

Item 1 – Cover Page

Blackstone Communications Advisors I L.L.C.

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as of March 31, 2015

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

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

Additional information about BCOM is also available at the SEC’s website www.adviserinfo.sec.gov (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 dated March 31, 2014.

BCOM, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (e-mail) or in hard copy form).

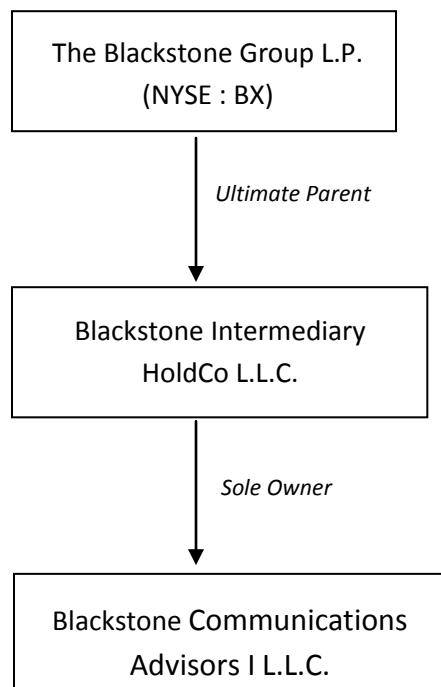
Item 3 – Table of Contents

Item 1 – Cover Page	
Item 2 – Material Changes.....	i
Item 3 – Table of Contents.....	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management	6
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9 – Disciplinary Information	10
Item 10 – Other Financial Industry Activities and Affiliations	11
Item 11 – Code of Ethics	24
Item 12 – Brokerage Practices	26
Item 13 – Review of Accounts.....	277
Item 14 – Client Referrals and Other Compensation.....	288
Item 15 – Custody	29
Item 16 – Investment Discretion	30
Item 17 – Voting Client Securities (i.e., Proxy Voting)	31
Item 18 – Financial Information.....	32
Item 19 – Requirements for State Registered Advisers.....	33

Item 4 – Advisory Business

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

The ultimate parent of BCOM is The Blackstone Group L.P. which is a publicly traded partnership 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 and debt/credit areas, as well as the hedge fund solutions business. Please see **Item 10 – Other Financial Industry Activities & Affiliations** for more information.



BCOM's regulatory assets under management ("RAUM") were \$403,716,465 as of December 31, 2014.

Description of Advisory Services:

BCOM serves as investment advisor to the Funds pursuant to the terms of investment advisory agreements (the "Advisory Agreements") between BCOM and each of the Funds, and makes investment decisions for the Funds including by evaluating the Funds' investments.

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

Item 5 – Fees and Compensation

Management Fees and Performance Fees

Per the Advisory Agreements with each of the Funds, BCOM is entitled to compensation for its services in the form of a management fee (the “Management Fee”), payable quarterly in advance; provided that the Management Fee will cease upon the termination of the term of a Fund. The Management Fee is paid to BCOM directly by the investors, pro rata based on the weighted average of invested capital on a quarterly basis in advance, as the Fund’s investment period ended on June 29, 2006. In general, BCOM’s fee with respect to the Fund varies based upon the aggregate level of the capital invested within the Fund. In no event however, will the Management Fee exceed .75% of invested capital. In certain cases, the Management Fee will be reduced for investments made by an investor in a Fund above a specified dollar amount. Prorated refunds would be provided for partial quarters, if any, to the extent applicable. As set forth in Item 6 below, the General Partners of the Funds are each eligible to receive performance-based or “carried interest” allocations. The Confidential Private Placement Memorandum (“PPM”, as supplemented from time to time) and the Partnership Agreement and Advisory Agreements (the “Organizational Documents”) of each Fund include further details on fees and compensation and related matters.

Management Fees and performance-based allocations are either withheld from distributions or invoiced at an appropriate time pursuant to a capital call notice.

Certain investors in the Funds, which are generally related persons, employees and retired partners of Blackstone (“Blackstone Investors”), will not pay Management Fees and/or performance-based allocations based on their investment in Blackstone-sponsored funds that make investments alongside the Funds. Notwithstanding the foregoing, 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 Partners.

Other Fees Payable to BCOM and its Affiliates

In addition to BCOM’s Management Fee and performance-based allocations (see Item 6 below), BCOM and its affiliates may also receive financial advisory fees, monitoring fees, organization and financing fees and similar fees for arranging acquisitions and other major financial restructurings, commitment, transaction, break-up and topping fees, divestment fees and

directors' fees, fees for services related to group purchasing, healthcare consulting/brokerage, investment banking, capital markets, credit origination, loan servicing and/or other types of insurance, management consulting and other similar operational and finance matters, and/or other fees and annual retainers from (or, with respect to) the Funds' portfolio companies. The Management Fee paid by the investors in the Funds to BCOM is reduced by (i) 100% of BCOM's share of the net break-up, topping, commitment, monitoring, directors and organization fees received by BCOM or its affiliates up to the amount of the "partnership broken deal expenses" borne by the Funds and allocated to the investors that are not affiliates of the general partner and (ii) 80% of BCOM's share of the net break-up, topping and commitment fees and (iii) 50% of BCOM's share of the net monitoring, directors and organization fees received by BCOM or its affiliates, in each case in excess of the partnership broken deal expense borne by the Funds and allocated to the investors that are not affiliates of the general partner. Any other fees received by BCOM would not offset the Management Fee or performance-based allocations. Fund investors should carefully consult the applicable Fund's offering documents and Organizational Documents to determine the offsetable fees and the management fee offset percentage applicable to the Funds in which they are invested (See "Other Fees Received by BCOM" in Item 10 below). In addition, BCOM will also engage and retain on behalf of the Funds and/or their portfolio companies senior advisors, consultants, and other similar professionals who are not employees or affiliates of BCOM and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies, and such amounts will not offset the Management Fee paid by the Funds (See "Advisors and Operating Partners" in Item 10 below).

Expenses

The following is a list of expenses that are typically borne by the Funds (and indirectly by the limited partners of the Funds). This list is not intended to be exhaustive; existing investors in the Funds are advised to review the applicable Fund offering materials and Organizational Documents for a more extensive description of the expenses associated with an investment in the Funds.

- Legal fees
- Regulatory filing fees of the Funds
- Expenses related to BCOM'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
- Technology expenses

- Accounting fees
- Taxes
- Audit fees
- Brokerage commissions
- Transaction fees
- Custodial fees
- Research-related expenses, including news and quotation equipment and services
- Expenses associated with the preparation of the Funds' periodic reports and related financial and other statements
- Expenses of investor meetings
- Expenses of litigation involving the Funds or entities in which the Funds have investments and the amount of any judgments or settlements paid in connection therewith
- Expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nations" provisions
- Travel and entertainment expenses in connection with the Funds' investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners, social and entertainment events with portfolio company management, customers and service providers)).

Investors in a Fund are allocated their pro rata share of such additional fees and expenses.

From time to time, the General Partner will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or the General Partner and BCOM, on the other, and/or whether certain costs and expenses should be allocated between or among the Funds, on the one hand, and Other Blackstone Funds (as defined below), on the other. Certain expenses may be suitable for only a particular Fund or any parallel fund and borne only by such Fund, or, as is more often the case, expenses may be allocated pro rata among the Fund and all parallel funds even if the expenses relate only to particular vehicle(s) and/or investor(s) therein. The General Partner will make such judgments in a manner that it determines to be fair and reasonable in good faith, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable.

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

In addition to the Management Fees and other fees described in Item 5 that are received by BCOM or its affiliates, the General Partner of each Fund receives a portion of the profits of current disposition proceeds from each Fund with respect to each limited partner (other than those that are affiliates of BCOM), which is equal to twenty percent of the amounts otherwise distributable to such limited partner with respect to any particular investment. Such allocation of profits is only allocated to the General Partners when specific conditions are met, including the return to the limited partner of an aggregate amount equal to all capital contributed to the applicable Fund by such limited partner for realized investments, and any writedowns on unrealized investments, fees and expenses allocable to such investment and the receipt of a preferred return on such amounts.

The Funds generally distribute current income from an investment to their investors 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 unrecovered losses from prior dispositions.

The fact that BCOM's affiliate is in part compensated based on the performance of the Funds may create an incentive for BCOM to make investments on behalf of investors that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. However, the commitment by Blackstone to invest in the Funds, clawback provisions (which are provisions in the Organizational Documents that require the General Partner to return excess amounts of performance-based allocations that have been received) and the fact that the preferred return is calculated on an aggregate basis should tend to reduce this incentive. In connection therewith, the General Partner's clawback obligation may create an incentive for the General Partner to defer the disposition of one or more investments if such disposition would result in a realized loss, a return on investment that was less than the preferred return and/or the finalization of dissolution and liquidation of a Fund where a clawback obligation would be owed.

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

Item 7 – Types of Clients

BCOM manages the Funds. The Funds' investors may consist of some or all of the following:

- 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
- High net worth individuals

All investors are subject to applicable suitability requirements. BCOM and the General Partners require that each investor in the Funds be (i) an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) 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 (including, in some circumstances, a person that is not a U.S. Person as defined in Regulation S under the Securities Act). Generally, investors must invest a minimum dollar amount as determined at BCOM's discretion.

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

Investment Strategies:

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

BCOM's investment analysis methods include fundamental, technical and cyclical research. BCOM's investment team is responsible for evaluating securities (and other products) for investment. BCOM's investment professionals also review all portfolios for adherence to the investment objectives of each portfolio and the Fund's stated investment strategies. The investment period for BCOM ended on June 29, 2006.

BCOM personnel meet as necessary to discuss the investment activities of the Funds (it being understood that the Funds' investment periods have ended). At that meeting transactions are discussed (unless there are no new developments or activities to report).

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 BCOM's key personnel
7. Portfolio concentration

8. Investment environment and market risk
9. Market volatility risks
10. Risk of loss of entire investment
11. Communications industry risk

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 and bond markets fluctuate substantially over time and performance of any investment is not guaranteed. As a result, there is a risk of loss of value in the assets which BCOM manages that is out of BCOM's control. BCOM cannot guarantee any level of performance or that investors in the Funds will not experience a substantial or complete investment loss. 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 strategies. The marketability and value of any investment will depend upon many factors beyond the control of the Funds. The expenses of the Funds may exceed their income, and an investor in a Fund could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a Fund if the investor can withstand a total loss of its investment. The past investment performance of the Funds cannot be taken to guarantee future results of the Funds or any investment in the Funds.

Item 9 – Disciplinary Information

BCOM does not have any legal, financial or other “disciplinary” event to report. As a registered investment adviser, BCOM 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 legal action. Although there can be no assurances of the outcome of such legal actions, BCOM does not believe that any current legal proceeding or claim to which Blackstone is a party would individually or in the aggregate materially affect BCOM and/or the Funds’ results of operations, financial positions or cash flows.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

From time to time, various potential and actual conflicts of interest arise from the overall investment activities of BCOM and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exclusive list of all such conflicts. Fund investors should consult the applicable Fund's offering documents for a more complete listing of applicable conflicts. Any references to Blackstone and BCOM in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees.

Blackstone Policies and Procedures. Specified policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will from time to time reduce the advantages across Blackstone's various businesses that the Funds expect to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different businesses, including various asset management businesses, a capital markets group and a real estate advisory business, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. For example, Blackstone will from time to time come into possession of material non-public 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 advisory 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 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 reduce the positive firm-wide synergies the Funds could otherwise expect to utilize for purposes of finding attractive investments.

Performance Allocation. The General Partner's clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments if such disposition would result in a realized loss, a return on investment that was less than the preferred return and/or the finalization of dissolution and liquidation of a Fund where a clawback obligation would be owed.

Allocation of Personnel. BCOM will devote such time as shall be necessary to conduct the business affairs of the Funds in an appropriate manner. However, certain Blackstone personnel will work on other projects and/or Other Blackstone Funds and, therefore, conflicts may arise in the allocation of personnel.

Other Fees Received by BCOM and its Affiliates. BCOM and its affiliates receive fees relating to the Funds' investments or from unconsummated transactions (e.g., directors', topping, break-up, monitoring, commitment, organization, financing, divestment and other similar fees). Additionally, BCOM and its affiliates may receive fees from or with respect to portfolio companies and/or other persons (including co-investors and joint venture parties) as part of the investment activities of the Funds, including fees relating to compensation for capital markets transactions and advice, real estate advisory, and other services, investment banking, capital markets, debt syndication and/or real estate advisory, and such fees will not result in any offset to the Management Fee payable by Fund investors. To the extent the receipt by BCOM of any such fees results in an offset of the Management Fee payable by a Fund's investors as provided in applicable Organizational Documents of such Fund, such fees will first be allocated among such Fund, any other investment funds and collective investment vehicles and/or accounts managed by affiliates of Blackstone (including vehicles in existence as of the date hereof and those that may be formed in the future, collectively, "Other Blackstone Funds") participating in the investment, other accounts participating (or intending to participate) in such investment and/or certain co-investment vehicles participating (or intending to participate) in such investment (including any vehicles established to facilitate the investment by Blackstone Investors). The amount of such fees allocable to such Other Blackstone Funds and/or accounts and co-investment vehicles will generally not result in an offset of the Management Fee payable by Fund investors, even if such Other Blackstone Funds and/or accounts and co-investment vehicles provide for lower or no management fees for the investors or participants therein (such as the vehicles established in connection with Blackstone's side-by-side co-investment rights, which generally do not provide for a management fee or carried interest payable by participants therein).

To the extent Blackstone charges transaction and/or monitoring fees, in the case of monitoring fees, these may be payable as fixed dollar amounts or may be calculated as a percentage of

EBITDA (or other similar metric). The terms of a monitoring agreement may in certain instances provide for an acceleration of fees paid to Blackstone upon termination following certain milestones, such as an initial public offering or sale, and where the lump-sum termination fee may be calculated as the present value of hypothetical foregone future payments (which in some cases may extend past the term of the fund and may be based on an assumed growth in EBITDA or other metric used to calculate the fee) and be calculated using a discount rate as low as the risk-free rate, as determined by Blackstone. In the case of transaction fees, often times these will be calculated as a percentage of the total enterprise valuation of the transaction, which is generally the aggregate amount of funds raised (including invested capital, rolled-over equity and debt assumed or financed by the Fund and/or the portfolio company and its subsidiaries and affiliates).

Advisors and Operating Partners. Blackstone engages and retains senior advisors, consultants, and other similar professionals who are not employees or affiliates of Blackstone and who, from time to time, receive payments from, or allocations with respect to, portfolio companies (as well as from Blackstone). In such circumstances, such payments from, or allocations with respect to, portfolio companies will not result in the offset of any Management Fees otherwise due. In addition, they take on more extensive roles and serve as executives or directors on the boards of portfolio companies. In certain instances, Blackstone has formal arrangements with these senior advisors, consultants and/or other professionals (which may or may not be terminable upon notice by any party), and in other cases the relationships are more informal. There can be no assurance that any of the senior advisors, consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with Blackstone and/or any portfolio companies throughout the term of the Funds.

Portfolio Company Relationships. Certain portfolio companies of one or more Blackstone funds may enter into an employer health program arrangement or similar arrangements with Equity Healthcare LLC (“Equity Healthcare”), a Blackstone affiliate which negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services for cost discounts, quality of service monitoring, data services and clinical consulting. The payments made to Equity Healthcare will not offset Management Fees payable by Fund investors.

In addition, certain of the Funds’ portfolio companies are or will be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by BCOM or other Blackstone affiliates, or certain third-party service providers that, although BCOM determines to be consistent with the requirements of such Funds’ governing agreements, would not have otherwise been entered into but for the affiliation or relationship with Blackstone, and which involve fees, commissions, servicing

payments and/or discounts to BCOM, a Blackstone affiliate or a portfolio company, which are not subject to the Management Fee offset provisions described herein. For example, certain portfolio companies of one or more Blackstone funds enter into agreements regarding group procurement, benefits management, purchase of title and/or other insurance policies (which may be pooled across portfolio companies and Blackstone and discounted due to scale) and other operational, administrative or management related matters with a third party or a Blackstone affiliate that result in fees, commissions, servicing payments and/or discounts being paid to BCOM, a Blackstone affiliate or a portfolio company (including fees related to a portion of the savings achieved by the portfolio company). To the extent that a portfolio company of an Other Blackstone Fund is providing such a service, such portfolio company will benefit. Further, the benefits received by the particular portfolio company providing the service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

Additionally, Blackstone will from time to time hold equity or other investments in companies or businesses (even if they are not “affiliates” of Blackstone) that provide services to or otherwise contract with portfolio companies. Blackstone has in the past entered (and can be expected in the future to enter) into relationships with companies in the information technology and related industries whereby Blackstone acquires an equity or similar interest in such company and then make referrals and/or introductions to portfolio companies (including as a result of financial incentives and/or milestones benefitting Blackstone that are tied or related to participation by portfolio companies). The Funds and the limited partners will not share in any fees or economics accruing to Blackstone as a result of these relationships and/or participation by portfolio companies.

Furthermore, to the extent that unrelated officers of a portfolio company have not yet been appointed and such portfolio company is entering into a transaction or agreement with BCOM or its affiliates, Blackstone will be negotiating and executing agreements between BCOM, on the one hand, and the portfolio company or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm’s length. Among the measures Blackstone uses to mitigate such conflicts is involving outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms.

Blackstone Businesses and Activities. As part of its regular business, Blackstone provides a broad range of services. In addition, Blackstone and its affiliates may provide services in the future beyond those currently provided. Funds will not receive a benefit from any fees received by Blackstone for providing such services. In addition, the Funds may be forced to sell or hold existing investments as a result of investment banking relationships or other relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make or have made.

Blackstone from time to time participates in underwriting or lending syndicates with respect to portfolio companies of a Fund, or otherwise is 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 will be on either a firm commitment basis or an uncommitted "best efforts" basis. 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 nonetheless has 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 will from time to time receive underwriting fees, discounts, placement commissions, lending arrangement and syndication fees (or, in each case, rebates of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or an Other Blackstone Fund or account is purchasing debt) or other compensation with respect to the foregoing activities, which are not required to be shared with the Funds or BCOM. In addition, the Management Fee paid by the Funds generally will not be reduced by such amounts. Blackstone will from time to time 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. BCOM 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 BCOM believes in good faith that such transactions are appropriate for a Fund. From time to time, sales of securities for the account of the Funds will be bunched or aggregated with orders for other accounts of Blackstone including Other Blackstone Funds. It is frequently not possible to receive the same price or execution on the entire volume of securities sold, and the various prices may be averaged which may be disadvantageous to the Funds.

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

Blackstone employees, including employees of BCOM, are generally permitted to invest in real estate funds, hedge funds or other investment vehicles, including potential competitors of the Funds. Investors will not receive any benefit from any such investments.

Blackstone has announced a plan to spin off its financial and strategic advisory business and restructuring and reorganization advisory business, both of which fall within Blackstone Advisory Partners L.P. The spin off also will include Park Hill Group L.L.C. All of these

businesses will be combined with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman. Blackstone expects the transaction to close in 2015. While the new combined entity will operate independently from Blackstone and will not be a controlled affiliate thereof, conflicts may arise in connection with transactions between or involving Blackstone and BCOM, on the one hand, and the spun-off firm on the other. It is expected that there will be substantial overlapping ownership between Blackstone and the spun-off firm at closing and for a considerable period of time thereafter. Therefore, conflicts of interest in doing transactions involving the spun-off firm will still arise. Specifically, the pre-existing relationship between Blackstone and its former personnel involved in the spun off businesses, the significant overlapping ownership and other continuing arrangements, may influence Blackstone/BCOM in deciding to select or recommend the new entity to perform such services for BCOM or for the Funds (or a portfolio company) (the cost of which will generally be borne directly or indirectly by the Funds or such entity, as applicable).

In addition, other present and future activities of Blackstone and its affiliates (including BCOM) will from time to time give rise to additional conflicts of interest relating to the Funds and their investment activities. In the event that any such conflict of interest arises, Blackstone will attempt to resolve such conflicts in a fair and equitable manner. Investors should be aware that conflicts will not necessarily be resolved in favor of the Funds' interests.

Other Blackstone Funds; Allocation of Investment Opportunities. The investment period for the Funds has ended and as a result, future investments will be limited to add-on and follow-on transactions. Through its other investment funds and collective investment vehicles (including Other Blackstone Funds), Blackstone currently invests and plans to continue to invest third-party capital in a wide variety of investment opportunities globally. BCOM 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' advisors and service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms) or their affiliates provide goods or services to, or have business, personal, financial or other relations with Blackstone, its affiliates and portfolio companies. Such advisors and service providers may be investors in the Funds, sources of investment opportunities or co-investors or commercial counterparties or entities in which Blackstone has an investment. Additionally, certain employees of BCOM may have family members or relatives employed by such advisors and service providers. These relationships may influence the General Partners in deciding whether to select or recommend such service providers to perform services for the Funds or portfolio companies (the cost of which will generally be borne directly or indirectly by the Funds or such entities, as applicable). Notwithstanding the foregoing, transactions relating

to the Funds that require the use of a service provider will generally be allocated to service providers on the basis of best execution (the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the General Partners believe to be of benefit to the Funds). Advisors and service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. Therefore, based on the types of services used by the Funds and portfolio companies as compared to Blackstone and its affiliates and the terms of such services, BCOM or its affiliates may benefit to a greater degree from such vendor arrangements than the Funds or such portfolio companies.

Investments in Which Other Blackstone Funds Have a Different Principal Investment. From time to time the Funds may hold investments that are suitable for both the Funds and Other Blackstone Funds. To the extent a Fund holds securities that are different (including with respect to their relative seniority) than those held by such Other Blackstone Funds, the General Partner and its affiliates may be presented with certain decisions when the interests of the two funds are in conflict. For example, if such a Fund has an investment in a company in which an Other Blackstone Fund has a mezzanine, senior debt or distressed debt investment, Blackstone will generally have conflicting loyalties between its duties to such Fund and to other affiliates. In that regard, actions may be taken for the Other Blackstone Funds that are adverse to such Fund. In addition, it is possible that in a bankruptcy proceeding a Fund's interest may be subordinated or otherwise adversely affected by virtue of such Other Blackstone Funds' involvement and actions relating to its investment. In connection with negotiating senior loans and bank financings in respect of Blackstone-sponsored transactions, from time to time Blackstone will obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the senior term financings with respect to such Blackstone-sponsored transactions on an agreed upon set of terms. Blackstone does not believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such senior loans.

Valuation Matters. The fair value of all investments or of property received in exchange for any Investments will be determined by the General Partner in accordance with the applicable organization documents of the relevant Fund. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of such investments will be determined by the General Partner in accordance with procedures set forth in the Fund's Organizational Documents. The valuation of investments will affect the amount and timing of the General Partner's performance allocation and, under certain circumstances, the amount of Management Fees payable to BCOM. The valuation of

investments may also affect the ability of Blackstone to raise successor funds to the Funds. As a result, there may be circumstances where the General Partner is incentivized to determine valuations that are higher than the actual fair value of investments.

Other Trading and Investing Activities. Certain Other Blackstone Funds may invest in securities of publicly traded companies which are actual or potential investments of the Funds. The trading activities of those vehicles may differ from or be inconsistent with activities which are undertaken for the account of the Funds in such securities or related securities. In addition, the Funds may not pursue an investment in a portfolio company as a result of such trading activities by Other Blackstone Funds.

Other Financial Industry Affiliations

BCOM 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 Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , 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
Blackstone Debt Advisors L.P.	Provides investment advisory services to private investment funds specializing in debt securities
Blackstone Management Partners 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 Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	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 Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end 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 L.P.	Provides investment advisory services to various private 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 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 Special Situations Advisors L.L.C.	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
Blackstone Senfina Advisors L.L.C.	Provides investment advisory services to private investment funds which allocate capital among unaffiliated portfolio managers and invest capital directly
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone Total Alternatives Solution Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone’s private equity, real asset, credit and opportunistic alternative asset management strategies
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
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 / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt focused private 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.
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third party insurance company
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
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 Capital Advisors LLC	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
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
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

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
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>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC	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 Senfina Advisors L.L.C.	Provides investment advisory services to private investment funds which allocate capital among unaffiliated portfolio managers and invest capital directly
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Commodity Pool Operator Entities	
Blackstone Alternative Asset Management Associates L.L.C.	Serves as general partner of BAAM Funds which are structured as limited partnerships
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Commodity Trading Advisor Entity	
Park Hill Group LLC	Places alternative investment products in private offerings to mostly institutional investors

BCOM will enter into “side letters” with certain investors in the Funds, which allow for certain additional rights in the event of tax, regulatory or legal circumstances applicable to such investors. Side letters generally do not provide for reduction in Management Fees or performance allocations.

Various management and marketing personnel are registered with our broker-dealer, Blackstone Advisory Partners L.P. (“BAP”), which may serve as placement agent to funds managed by BCOM in the U.S. but is not compensated for such services. In addition, a registered broker-dealer affiliate of BCOM, Park Hill Group LLC, may serve as placement agent to funds managed by BCOM. Blackstone has announced a plan to spin off its financial and strategic advisory services, restructuring and reorganization advisory services, and Park Hill in a transaction expected to close in 2015 (See “Blackstone Business and Activities” in Item 10 above). We do not believe these registrations, in and of themselves, create conflicts for the Funds’ investors.

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

Item 11 – Code of Ethics

BCOM recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of investors come first; and (iii) it has a fiduciary duty to its investors to act in the best interests of the Funds. All BCOM 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 all applicable laws.

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

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

The Code includes, 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.

Blackstone offers many different products and services across its many businesses and there are several potential conflicts of interest which will from time to time arise. Please see **Item 10 – Other Financial Industry Activities & Affiliations** for a list of investment related potential conflicts. BCOM has adopted policies and procedures to address such potential conflicts of interest.

BCOM's related persons from time to time have bought or sold, or may in the future buy or sell, for their personal accounts, securities which are also purchased or sold for the account of our clients. BCOM and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that such trading be conducted for investment rather than speculative purposes (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. In addition, Blackstone has implemented certain policies and procedures (e.g., information walls) to restrict access to material non-public information. The Code is available for review upon request.

You may request a copy of the Code by contacting Vikrant Sawhney - Senior Managing Director; 212-583-5487; sawhney@blackstone.com.

Item 12 – Brokerage Practices

BCOM does not generally trade in public securities; however, in the event BCOM executes a brokerage transaction for the Funds (e.g. trades in public securities or enters into hedging transactions), BCOM 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 BCOM are the Funds' accounts. The Funds' accounts and investment positions are monitored by BCOM personnel on a regular and current basis. BCOM's Investment Committee meets as necessary to review general portfolio composition, investment opportunities, market conditions, potential conflicts, and recent trading activities. The Investment Committee consists of approximately up to 29 persons, all of whom are Senior Managing Directors or Founding Members of our private equity business. BCOM might periodically review on an expedited basis the assets of the Fund following a unique occurrence in the financial industry or market generally.

REPORTS TO INVESTORS

Investors in the Funds generally will receive written quarterly reports which will include capital balance and Fund performance statistics. Investors also will receive written annual audited financial statements for the Fund in which they are invested. BCOM makes use of a website, BX Access, available at www.bxaccess.com for the distribution of reports and other information to investors in the Funds.

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

Item 14 – Client Referrals and Other Compensation

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

Item 15 – Custody

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 BCOM affiliate acting as general partner and, as such, BCOM is deemed to have custody of the Funds’ assets. BCOM complies with the Advisers Act custody rules by providing all investors in the Funds with audited financial statements within 120 days of each 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 Fund.

Item 16 – Investment Discretion

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

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 BCOM will generally be deemed to have authority to vote proxies relating to the companies in which its clients invest, BCOM has adopted a set of policies and procedures (together, the “Policy”) in compliance with the Proxy Rule. To the extent that BCOM exercises or is deemed to be exercising voting authority over its clients’ securities, the Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, “proxies”) is exercised in a manner that serves the best interest of the Funds, as determined by BCOM in its sole discretion.

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

Investors may request a copy of the Policy and the voting records relating to proxies as provided by the Rule by contacting Vikrant Sawhney - Senior Managing Director; 212-583-5487; Sawhney@blackstone.com.

Item 18 – Financial Information

BCOM has never been the subject of a bankruptcy petition at any time during the past ten years and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

Item 19 – Requirements for State Registered Advisers

This item is not applicable as BCOM is not registered in any state.