

Blackstone Strategic Alliance Advisors L.L.C.

Form ADV Part 2

March 27, 2015

Blackstone

Blackstone Strategic Alliance Advisors L.L.C.

Item 1 – Cover Page

Blackstone Strategic Alliance Advisors L.L.C.

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March 27, 2015

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 Alliance Advisors L.L.C. (“BSAA”).

If you have any questions about the contents of this brochure, please contact Peter Rand, Head of Global Client Operations and Reporting for BSAA, at (212) 583-5071; BAAMClientService@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 BSAA 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 BSAA’s name). Results will provide you with both Parts 1 and 2 of BSAA’s Form ADV.

BSAA is registered with the SEC as an investment adviser. BSAA’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 BSAA and should be considered in your decision whether to hire BSAA or to continue to maintain a mutually beneficial relationship.

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Item 2 – Material Changes

- ▶ There is no material change incorporated herein since BSAA's last posting of this document on January 26, 2015 on the SEC's public disclosure website (www.adviserinfo.sec.gov).
- ▶ BSAA, 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 you may contact BSAA's Head of Global Client Operations and Reporting, Peter Rand, at (212) 583-5071 or BAAMClientService@blackstone.com.

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Blackstone Strategic Alliance Advisors L.L.C.

Item 3.1 – Defined Terms

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

Arcesium: Arcesium LLC, a middle- and back-office service and technology provider, in which BAAM holds a non-controlling, minority equity interest.

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

BAAM Executive Committee: A committee which includes BAAM’s Chief Executive Officer, Chief Operating Officer, and General Counsel.

BAAM Funds: The private investment funds sponsored and managed by BAAM that predominantly engage in multi-manager investment programs. The BAAM Funds are commonly referred to in the industry as funds of hedge funds or FoHFs.

BAAM Investment Committee: A BAAM Committee which includes select BAAM Senior Managing Directors and Managing Directors.

BAIA: Blackstone Alternative Investment Advisors LLC, a registered investment adviser and an affiliate of BSAA.

BAP: Blackstone Advisor Partners L.P., a registered broker-dealer and an affiliate of BSAA.

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

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

BSA: Blackstone Senfina Advisors L.L.C., a registered investment adviser and an affiliate of BSAA.

BSA Funds: The private investment funds managed by BAAM’s affiliate, Blackstone Senfina Advisors L.L.C., which allocate capital among unaffiliated portfolio managers and invest capital directly.

BSAA: Blackstone Strategic Alliance Advisors L.L.C., the Registrant.

BSAA Funds or Strategic Alliance Funds: The private investment funds sponsored and managed by BSAA.

BSAA Investment Committee: A BSAA committee which includes select BSAA Senior Managing Directors and selected Managing Directors.

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

BSCA Funds: A series of private investment funds managed by BSAA’s affiliate, Blackstone Strategic Capital Advisors L.L.C., which are engaged in acquisitions of minority interests in alternative asset managers.

Clients: All of BSAA’s clients, which includes the BSAA Funds.

Blackstone Strategic Alliance Advisors L.L.C.

Item 3.1 – Defined Terms

Code: Blackstone’s and BSAA’s Code of Ethics mandated by the Investment Advisers Act of 1940.

Co-Investments: Investments made by a BSAA Fund alongside an Underlying Manager in specific one-off opportunities, which investments are in addition to and distinct from the BSAA Fund’s investment in the Underlying Manager’s commingled investment vehicle.

Constituent Documents: The Confidential Offering Memorandum, Limited Partnership Agreement, Investment Management Agreement and other applicable constituent documents for a BSAA Fund.

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

High Water Mark: A loss carryforward provision in which there will be no performance-based compensation payable to a Client until the amount of the loss previously allocated has been recouped. This may apply if a Client has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such Client.

Investor: An investor in a BSAA Fund.

Manager Buyout Interests: The buyout, sale or other realization of the value of the Manager Profit Interests.

Manager Profit Interests: An Underlying Manager’s management (i.e., asset-based) fees and performance / incentives fees and allocations.

Manager Revenues: Manager Buyout Interests and Manager Profits Interests.

PHG: Park Hill Group LLC, a registered broker-dealer and an affiliate of BSAA.

Underlying Investment Vehicles: The funds and accounts managed by the Underlying Managers.

Underlying Managers or SAF Managers: The hedge fund managers to which the BSAA Funds allocate capital.

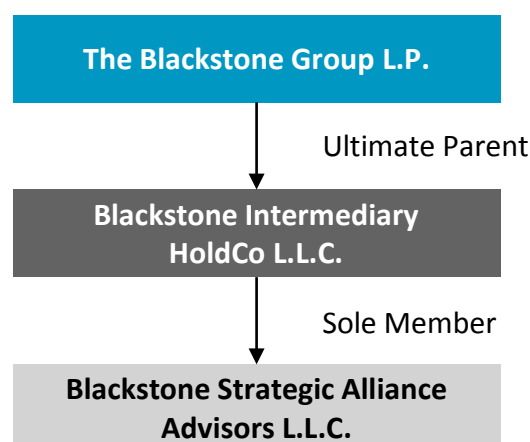
Blackstone Strategic Alliance Advisors L.L.C.

Item 4 – Advisory Business

Overview of the Firm

BSAA, a Delaware limited liability company, primarily provides investment advisory services to private investment funds (collectively, the “BSAA Funds”) that predominantly engage in multi-manager, seed investment programs. The BSAA Funds are commonly referred to in the industry as funds of hedge funds or FoHFs. BSAA is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading hedge fund solutions provider which, together with its affiliates in the Hedge Fund Solutions Group, manages or advises approximately \$63.6 billion in funds of hedge funds as of December 31, 2014 (does not include non-discretionary advisory clients). BSAA derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BSAA was founded in 2007 as part of The Blackstone Group L.P. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BSAA 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. BSAA and BAAM are part Blackstone’s Hedge Fund Solutions Group, which also includes Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), Blackstone Alternative Investment Advisors LLC (“BAIA”), Blackstone Senfina Advisors L.L.C. (“BSA”) and Blackstone Alternative Solutions L.L.C. (“BAS”), all registered investment advisers. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



BSAA’s assets under management (“AUM”) were \$2.9 billion as of December 31, 2014. This includes committed capital that has not been drawn to make an investment. Please note that this is an unaudited estimate.

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Item 4 – Advisory Business

Overview of Advisory Services

As investment advisor to the BSAA Funds, BSAA:

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

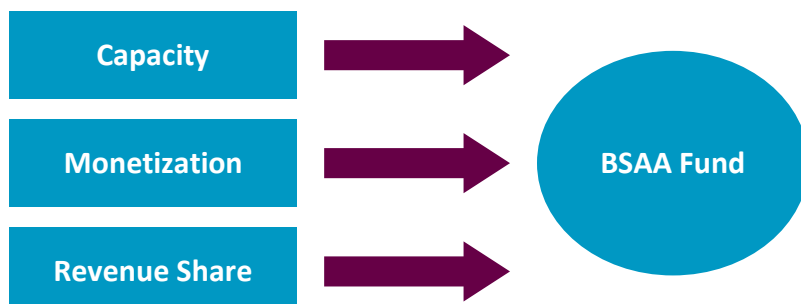
The mandate of the BSAA Funds is to provide capital to new or emerging hedge fund managers. Such managers to which the BSAA Funds allocate capital (referred to herein as the "Underlying Managers") pursue a wide variety of investment strategies and invest or trade in a wide variety of securities and other instruments, including, but not limited to, equities and fixed income securities, currencies, commodities, futures contracts, options and other derivative instruments, all of which may be listed or unlisted, rated or unrated, distressed or publicly or privately issued. BSAA Funds also may invest in separate customized investment vehicles with Underlying Managers (the funds and accounts managed by Underlying Managers are referred to herein as the "Underlying Investment Vehicles").

BSAA typically negotiates on behalf of the BSAA Funds for a share of the Underlying Managers' asset-based charges and payments and performance / incentive compensation (collectively, the "Manager Profit Interests"). BSAA also typically negotiates for the BSAA Funds to participate in the buyout, sale or other realization of the value of the Manager Profit Interests (collectively, the "Manager Buyout Interests" and with the Manager Profits Interests, the "Manager Revenues").

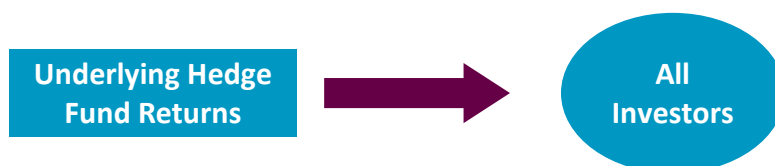
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Item 4 – Advisory Business

BSAA Fund Typical Investment in an Underlying Manager



Standard Investment in an Underlying Manager



The BSAA Funds also will be authorized to (i) provide working capital to the Underlying Managers by, among other things, providing a prepayment of asset-based charges, or making loans to, the Underlying Managers, and (ii) make selected co-investments alongside Underlying Managers in specific, one-off opportunities within an Underlying Manager’s focus area and strategy (“Co-Investments”).

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Item 5 – Fees and Compensation

Asset-Based Advisory Fees

In general, BSAA charges an asset-based advisory fee of up to 1% of assets under management. Fees are charged only on drawn, as opposed to committed, capital. Generally, employees and retired partners of Blackstone are not subject to such asset-based advisory fees.

BSAA's asset-based advisory fees and performance-based fees are not inclusive of all fees. Please see **Additional Fees and Expenses** section below.

Performance-Based Fees

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

Compensation Negotiations

Compensation generally is non-negotiable.

Payment of Asset-Based Advisory Fees

In general, asset-based advisory fees accrue on a monthly basis and are calculated on a quarterly basis in advance on the first day of each fiscal quarter.

Investors in a BSAA Fund are allocated their pro rata share of asset-based advisory fees for the time period they are invested in the BSAA Fund. If an Investor redeems prior to the end of a fiscal quarter, a pro rata portion of the asset-based advisory fee (based on the number of days remaining in the fiscal quarter) will be refunded to the Investor. Fees are deducted from an Investor's assets invested with a BSAA Fund on the first day of each fiscal quarter (*i.e.*, January 1, April 1, July 1, and October 1).

Additional Fees and Expenses:

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

- ▶ Underlying Manager Advisory and Performance Fees
- ▶ Underlying Manager Expenses
- ▶ 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

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Item 5 – Fees and Compensation

- ▶ Brokerage Commissions
- ▶ Transaction Fees
- ▶ Custodial Fees
- ▶ Wire Transfer and Electronic Fund Processing Fees
- ▶ Travel Expenses
- ▶ Consulting Fees
- ▶ Litigation Expenses

Investors in a BSAA Fund indirectly bear their pro rata share of such additional fees and expenses for the time period they are invested in the BSAA Fund.

BSAA employees do not receive (directly or indirectly) any compensation from the purchase or sale of securities or investments for BSAA Funds. BSAA is a “fee only” investment adviser and, except as described below, BSAA does not have any potential conflicts of interest relating to any additional, undisclosed compensation.

In the future, Arcesium LLC (“Arcesium”) may provide certain middle- and back-office services and technology to one or more Underlying Investment Vehicles. BAAM holds a non-controlling, minority equity interest in Arcesium. The services and technology provided to the Underlying Investment Vehicles by Arcesium are expected to support various post-trade activities, including trade capture, cash and position reconciliations, asset servicing, margin and collateral monitoring, pricing-related services, portfolio data warehousing, and other services and technology as agreed between the applicable Underlying Manager and Arcesium. BAAM may recommend Arcesium's services to the Underlying Managers. BAAM will not require any Underlying Investment Vehicles to hire Arcesium as a condition to investing in such vehicles.

In return for such services, Arcesium typically will receive from the Underlying Investment Vehicle a one-time upfront implementation fee, an annual software fee (based on the Underlying Investment Vehicle's net asset value), and an annual operations services fee (also based on the Underlying Investment Vehicle's net asset value), as negotiated by the applicable Underlying Manager and Arcesium (such fees in the aggregate, the “Arcesium Fees”). Additional information regarding the Arcesium Fees is available from BSAA upon request.

In connection with BAAM's minority equity ownership interest in Arcesium, BAAM is expected to receive cash distributions from Arcesium from time to time. Subject to applicable law (including ERISA), such cash distributions are expected to be used to reimburse BAAM for the operating expenses of Arcesium which BAAM has previously paid. Following such expected reimbursement, any further cash distributions received by BAAM from Arcesium will be applied to reimburse the Arcesium Fees paid by funds managed by the Hedge Fund Solutions Group which are clients of Arcesium (the “HFS Arcesium Clients”). It is not expected that any of the BSAA Funds will retain Arcesium and pay the Arcesium Fees and, therefore, it is not expected that any of the BSAA Funds will receive any portion of such reimbursement. In the event that cash distributions received by BAAM from Arcesium exceed the Arcesium Fees paid by the HFS

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Item 5 – Fees and Compensation

Arcesium Clients, any excess amounts are expected to be retained by BAAM. In addition, in the event that Arcesium is sold to a third-party, there is no guarantee that BAAM will continue to receive such cash distributions and that the HFS Arcesium Clients will be reimbursed for any portion of the Arcesium Fees paid by them.

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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, BSAA Funds also pay (a) a performance allocation equal to 10% of the increase in net asset value of the investment in Underlying Managers and Co-Investments, subject to a loss carryforward provision and (b) 20% of the proceeds with respect to Manager Profit Interests and Manager Buyout Interests, subject to the same loss carryforward provision. Under a loss carryforward provision (also referred to as a “high water mark”), if an Investor has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such Investor, there will be no performance-based fee payable with respect to such Investor until the amount of the loss previously allocated has been recouped.

Investors in a BSAA Fund are allocated their pro rata share of performance-based compensation for the time period they are invested in the BSAA Fund. These compensation arrangements are more thoroughly described in the relevant Constituent Documents.

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

Note: BSAA’s asset-based advisory and performance-based compensations are not inclusive of all fees. Please see **Item 5 – Fees and Compensation** (Additional Fees and Expenses).

The existence of a performance-based fee may incentivize BSAA to manage Investors’ assets in a more aggressive manner than if there was no performance-based fee.

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Item 7 – Types of Clients

BSAA's clients are the BSAA Funds. Investors in BSAA Funds are based in the U.S. and outside of the U.S. and may 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.

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

Analysis

BSAA identifies, researches, interviews, evaluates, selects and monitors the Underlying Managers with which the BSAA Funds invest. The Underlying Managers execute various types of investment strategies. BSAA selects and monitors the Underlying Managers based on certain criteria, which include, but are not limited to:

- ▶ Investment performance
- ▶ Risk management techniques
- ▶ Levels of volatility
- ▶ Liquidity
- ▶ Investment philosophies
- ▶ Factors relating to management and investment professionals such as experience and commitment

Since the Underlying Managers typically are start-up businesses, BSAA's analysis will depend in part on the performance and reputation of the principals of the Underlying Manager with prior employers.

Investment Strategies

BSAA intends to allocate its assets to Underlying Investment Vehicles that invest in a wide variety of investment strategies and instruments. Furthermore, BSAA intends to take advantage of investment opportunities across asset classes and sectors. BSAA's primary goal is to identify the right talent pool of Underlying Managers without specific diversification requirements or limitations. As such, there is concentration risk.

Risk of Loss

General Economic and Market Conditions: The success of BSAA's and the Underlying Manager's investment activities 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 Underlying Managers' investments)
- ▶ Trade barriers
- ▶ Currency exchange controls

Blackstone Strategic Alliance Advisors L.L.C.

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

- ▶ 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 Underlying 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. Certain Underlying 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
- ▶ Resource self-sufficiency
- ▶ 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 BSAA Funds risk the loss of capital (*i.e.*, invested amount). Underlying Managers may utilize such investment techniques as margin transactions, short sales, option transactions, forward and futures contracts, and other derivatives trading, which practices, in certain circumstances, increase the risk of losses. No guarantee or representation is made that BSAA's or any Underlying Manager'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 BSAA Funds may include (among others):

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

- ▶ General Economic and Market Conditions
- ▶ Investments and Trading Risks
- ▶ Accounting for Uncertainty in Income Taxes
- ▶ Leverage
- ▶ Compulsory Redemption

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

- ▶ Concentration of Fund Portfolio
- ▶ Decision Making Authority
- ▶ Dependence on BSAA and the Underlying Managers
- ▶ Direct Investments by the BSAA Funds
- ▶ Diversification
- ▶ Duplicative Payments and Expenses
- ▶ Estimates
- ▶ Gates, Suspensions and Redemption Fees
- ▶ Increased Regulatory Oversight
- ▶ Information Technology Systems
- ▶ Limited Liquidity
- ▶ Liquidity and Information Rights
- ▶ Limited Operating History of the Underlying Managers
- ▶ Lack of Operating History
- ▶ Liquidity Mismatch
- ▶ Other Activities of BSAA
- ▶ Redemptions in Kind; Liquidating SPVs
- ▶ Volatility

Risks Primarily Arising from Investment Activities of the Underlying Managers

- ▶ “Style Drift”
- ▶ Business and Regulatory Risks of Underlying Investment Vehicles
- ▶ Compensation Arrangements with Underlying Managers
- ▶ Concentration of Underlying Investment Vehicles’ Portfolios
- ▶ Corporate Debt Obligations
- ▶ Currency Trading
- ▶ Exemption from Regulation
- ▶ Forward Trading
- ▶ Futures, Options and Derivative Instruments
- ▶ Hedging Transactions
- ▶ Highly Volatile Markets

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

- ▶ Independent Underlying Managers; Offsetting Positions
- ▶ Interest Rate Risk
- ▶ Leverage
- ▶ Lower-Rated Securities
- ▶ Non-U.S. Securities
- ▶ Reliance on Underlying Managers for Portfolio Valuation
- ▶ Proprietary Investment Strategies
- ▶ Redemptions from Underlying Investment Vehicles; Re-Allocation of Investments
- ▶ Risk Management Activities
- ▶ Indirectly Investing in “Side Pockets”
- ▶ Short Selling
- ▶ Significant Positions
- ▶ Systemic Risk
- ▶ Tax Considerations
- ▶ Trading in Securities and Other Investments That May be Illiquid
- ▶ Turnover
- ▶ U.S. Government Securities
- ▶ Use of Swap Agreements
- ▶ New Issues
- ▶ Currency Exposure
- ▶ Arbitrage Transactions
- ▶ Bank Debt
- ▶ Commodity and Financial Futures Contracts
- ▶ Distressed Securities
- ▶ Emerging Market Investments
- ▶ Project Finance Investments
- ▶ Proxy Contests and Unfriendly Transactions
- ▶ Event Driven Investment
- ▶ Relative Value Investing
- ▶ Cross Class Liability

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

- ▶ Regulatory Changes
- ▶ Identity of Beneficial Ownership and Withholding on Certain Payments
- ▶ Currency Hedging
- ▶ Delayed Schedules K-1
- ▶ Non-Voting Securities; Investment Company Act

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

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Item 9 – Disciplinary Information

As of the date of this ADV Part 2A coversheet, BSAA does not have any legal, financial or other “disciplinary” item to report to you. BSAA 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. BSAA does not believe that any current litigation to which Blackstone is a party will have a material adverse effect on BSAA and/or the BSAA Funds. As of the date of this ADV Part 2A coversheet, BSAA is not the subject of litigation and, to the knowledge of BSAA, no employee of BSAA is the subject of litigation.

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Item 10 – Other Financial Industry Activities and Affiliations

BSAA is an affiliate of the following entities:

Broker / Dealer Entities

Blackstone Advisory Partners L.P.	Provides a variety of investment banking services
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Park Hill Group LLC	Places alternative investment products in private offerings to mostly institutional investors
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Investment Advisor Entities

Bayview Asset Management, LLC	Provides investment advisory services focusing on real estate backed loans and mortgage securities (deemed to be an affiliate solely for the purpose of the Form ADV)
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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)
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Blackstone Alternative Investment Advisors LLC	Provides investment advisory services to open end mutual funds
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Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
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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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Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
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Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
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Blackstone Debt Advisors L.P.	Provides investment advisory services to private investment funds specializing in debt securities
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Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
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Item 10 – Other Financial Industry Activities and Affiliations

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
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 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 Advisors Europe L.P.	Provides investment advisory services to various 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 Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds

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Item 10 – Other Financial Industry Activities and Affiliations

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 Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
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 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 investment funds
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
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 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 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

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Item 10 – Other Financial Industry Activities and Affiliations

CT Investment Management Co., 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 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 / Blackstone Debt Funds Management LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners LP	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners International LLP	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 (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

Blackstone Strategic Alliance Advisors L.L.C.

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., 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 Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers

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
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
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Note: Other entities within the Hedge Fund Solutions Group, which serve as general partners of funds managed by BSAA affiliates (and are listed in BSAA's ADV Part 1, Schedule D Section 7A), may be deemed to be investment advisors but are not required to be registered as such. BSAA manages a number of private investments vehicles, which are listed in BSAA's ADV Part 1, Schedule D Section 7B(1).

Blackstone Strategic Alliance Advisors L.L.C.

Item 10 – Other Financial Industry Activities and Affiliations

Potential Conflicts of Interest specific to Blackstone Advisory Partners L.P. and Park Hill Group LLC

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

BAP may represent creditors or debtors in restructuring or bankruptcy proceedings, under Chapter 11 of the Bankruptcy Code. BAP also may serve as advisor to creditor or equity committees. Such engagements may prevent a BSAA Fund from participating in such restructuring or holding a position in the debtor or may force the BSAA Fund to dispose of such position. These restrictions would not apply to Underlying Managers.

BAP or Park Hill Group LLC (“PHG”), also an affiliate of BSAA, may be engaged to render advisory services to Underlying Managers and to creditor committees and groups that include Underlying Managers. None of the fees earned by BAP or PHG in such circumstances are for the benefit of BSAA or BSAA Funds.

BAP and PHG 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. PHG does not engage in any underwriting activities, but it does serve as placement agent for private equity, real estate and hedge fund businesses.

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 BAP. The spin off also will include Park Hill Group. 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 an affiliate thereof, conflicts may arise in connection with transactions between or involving Blackstone or BSAA, on the one hand, and the spun-off firm on the other. 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 / BSAA in deciding to select or recommend the new entity to perform services for the BSAA Funds or the SAF Managers.

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

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

As required by the Advisers Act, Blackstone and BSAA have adopted a Code of Ethics (the “Code”) that governs a number of potential conflicts of interest which exist when providing advisory services to you. This Code is designed to enable BSAA to meet its fiduciary obligation to Investors (or prospective Investors) and to instill a culture of compliance within BSAA. An additional benefit of the Code is to assist Blackstone and BSAA 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. BSAA 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. BSAA has adopted, and continues to adopt, policies and procedures to address such potential conflicts of interest.

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Blackstone Alternative Asset Management L.P. (“BAAM”), an affiliate of BSAA, manages a series of funds that predominantly engage in multi-manager investment programs (the “BAAM Funds”). BAAM Funds may invest in funds managed by the BSAA Funds’ Underlying Managers. An investment by a BAAM Fund in an Underlying Investment Vehicle generally would benefit the BSAA Fund and a withdrawal by a BAAM Fund from such Underlying Investment Vehicle would be detrimental to the BSAA Fund. In addition, the BAAM Fund may seek to negotiate preferential terms and conditions from the Underlying Manager, which terms and conditions may be subject to BSAA’s approval and may trigger certain “most favored nation” rights for the BSAA Funds.</p> <p>There is significant overlap between the BSAA Investment Committee and BAAM Investment Committee.</p>	<p>Generally, BAAM Funds only will invest in Underlying Investment Vehicles after a seasoning period (generally around six months after the BSAA Funds’ initial investment). This seasoning period does not apply to Co-Investments.</p> <p>BSAA’s portion of the fees generated from a BAAM Fund’s investment in an Underlying Investment Vehicle or Co-Investment is rebated to such BAAM Fund. (The BSAA Fund investors retain their portion of the fees.)</p> <p>When BAAM Funds invest in / redeem out of an Underlying Investment Vehicle, designated senior members of the BAAM Executive Committee, BAAM Investment Committee, BSAA Investment Committee and BAAM / BSAA Compliance must sign an additional approval, supplementary to the general Executive Committee and BAAM Investment Committee approvals.</p>
<p>BSAA’s affiliates make equity investments in, and enter into revenue sharing arrangements with, new or emerging hedge fund managers as well as established hedge fund managers. Revenues and profits generated from such investments and arrangements accrue only to such BSAA affiliates. As a result, BSAA and its affiliates could compete for investment opportunities.</p> <p>For example, Blackstone Senfina Advisors L.L.C. (“BSA”), an affiliate of BSAA, manages certain funds (the “BSA Funds”) that allocate capital among unaffiliated, typically newly formed, portfolio managers (the “BSA Managers”). Initially, BSA Managers will be exclusive to the BSA Funds, but, in the future,</p>	<p>All BSAA investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>BSAA will not launch a new BSAA Fund until at least 75% of the capital committed by Investors to the current BSAA Fund (i.e., BSAA Fund III) is drawn down.</p> <p>If a BSAA Fund invests with a BSA Manager, BSA’s portion of the fees generated from such investment would be rebated to the relevant the BSAA Fund.</p> <p>If a BSAA Fund were to invest in / redeem from a BSA or BSCA Manager, BAAM / BSAA Compliance and designated members of the</p>

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>may develop their own hedge fund businesses. BSA typically will have a revenue share or other economic interest in such businesses.</p> <p>Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), also an affiliate of BSAA, manages certain funds (the “BSCA Funds”) that make investments in established investment managers (the “Strategic Capital Managers”).</p> <p>Although unlikely, if the BSAA Funds invest in funds or accounts managed by a BSA or BSCA Manager, BSA / BSCA will receive a portion of the revenue in respect of such investment. As such, an investment by the BSAA Funds in funds or accounts managed by a BSA or BSCA Manager generally will benefit BSA / BSCA and a withdrawal / redemption generally will be detrimental to BSA / BSCA.</p> <p>There is significant overlap among the members of the BSAA investment committee and of the BAAM, BAS, BSCA and BAIA investment committees and the BSA oversight committee.</p>	<p>BSAA and BAAM Investment Committees must sign a separate approval.</p>
<p>BSAA’s affiliates may sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BSAA Funds. Neither the BSAA Funds nor any of their Investors will have any rights of first refusal, co-investment or other economic rights in respect of the investments of such other Blackstone funds or investment vehicles.</p>	<p>BSAA will not launch a new BSAA Fund until at least 75% of the capital committed by Investors to the current BSAA Fund (<i>i.e.</i>, BSAA Fund III) is drawn down.</p> <p>Investors are notified of such potential for conflicts.</p>
<p>BSAA typically negotiates capacity in Underlying Investment Vehicles, which generally will be shared with Investors in the BSAA Funds. In addition, BSAA may negotiate capacity for its affiliates, including the BAAM Funds. The Investors and the</p>	<p>All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>BSAA / BAAM maintain detailed policies and procedures relating to allocations. In addition, each limited capacity allocation</p>

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
BAAM Funds may absorb limited investment capacity that would otherwise be available to the BSAA Funds.	decision is documented separately and reviewed by BAAM / BSAA Compliance to determine that such allocation follows policies and procedures and is fair and equitable.

Investors may have opportunities to invest directly in the Underlying Investment Vehicles. Although such investment opportunities may be made available by BSAA, BSAA may not provide complete information concerning any such investment opportunity, and will make no representation as to the completeness or accuracy of any information provided to Investors. Further, due diligence information developed by BSAA may not be made available to Investors, and any decision to participate in a direct opportunity will be made independently by the Investors and not in reliance on any information provided by BSAA or its affiliates.

Investors are notified of such potential for conflicts.

Moreover, BSAA and its affiliates will have no liability or responsibility relating to the fairness or appropriateness of the terms relating to any direct investment in an Underlying Investment Vehicle (whether or not negotiated separately by the Investors with the Underlying Managers and whether or not different from the terms available to the BSAA Funds).

Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
BSAA, Blackstone and their employees may invest for their own accounts in various investment opportunities, including hedge funds, in which the BSAA Funds and Investors have an interest.	All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with Blackstone Compliance. All BSAA employees must pre-clear trades in all hedge funds and other securities (subject

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
	<p>to a few limited exceptions) with BAAM / BSAA Compliance and Blackstone Compliance.</p> <p>Upon hire and quarterly thereafter, all BSAA employees must report all hedge fund holdings.</p> <p>All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p>
<p>From time to time, BSAA and/or Blackstone employees may speak at conferences and programs for potential hedge fund investors, which are sponsored by BSAA / Blackstone’s third-party service providers. Through such “capital introduction” events, prospective hedge fund investors have the opportunity to meet with BSAA. Such events and other services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, custodian and administrators, may influence BSAA / Blackstone in deciding whether to use such service provider.</p> <p>BSAA may have a placement agreement with a broker-dealer that sponsors hedge fund conferences or similar events.</p>	<p>All BSAA employees must pre-clear speaking at conferences and other programs with BAAM / BSAA Compliance.</p> <p>Materials provided by BSAA as part of such conferences and other programs must be approved by BAAM / BSAA Compliance.</p> <p>Neither BSAA nor the BSAA Funds compensates 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 BSAA Funds. These persons and their employees are a potential source of information and ideas that could benefit the BSAA Funds.</p>	<p>BSAA has detailed policies and procedures relating to the use of private information, information sharing and information walls in general. Additionally, BAAM / BSAA Compliance provides a list of potential value added investors to the Senior Managing Directors on a quarterly basis.</p>
<p>BSAA and the existing BSAA Funds have entered into letter agreements or other similar agreements (commonly referred to as “side letters”) with certain BSAA Fund</p>	<p>Generally, BSAA does not enter into agreements that grant preferential treatment to Investors in the same share class, if applicable, with respect to liquidity or fee</p>

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
investors which provide such Investor(s) with additional and/or different rights than other investors in the relevant BSAA Fund (including, without limitation, with respect to rights relating to greater portfolio transparency, minimum investment amounts, reports and other information. It is expected that BSAA similarly will enter into side letters with significant investors in Blackstone Strategic Alliance Fund III.	terms unless there is a specific regulatory requirement mandating such preferential treatment. Further details relating to such side letters are available upon request, subject to BSAA's fiduciary and confidentiality obligations.
BSAA incurs common expenses on behalf of the BSAA Funds.	BSAA allocates such expenses on a basis that it considers fair and equitable and in accordance with its expense allocation policies and the Client Constituent Documents.

Fee Related Potential Conflicts

Potential Conflict	Mitigating Policy
Certain employees of BSAA and Blackstone may invest in the BSAA Funds. Typically, no advisory fees are charged to such Investors.	<p>All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>BSAA / BAAM maintain detailed policies and procedures relating to allocations among the funds they manage. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM / BSAA Compliance and the BAAM Executive Committee to determine that such allocation follows policies and procedures and is fair and equitable.</p>

Blackstone Related Potential Conflicts

Potential Conflict	Mitigating Policy
Blackstone performs investment advisory and other activities and as a result of such	Blackstone has a robust information wall policy in place which is designed to protect

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>activities BSAA and/or BSAA Funds may face restrictions in their investment activities. For example, if Blackstone’s Private Equity Group were to obtain material non-public (or other confidential) information relating to an issuer, BSAA potentially could be restricted from investing in such issuer’s securities. Typically, such restrictions would not apply to the Underlying Managers.</p> <p>Further, BSAA and BSAA 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>against the improper possession and/or use of material non-public (or other confidential) information. Generally, no BSAA employee may contact an employee of another Blackstone group outside of the Hedge Fund Solutions Group, and vice versa, about a substantive business matter, without informing BAAM / BSAA Compliance, and typically having BAAM / BSAA 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>
<p>From time to time, Underlying Managers with which the BSAA Funds invest may retain Blackstone to provide investment and advisory services.</p>	<p>Such retentions will be on an arm’s length basis, independent of any BSAA Fund investment and BSAA.</p>
<p>From time to time, Blackstone may refer potential investors to BSAA and these investors may become investors in one of the BSAA Funds.</p>	<p>All investors are reviewed for suitability of investments and must satisfy the BSAA Funds’ investment minimums and any investor qualifications.</p>
<p>Park Hill Group LLC (“Park Hill”), a broker-dealer affiliate of BSAA, (may enter into placement agreements with or otherwise be retained as placement agent by Underlying Managers. Under these placement agent arrangements, to the extent permitted by applicable law including ERISA, an Underlying Manager may compensate Park Hill for referring investors to the Underlying Manager and such fees will not be shared with the BSAA Funds. Also, investors introduced by Park Hill to an Underlying</p>	<p>Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.</p> <p>BSAA maintains detailed policies and procedures relating to allocations among Clients. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM / BSAA Compliance to determine that such allocation follows policies and procedures and is fair and</p>

Blackstone Strategic Alliance Advisors L.L.C.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
Manager may absorb limited investment capacity in the Underlying Manager's funds, and BSAA may have wanted to invest in this limited capacity for the BSAA Funds or Investors.	equitable.
BSAA is an affiliate of The Blackstone Group L.P., which was listed on the New York Stock Exchange on June 22, 2007. Blackstone entities may have duties or incentives relating to the interests of the Blackstone unit holders that may differ from, and that could conflict with, the interests of the BSAA Funds and their investors, such as conflicts arising from the allocation of expenses, fee offsets and investment opportunities.	Blackstone, consistent with its fiduciary duties, will endeavor to resolve such conflicts in a manner it deems fair and equitable to the extent possible under the prevailing facts and circumstances.

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

Blackstone Strategic Alliance Advisors L.L.C.

Item 12 – Brokerage Practices

General Considerations

It is not anticipated that BSAA will effectuate brokerage transactions on behalf of the BSAA Funds although it has the authority to do so. To the extent BSAA 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 or mark ups / mark downs
- ▶ Market impact
- ▶ Opportunity cost
- ▶ Trade timing

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 BSAA in the performance of its investment decision-making responsibilities.

BSAA does not utilize soft dollars to pay for third-party brokerage services. Underlying 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 (“Exchange Act”), to obtain both research and non-research products and services.

Brokerage for Client Referrals

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

Block Trading Procedures

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

Principal Trading

BSAA does not engage in principal trading (*i.e.*, trading for BSAA’s proprietary accounts).

Cross Transactions – Agency Cross Transactions

BSAA does not engage in agency cross transactions and is not expected to engage in cross transactions.

Blackstone Strategic Alliance Advisors L.L.C.

Item 12 – Brokerage Practices

Trade Allocations

Allocations between parallel domestic and offshore funds (*e.g.*, Blackstone Strategic Alliance Fund II L.P. and Blackstone Strategic Alliance Offshore Fund II Ltd.) are made pro rata based on committed capital. Allocations between different series of BSAA Funds generally are not an issue since (i) BSAA will not form or serve as investment advisor to or general partner of any investment fund with an investment strategy substantially similar to that of the current BSAA Funds until at least 75% of such BSAA Funds' committed capital is drawn down, and (ii) no investments will be made for future BSAA Funds until the current BSAA Funds are past their investment period.

Trade Errors

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

Blackstone Strategic Alliance Advisors L.L.C.

Item 13 – Review of Accounts

The Investment Committee

BSAA has several senior investment professionals that supervise its investment advisory business through the BSAA Investment Committee. The BSAA Investment Committee approves Underlying Managers or Co-Investments to be funded and/or redeemed. The BSAA Investment Committee includes members of, and expects to draw upon the experience and expertise of, the Investment Committee of BAAM.

The BSAA 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 Underlying Manager
- ▶ Availability of cash
- ▶ Liquidity needs
- ▶ Underlying Manager's investment objectives
- ▶ Risk parameters
- ▶ Ability to negotiate preferential terms
- ▶ ERISA capacity
- ▶ General Capacity
- ▶ Tax efficiency
- ▶ Investment limits
- ▶ Operational factors
- ▶ Legal and regulatory factors

There is significant overlap among the members of the BSAA investment committee and of the BAAM, BAS, BSCA and BAIA investment committees and the BSA oversight committee.

Blackstone Strategic Alliance Advisors L.L.C.

Item 13 – Review of Accounts

The Advisory Board

BSAA has established an advisory board (the “Advisory Board”) with respect to the prior series of BSAA Funds (“Blackstone Strategic Alliance Fund I and II”) and expects to do so with respect to Blackstone Strategic Alliance Fund III to advise BSAA on various matters, including, without limitation, potential conflicts of interest, the BSAA Funds’ initiatives, ideas and outreach for the sourcing pipeline and general trends regarding the BSAA 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 BSAA 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 BSAA. The views / advice of the Advisory Board are not binding on BSAA or the BSAA funds. The specific responsibilities of the Advisory Board for the current series of BSAA Funds are set forth in such BSAA Funds’ Constituent Documents.

Monitoring Process

The BSAA Investment Committee and the BSAA Investment Team monitor the performance of the BSAA Funds on an ongoing basis. This monitoring includes, but is not limited to, reviewing for:

- ▶ Potential conflicts
- ▶ Market conditions
- ▶ Adherence to investment guidelines
- ▶ Performance attribution
- ▶ Performance deviation

BSAA Fund Investor Reporting

BSAA generally provides Investors monthly and quarterly reports regarding their investments, which include capital balances and BSAA Fund performance. Investors also receive annual audited financial statements for the BSAA Fund in which they are invested. In generating these reports, BSAA generally will rely, in part, on information provided by the Underlying Managers.

Blackstone Strategic Alliance Advisors L.L.C.

Item 13 – Review of Accounts

Operations Team Reconciliation

The Operations Team performs regular cash reconciliations to determine that fundings, redemptions, expense payments, and other cash movements are properly processed.

Administrator Reconciliation

Each BSAA 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 BSAA Fund, and produces the final capital / shareholder statements.

Blackstone Strategic Alliance Advisors L.L.C.

Item 14 – Client Referrals and Other Compensation

BSAA has entered into distribution and/or placement agent arrangements for its prior series of funds and may enter into such arrangement for Blackstone Strategic Alliance Fund III. In a typical distribution / placement arrangement, BSAA agrees to pay a third-party solicitor for referring investors in BSAA Funds.

Typically, the third-party solicitors will receive a portion of the management fee and/or performance fee paid to BSAA (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 paid by BSAA 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.

Blackstone Advisory Partners L.P., an affiliate of BSAA, serves as a placement agent for the BSAA Funds in the U.S. but is not compensated for such services. Park Hill Group LLC, also an affiliate of BSAA, may serve as a placement agent for Blackstone Strategic Alliance Fund III and would be compensated by BSAA for such services.

Blackstone Strategic Alliance Advisors L.L.C.

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. BSAA Funds structured as U.S. entities generally have a BSAA affiliate acting as general partner and, as such, BSAA is deemed to have custody of the BSAA Funds' assets. For the BSAA Funds structured as non-U.S. entities, BSAA also is typically deemed to have custody of the BSAA Funds' assets. Although BSAA does not serve as the general partner or managing member of the non-U.S. BSAA Funds, does not constitute a majority of each such non-U.S. BSAA Fund's Board of Directors, and does not hold voting shares in any such fund, BSAA has access to Fund assets for trading purposes and to pay expenses. BSAA generally complies with the Advisers Act custody rules by providing all Investors with audited financial statements within 180 days of the BSAA Fund's fiscal year end.

A BSAA Fund's assets typically are comprised of interests in Underlying Investment Vehicles, represented by a subscription agreement, and cash, held in bank or brokerage accounts in the name of the BSAA Fund. BSAA Funds do not utilize a third-party, independent custodian to hold the BSAA Funds' subscription agreements for investments in Underlying Investment Vehicles.

Blackstone Strategic Alliance Advisors L.L.C.

Item 16 – Investment Discretion

Investment Guidelines

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

Types of Investment

BSAA has broad discretion to make investments within the guidelines of the Constituent Documents. BSAA Funds primarily will invest in Underlying Investment Vehicles. In addition, in order to hedge investor contributions denominated in currencies other than U.S. dollars or to hedge certain market exposures, BSAA Funds may invest in securities and other instruments, including but limited to:

- ▶ Futures
- ▶ Forwards
- ▶ Spot contracts
- ▶ Options
- ▶ Other derivative contracts and similar instruments

When futures, forward, options, and spot currency transactions are traded for multiple BSAA Funds, generally trade orders are aggregated for execution and allocated pro rata.

Underlying Managers may participate in the purchase and sale of initial equity public offerings (“New Issues”) for BSAA Funds. Although it is not expected to occur, BSAA Funds also may directly purchase New Issues. The subscription documents for the BSAA Funds require each Investor to make an initial representation to its status as either a restricted investor (*i.e.*, may not invest in New Issues) or non-restricted investor (*i.e.*, may invest in New Issues). On an annual basis thereafter, BSAA will confirm an Investor’s status through a negative confirmation process by sending a letter via electronic communication or hard copy and asking for a response only if the Investor’s eligibility status has changed.

BSAA Funds may acquire or hold, directly or indirectly, assets or securities that are illiquid, including for example, where an Underlying Manager in which a BSAA Fund invests determines to “side pocket” all or a portion of an investment. Underlying Investment Vehicles may themselves be illiquid investments. BSAA, in its sole discretion, may treat these investments (including Underlying Investment Vehicles) as “side pockets” and Investors will be issued a separate series of shares or ownership interests to represent each Side Pocket.

Please refer to the relevant BSAA Fund’s Constituent Documents for a more detailed discussion of investment guidelines and types of investment.

Blackstone Strategic Alliance Advisors L.L.C.

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

BSAA has adopted proxy voting policies and procedures (the "Proxy Policy") to vote proxy proposals, amendments, consents or resolutions (collectively, "proxies") relating to investments with Underlying Managers. From time to time, Underlying Managers may require consent from investors to change various aspects of their business or to make certain investments.

The general policy is to vote proxies relating to investments with Underlying Managers in a manner that serves the best interests of the BSAA Funds as determined by BSAA in its discretion.

At times, conflicts may arise between the interests of the BSAA Fund, on the one hand, and the interests of BSAA or its affiliates, on the other hand. If BSAA determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BSAA 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. BSAA, in its sole discretion, may elect not to vote a proxy if unduly burdensome.

Investors may request a copy of the Proxy Policy and the proxy voting records by contacting BSAA at the address, phone number or email address on the cover of this Brochure.

Blackstone Strategic Alliance Advisors L.L.C.

Item 18 – Financial Information

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

As of the date of this ADV Part 2A coversheet, BSAA is not aware of any financial condition reasonably likely to impair its ability to meet any contractual commitment to its Investors.

Blackstone Strategic Alliance Advisors L.L.C.
Item 19 – Requirements for State-Registered Advisers

Not applicable as BSAA is not registered in any states.