its investment decision-making responsibilities.

BSCA does not utilize soft dollars to pay for third-party brokerage services. BSCA Managers may use “soft dollars” (i.e., consideration other than cash is exchanged for services) both within and outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, to obtain both research and non-research products and services.

Brokerage for Client Referrals

BSCA does not use brokerage relationships for Investor referrals. BSCA, however, may have distribution relationships and placement agreements as described further in **Item 14 – Client Referrals and Other Compensation**.

Blackstone Strategic Capital Advisors L.L.C.

Item 12 – Brokerage Practices

Block Trading Procedures

In the event that futures, forward, options, or spot currency transactions are traded for multiple BSCA Funds, generally trade orders would be aggregated for execution and allocated pro rata.

Principal Trading

BSCA does not conduct principal trading (*i.e.*, trading for BSCA's proprietary accounts).

Cross Transactions – Agency Cross Transactions

BSCA does not engage in any agency cross transactions or cross transactions.

Investment Allocations

The BSCA Investment Committee will allocate between domestic and offshore funds pro rata based on committed capital.

Trade Errors

Trade errors are evaluated on a case-by-case basis. If BSCA determines that BSCA's gross negligence, willful misconduct or fraud was the direct cause of a trade error, BSCA generally will compensate a BSCA Fund for any losses resulting from such trade error. If a third-party's negligence or other wrongdoing causes a trading error that is material to a BSCA Fund, BSCA will attempt to recover the amount of loss from the third party for the BSCA Fund. BSCA does not assume responsibility for compensating the BSCA Fund, or making the third party compensate the BSCA Fund, in such cases.

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Item 13 – Review of Accounts

The Investment Committee

BSCA has several senior investment professionals that supervise its investment advisory business through an investment committee (the “BSCA Investment Committee”). The BSCA Investment Committee discusses the potential investment opportunities for the BSCA Funds. The BSCA Investment Committee approves all investments in BSCA Managers. In addition, the BSCA Investment Committee includes members of, and expects to draw upon the experience and expertise of, the Executive and Investment Committees of BAAM.

The BSCA Investment Committee makes its investment decisions based on a variety of criteria including, but not limited to:

- ▶ The expected performance of the investment
- ▶ Reputation of the principals of the BSCA Manager
- ▶ BSCA Manager’s investment objectives and strategies
- ▶ Ability to negotiate attractive terms with the BSCA Manager
- ▶ Tax efficiency
- ▶ Legal and regulatory factors

Given the limited nature of BSCA II’s activities, it will not have a formal investment committee.

The Advisory Board

BSCA has established an advisory board (the “Advisory Board”) with respect to the current series of BSCA Funds to advise BSCA on various matters, including, without limitation, potential conflicts of interest, the BSCA Funds’ initiatives, ideas and outreach for the sourcing pipeline, the progress of transactions between the BSCA Funds and the BSCA Managers, the business development and investment characteristics of the BSCA Managers’ investment vehicles and general trends regarding the BSCA Funds’ investment activities. The size, terms, and appointment of the members of the Advisory Board and other matters relating to the functioning of the Advisory Board will be determined by BSCA in its discretion. The members of the Advisory Board typically are comprised, in whole or in part, of representatives of selected Investors that are not affiliates of BSCA. The specific responsibilities of the Advisory Board for the current series of BSCA Funds are set forth in such Funds’ Constituent Documents.

There will be no advisory board for BSCA II.

Monitoring Process

The BSCA Investment Committee and the BSCA investment team monitor the performance of the BSCA Funds and BSCA Managers on an ongoing basis.

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Item 13 – Review of Accounts

BSCA Fund Investor Reporting

BSCA will provide Investors at least quarterly reports regarding their investments, which include capital balances and performance of the BSCA Funds. Investors also will receive annual audited financial statements for the BSCA Fund in which they are invested. In generating these reports, BSCA in part will rely on information provided by the BSCA Managers.

Operations Team Reconciliation

The BAAM/BSCA operations team performs cash reconciliations to determine that investments, expense payments, and other cash movements are properly processed.

Administrator Reconciliation

Each BSCA Fund's administrator performs a reconciliation of cash, investor activity, and investments as part of its independent determination of the net asset value for such BSCA Fund, and produces the final capital/shareholder statements.

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Item 14 – Client Referrals and Other Compensation

BSCA may enter into distribution and/or placement agent arrangements. In a typical distribution/placement arrangement, BSCA agrees to pay a third-party solicitor for referring investors in BSCA Funds.

Typically, the third-party solicitors will receive a portion of the management fee and/or performance fee paid to BSCA (although other payment arrangements could exist). A prospective investor solicited by a third party 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 the responsibility of BSCA and the Investor will not 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. may be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

BSCA may have a placement arrangement with Park Hill Group LLC, an affiliate of BSCA. Also, Blackstone Advisory Partners L.P., an affiliate of BSCA, serves as a placement agent for the BSCA Funds in the U.S. but is not compensated for such services. BSCA may have distribution/placement arrangements with a number of other unaffiliated third parties.

BSCA II will not have any distribution/placement arrangements.

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Item 15 – Custody

Rule 206(4)-2 of the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them. BSCA Funds structured as U.S. entities generally have a BSCA affiliate acting as general partner and, as such, BSCA is deemed to have custody of the BSCA Funds' assets. For the BSCA Funds structured as non-U.S. entities, BSCA also is typically deemed to have custody of the BSCA Funds' assets. Although BSCA does not serve as the general partner or managing member of the non-U.S. Funds, does not constitute a majority of the non-U.S. Fund's Board of Directors, and does not hold voting shares in the BSCA Funds, BSCA has access to BSCA Fund assets for trading purposes and to pay expenses. BSCA generally complies with the Advisers Act custody rules by providing all Investors with audited financial statements within the period of time required by such rules.

A BSCA Fund's assets typically are comprised of investments in BSCA Managers and cash, which cash will be held in bank or brokerage accounts in the name of the BSCA Fund. BSCA Funds may or may not utilize a third-party, independent custodian to hold the BSCA Funds' agreements or private securities certificates evidencing the Funds' investments in the BSCA Managers.

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Item 16 – Investment Discretion

Investment Guidelines

Investment decisions are made within the investment guidelines as described in each BSCA Fund's Constituent Documents.

Types of Investment

BSCA has broad discretion to make investments within the guidelines of the Constituent Documents. BSCA Funds primarily will make minority equity, equity related, and/or revenue investments in BSCA Managers. In addition, in order to hedge investor contributions denominated in currencies other than U.S. dollars or to hedge certain market exposures, BSCA Funds may invest in securities and other financial instruments, including but not limited to futures, forwards, options, and other derivative instruments.

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

The BSCA Funds' investments generally will be limited to investments in BSCA Managers, which are not expected to trigger any proxy voting activities.

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Item 18 – Financial Information

BSCA does not charge or solicit prepayment of \$1,200 or more in fees per client six or more months in advance.

BSCA is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitment to its Investors.

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Item 19 – Requirements For State Registered Advisers

Not applicable as BSCA is not registered in any states.